



Emergence of Capitalism and Imperialism in Europe

Socio-Economic Changes in Europe (14th Century Onwards)

- One of the significant landmarks of the 18th century was the **competition among various European colonial powers** to establish their hegemony over the Indian subcontinent. Why did the various European countries jump into fierce competition to establish a colonial empire? This can be understood in the context of **socio-economic developments of Europe from the 14th century onwards** which led to expansion of European nations for trade and markets, finally giving rise to European capitalism and imperialism.
- **The prominent socio-economic changes may be understood as follows:**
 - The European feudal crisis (14th century)
 - Renaissance and Reformation (14th to 16th century)
 - Geographical Exploration and Colonisation (15th century)
 - Merchant Capitalism (16th and 17th centuries)
 - Emergence of Organised Trade: Joint Stock Companies and Chartered Companies (17th century)
 - Mercantilism (17th century)
 - Scientific Ideas and Industrial Revolution (18th century)
- Together the above changes accounted for **commercial revolution in Europe** (16th and 17th centuries) and culminated in the **transformation of Europe from merchant capitalism to industrial capitalism.**

European Feudal Crisis (14th Century)

- **Feudalism had been in existence for about a thousand years** and was the **dominant social system in medieval Europe**. Under this system, the nobility held lands from the Crown in exchange for military service, and vassals were in turn tenants of the nobles, while the peasants (serfs) had to live on their lords land and give him homage, labour, and a share of the produce, notionally in exchange for military protection.
- Hence, the whole of feudal society was based on **ties of dependence**. The strong needed the weak as dependents to serve them. The **economy and society was primarily land-based**. The bottom of the social hierarchy consisted of peasants or serfs who were bound to serve their masters or lords. These lords in turn served their overlords. The **Christian church with its clergy was extremely powerful in the feudal society**.
- **By the 14th century, limits to growth of feudal society had been reached and the feudal society of Europe was in a crisis**. Technology and resources could not keep pace with the rise in population.
 - Accordingly, when **Black Death (plague) spread from 1348 onwards**, it wiped out people in large numbers, resulting in abandoning of cultivable land and decline in agricultural production.
 - Consequently, the **income of the feudal lords also declined and they reacted by attempting a tightening of their feudal control over the peasants**. The peasants resisted and the 14th and 15th centuries were marked by a series of **peasant rebellions all over Europe**.
- The crisis was particularly intense in **Western Europe** (broadly the area west of River Elbe consisting of countries like England, France, Holland, Spain and parts of Germany and Scandinavia). Here the **hold of feudal lords weakened and serfdom declined after the feudal crisis**, leading to the emergence of nation-states under strong monarchs.
- On the contrary, in **Eastern Europe** (the region of present day Poland, Romania, Bulgaria, Hungary, former USSR, etc.) the **landlords**

succeeded in subjugating the serfs and serfdom consolidated after the crisis. As a result of this, **Eastern Europe lagged behind Western Europe in trade, industry and urbanisation.**

- **As a result of the feudal crisis, agriculture became less profitable, whereas gains in trade and commerce increased substantially.**
 - For instance, in Italy (also the birthplace of Renaissance) the merchants had been prospering immensely since the 11th to 12th century by supplying various artisanal goods and luxury items to Europe.
 - **Marco Polo (1254-1324) emerged as a legendary Italian merchant who travelled to China and fascinated Europeans with his travel tales.** Italy also enjoyed a geographical advantage in the Mediterranean as it was connected by both land and sea routes to the East. **By 1500 AD Italy had emerged as the most prosperous state in Europe** with flourishing trade centres, including Venice, Milan, Florence, Geneva and others.

Renaissance and Reformation (14th-16th Century)

- **Renaissance was a period (14th- 16th century) of great social and cultural change that spread across Europe from its birthplace in Italy.** Some historians consider the European Renaissance as the dawn of the Early Modern Era. The term 'Renaissance' is derived from the French word meaning '**rebirth**'.
- **It was a period characterised by innovation, imagination and creativity.** The Renaissance was also a time during which Europe's classical past was revisited and reinvigorated. The most notable changes were experienced in the fields of **art and architecture, literature, philosophy and science.** Naturally, renaissance led to the **questioning of orthodox beliefs and decline in the influence of the Catholic Church.**
- The **Reformation was a 16th-century movement for the reform of abuses in the Roman Church ending in the establishment of the Reformed and Protestant Churches.** Such a development had widespread impact and Reformation emerged as a religious, political, intellectual and cultural upheaval that splintered Catholic Europe, setting

in place the structures and beliefs that would define the continent in the modern era.

- In the 14th century, Europe simultaneously entered the period of Renaissance even as its feudal society was being questioned and transformed in many ways. Europeans, particularly the rising class of traders and bankers (who constituted the new middle class of Europe), began to **question the subordination of the individual to the hierarchies of the feudal age.**

Geographical Exploration and Colonisation (15th Century)

- Several factors contributed in the **discovery of new routes and lands.**
 - **Italian and Arab monopoly over old trade routes**
 - Soon the other countries of Europe had become eager to break the Italian monopoly over trade. But in 1453, **Constantinople** was captured by the Ottoman Turks and the old Red Sea Trade route now became a state monopoly of the Islamic rulers. Other known routes were also controlled either by the Arabs or the Italians who refused to share them with emerging European nations.
 - In such circumstances, the Western European states, particularly Portugal and Spain, were keen to search for new routes to India and the Spice Islands in Indonesia (then known as East Indies).
 - **Rise of nation-states**
 - The rise of nation-states under strong monarchs in the 15th century also promoted geographical explorations and most of the early European explorers were state sponsored.
 - **Renaissance**
 - Renaissance had generated a great spirit of adventure and enquiry among the people of Western Europe. Technological advancements in the form of availability of compass, gunpowder and maps also fostered the spirit of travel and exploration.
 - **Spirit of 'God, Glory and Gold'**

- The explorers were also driven by the **zeal to spread Christianity** in new lands, **return home with fabulous riches** and **achieve glory**, popularly known as the spirit of 'God, Glory and Gold' {3G}.
- In 1487, **Bartholomew Diaz** of Portugal reached the southernmost tip of Africa (named Cape of Good Hope).
- In 1492, **Christopher Columbus** of Spain set out to reach India but discovered America instead.
- In 1498, **Vasco da Gama** of Portugal discovered a new sea route from Europe to India and became the first European to reach India by sea. From Africa, he sailed via the Cape of Good Hope and continued to India, reaching Calicut. He returned with a cargo which sold for 60 times the cost of his voyage!

Merchant Capitalism (16th-17th Century)

- This was **clearly** an age of the merchant. The geographical explorations and new colonies had opened vast opportunities for profits. The **capital accumulated by the merchant class from trade profit was termed as merchant capital**, hence this earliest phase in the development of capitalism is termed as merchant **capitalism**.
- **Capitalism now began to replace feudal economy and society, giving rise to commercial revolution in Europe.** The term is used to denote a series of changes which brought about tremendous **expansion of market and money economy**. For instance, use of currency became widespread and began replacing the age-old barter system. By 1600, almost all major cities of Europe got connected with postal service. Urbanisation picked up and cities like London, Paris and Amsterdam grew at a very fast pace.
- In addition to the merchants, **capital was also being accumulated by craftsmen who showed enterprise and profited from the expanding market**. In fact, Industrial growth and manufacturing in the era of merchant capitalism has also been termed as proto-industrialisation as it created conditions for the emergence of full-fledged factory-based Industrial Revolution in the late 18th century.

Emergence of Organised Trade: Joint Stock Companies and Chartered Companies (17th Century)

- The **17th century** saw the emergence of more sophisticated **business organisations** such as the **Joint Stock Companies and Chartered Companies**.
- A major advantage of a **Joint Stock Company** was that a **much larger amount of capital could be raised** and the high risks and costs could be shared by the shareholders.
- The **Chartered companies were authorised by the government** which often granted them monopoly of trade with a particular country. Several such companies were established such as the English East India Company (1600) and the French East India Company (1664).
- As a result of these developments, the 17th and 18th centuries witnessed an enormous increase in world trade.

Mercantilism (17th Century)

- In the **17th century**, **Europe was swayed by a set of economic ideas and practice known as mercantilism**. It is an economic theory which states that **trade generates wealth and is further stimulated by the accumulation of profitable balances, which a government should encourage by means of protectionism**. In fact, mercantilism can be understood as the economic counterpart of the spirit of aggressive nationalism.
- Its ideas and policy prescription are summarised as follows:
 - That the **volume of world trade is more or less fixed and the state should endeavour to gain as large a share of this trade as possible**.
 - That **gold and silver** were the most desirable forms of national wealth and if a state did not possess them naturally then the chief way of obtaining them was trade.
 - That for **accumulation of wealth or precious metals**, the state should ensure a favourable balance of trade.

- That the state should impose **high tariffs to reduce imports** of manufactured goods and lower tariffs to encourage import of cheap raw materials.
 - That the state should **promote exports**, especially of manufactured goods through measures like granting monopolies and regulating the guilds.
 - **Acquisition of colonies was desirable both as a market for exports and as source of supply of raw material.** For acquisition or protection of colonies, wars could be waged if required.
- Naturally, **mercantilist period was a period of accumulation of capital in Europe** which proved to be a vital requirement for the forthcoming Industrial Revolution in the 18th century (Much of this capital was extracted from the colonial trade carried out in America, Africa and India. Hence, much of the commercial supremacy of the English and the French was based upon their colonial trade during the mercantile era).

Scientific Ideas and Industrial Revolution (18th Century)

- The **Industrial Revolution** (1760-1840) which **began in Britain was marked by the transition to new manufacturing processes.** This transition included **shifting from handproduction methods to machine-based production**, the development of machine tools, new chemical manufacturing and iron production processes, the increasing use of steam power and the rise of the factory system.
 - **Textiles** were the dominant industry of the Industrial Revolution in terms of employment, value of output and capital invested; the textile industry was also the first to use modern production methods. Britain was the first to undergo industrialisation and most of the important technological innovations were British.
- **Factors that contributed to Industrial development in Britain:**
 - **Britain's expanding trade**
 - Britain's overseas trade had been expanding rapidly in the past decades thanks to its growing influence and the acquisition of new colonies all over the world including

Africa, West Indies, Latin America, Canada, Australia, China and India, providing unlimited opportunities for export. This raised the demand for production which necessitated new inventions.

■ **Role of British government**

- The government in Britain, at the time, was under the influence of commercial and manufacturing interests and extended determined support for markets and colonies.

■ **Scientific discoveries and inventions**

- The desire of British manufacturers to increase production for the expanding markets pushed them to utilise the existing technology and even to seek new inventions. Thus, it is noteworthy that it was not the scientific inventions that brought about Industrial Revolution, but the need of British manufacturers to increase production.

■ **Role of scientific ideas**

- At the same time, scientific ideas contributed to the Industrial Revolution by making the society more receptive to new inventions and discoveries. Scientific outlook was immensely enriched by thinkers such as Nicholas Copernicus, Isaac Newton, Galileo, James Watt and others.
- The **Spinning Jenny** was developed by James Hargreaves (1765) which increased the artisans spinning capacity by a hundred times. Now one person could do the work of eight persons. Richard Arkwrights water frame turned the jenny into a commercial proposition. Cromptons mule was a further improvement.
- The use of **power looms** developed in the 1780s and this led to a rapid increase in Britain's cotton exports which served as the main vehicle of the Industrial Revolution in Britain (and had significant impact on the industry and society of a colony like India). The **invention of steam engine** by James Watt (1790s) proved a boon for many industries. Use of steam power in shipping revolutionised maritime transport. Finally, the railways ushered in an altogether new era in land transport.

manufactures) from countries like India to Europe, the industrial capitalist interests lay in promoting Europe's exports of industrial goods

Societal Impact: Capitalism's Influence on Power and Culture

Capitalism stands as one of the dominant economic and social systems shaping contemporary societies. In the field of sociology, exploring capitalism goes beyond economic analysis to delve into its broader societal implications. Capitalism, as a social system, influences power dynamics, social relationships, and the distribution of resources.

Sociologists study capitalism to understand how economic structures impact various aspects of society, including social class, inequality, and individual opportunities. They examine the ways in which capitalism intersects with culture, institutions, and social norms, shaping the lived experiences of individuals and communities

Capitalism through Marx's Lens: Capitalism's Class Dynamics and Exploitation

Karl Marx, the founder of modern sociology, was also a vocal critic of capitalism. He viewed capitalism as a system of producing goods for the market using wage labor.

- The Social Dimensions of the Economy: Marx believed that economic systems are inherently social systems with specific relations of production that shape class structures.
 - He stressed that the economy is not just about products in the market; it's about the connections between people in the production process.

- **The Commodification of Labor:** In the capitalist mode of production, labor itself becomes a commodity because workers have to sell their labor in exchange for wages.
- **Marxian Class Structure:** This arrangement results in two primary classes:
 - Capitalists: Who own the means of production.
 - Workers: Who sell their labor to capitalists.
- **Exploitation in Capitalism:** Capitalists profit by paying workers less than the value of what they produce, extracting surplus value from their labor.

The Impact of Capitalism: Commodification, Consumption, and Status

- **Capitalism's Global Reach:** The growth of capitalism worldwide has led to the expansion of markets into previously untouched areas of life.
- **Commodification:** occurs when things or aspects of life that were not previously traded in the market become commodities that can be bought and sold.
- **Capitalism's Critics:** Critics of capitalism argue that commodification has negative social consequences.
 - Consumption as Social Signifier: In capitalist societies, consumption becomes a means to create and communicate social distinctions.

- Individuals use their choices in consumption to convey messages about their socio-economic status and cultural preferences.
- **Marketing Strategies:** Companies, in turn, strive to sell their products by associating them with symbols of status or culture, evident in the advertisements that saturate our daily lives.
- Example: Commodification of labor, where skills and work become marketable commodities.
- **Weber's Insight:** Max Weber, one of the founders of sociology, highlighted the close connection between the goods people purchase and their social status.
 - He introduced the term “status symbol” to describe this relationship.
 - Example: The brand of a cell phone or the model of a car one owns serves as significant indicators of socio-economic standing.
 - Weber also delved into how classes and status groups differentiate themselves based on their lifestyles, emphasizing how consumption choices contribute to these distinctions.