

## The New Age After the 1500s

After 1500 there were many signs that a new age of world history was beginning, for example the discovery of America and the first European enterprises in Asia. This "new age" was dominated by the astonishing success of one civilization among many, that of Europe. There was more and more continuous interconnection between events in all countries, but it is to be explained by European efforts. Europeans eventually became "masters of the globe" and they used their mastery to make the world one. That resulted in a unity of world history that can be detected until today. Politics, empire-building, and military expansion were only a tiny part of what was going on. Besides the economic integration of the globe there was a much more important process going on: The spreading of assumptions and ideas. The result was to be "One World." The age of independent civilizations has come to a close.

The history of the centuries since 1500 can be described as a series of wars and violent struggles. Obviously men in different countries did not like another much more than their predecessors did. However, they were much more alike than their ancestors were, which was an outcome of what we now call modernization. One could also say that the world was Europeanized, for modernization was a matter of ideas and techniques which have an European origin. It was with the modernization of Europe that the unification of world history began. A great change in Europe was the starting-point of modern history.

There was a continuing economic predominance of agriculture. Agricultural progress increasingly took two main forms: Orientation towards the market, and technical innovation. They were interconnected. A large population in the neighborhood meant a market and therefore an incentive. Even in the fifteenth century the inhabitants of so called <sup>3</sup>low countries<sup>2</sup> were already leaders in the techniques of intensive cultivation. Better drainage opened the way to better pasture and to a larger animal population. Agricultural improvement favored the reorganization of land in bigger farms, the reduction of the number of small holders, the employment of wage labor, and high capital investment in buildings, drainage and machinery.

In the late sixteenth century one response to the pressure of expanding population upon slowly growing resources had been the promoting of emigration. By 1800, Europeans had made a large contribution to the peopling of new lands overseas. It was already discernible in the sixteenth century when there began the long expansion of world commerce which was to last until 1930. It started by carrying further the shift of economic gravity from southern to north-western Europe, from the Mediterranean to the Atlantic, which has already been remarked. One contribution to this was made by political troubles and wars such as ruined Italy in the early sixteenth century. The great commercial success story of the sixteenth century was Antwerp's, though it collapsed after a few decades in political and economic disaster. In the seventeenth century Amsterdam and London surpassed it. In each case an important trade based on a well-populated hinterland provided profits for diversification into manufacturing industry, services, and banking. The Bank of Amsterdam and The Bank of England were already international economic forces in the in the seventeenth century. About them clustered other banks and merchant houses undertaking operations of credit and finance. Interest rates came down and the bill of exchange, a medieval invention, underwent an enormous extension of use and became the primary

financial instrument of international trade.

This was the beginning of the increasing use of paper, instead of bullion. In the eighteenth century came the first European paper currencies and the invention of the check. Joint stock companies generated another form of negotiable security, their own shares. Quotation of these in London coffee-houses in the seventeenth century was overtaken by the foundation of the London Stock Exchange. By 1800 similar institutions existed in many other countries. It was also the time of some spectacular disastrous investment projects, one of which was the great English South Sea Bubble. But all the time the world was growing more commercial, more used to the idea of employing money to make money, and was supplying itself with the apparatus of modern capitalism.

One effect quickly appeared in the much greater attention paid to commercial questions in diplomatic negotiation from the later seventeenth century and in the fact that countries were prepared to fight over them. The English and Dutch went to war over trade in 1652. This opened a long era during which they, the French and Spanish, fought again and again over quarrels in which questions of trade were important. Governments not only looked after their merchants by going to war to uphold their interests, but also intervened in other ways in the working of the commercial economy. One advantage they could offer were monopoly privileges to a company under a charter; this made the raising of capital easier by offering some security for a return. Such activities closely involved government and therefore the concerns of businessmen shaped both, policy and law.

The most impressive structural development in European commerce was the sudden new importance to it of overseas trade from the second half of the seventeenth century onwards. This was part of the shift of economic activity from Mediterranean to northern Europe. By the late seventeenth century. Rising populations and some assurance of adequate transport (water was always cheaper than land carriage) slowly built up an international trade in cereals. Shipbuilding itself promoted the movement of such commodities as pitch, flax or timber. More than European consumption was involved; all this took place in a setting of growing colonial empires. By the eighteenth century there were already present an oceanic economy and an international trading community which does business -- and fights and intrigues for it -- around the globe. In this economy an important and growing part was played by slaves, most of them black Africans. In Europe itself, slavery had by then all but withered away. Now it was to undergo a vast extension in other continents. Soon a permanent slaving station was set up in West Africa. This shows the rapid discovery of the profitability of the new traffic. It was already clear that it was a business of brutality. As the search for slaves went further inland, it became simpler to rely on local potentates who would round up captives and barter them wholesale.

Early industrial centers grew by accretion, often around the centers of established European industries closely related to agriculture. This long continued to be true. These old trades had created concentrations of supporting industry. Antwerp had been the great port of entry to Europe for English cloth; as a result, finishing and dyeing establishments appeared there to work up further commodities flowing through the port.

The twentieth century needs no reminders that social change can quickly follow economic change. We have little belief in the immutability of social forms and institutions. Three hundred years ago, many men and women believed them to be virtually God-given and the result was that although social changes took place in the

aftermath of inflation, they were muffled by the persistence of old forms. Superficially much of European society remained unchanged between 1500 and 1800. Yet the economic realities underlying changed a great deal. Rural life had already begun to show this in some countries before 1500. As agriculture became more and more a matter of business, traditional rural society had to change. Forms were usually preserved. Although feudal lordship still existed in France in the 1780s, it was by then less a social reality than an economic device.

Europe was divided roughly along the Elbe. To the west lay countries evolving slowly by 1800 towards more open social forms. To the east lay authoritarian governments presiding over agrarian societies where a minority of landholders enjoyed great powers over a largely tied peasantry. In this area towns did not often prosper as they had done for centuries in the West. They tended to be overtaxed islands in a rural sea, unable to attract from the countryside the labor they needed because of the extent of serfdom. Over great tracts of Poland and Russia even a money economy barely existed. Much of later European history was implicit in this difference between east and west.

In the time span between the sixteenth and the eighteenth century states that were once powerful fell in rank, namely Spain, Sweden, the Netherlands, and the Ottoman Empire. This led to the rise of the new great powers such as Austria-Hungary, England, France, Prussia, and Russia. Factors to their rise were their geography, financial system, military strategy, and a new form of bureaucracy. Laws ensured the people's security, whereas religion did not interfere. Furthermore a new form of government was introduced, where there was more than just an exclusive group at power. With these changes a new system of modern bureaucracy began to rise. With that a major contradiction seemed to come up. How could capitalism, promoting free enterprise, and bureaucracy, which was a complex system of regulations and restrictions, coexist? However, taking a closer look at today's capitalistic societies one can clearly detect an advantage of that constellation. In Germany for example the capitalistic business world is strongly restricted by government regulations, decreasing the companies' profits, but benefiting society. In Brazil, on the other hand, where the so called "capitalismo salvaje" prevails, the business world lives off the people, leaving them in poor conditions.

The <sup>3</sup>Treaty of Utrecht<sup>2</sup> benefited most of central Europe by establishing a balance of power and restoring peace. Russia benefited of Sweden's decline, and a large bureaucratic machinery collected a lot of taxes. Ivan the Terrible build up an extremely efficient system of espionage, which preserved his own power and increased state revenues. Likewise, Prussia prospered from its modern legal system, its strong state apparatus, where bureaucrats were state servants with some duties and many privileges. Prussia was also known for its disciplined army with advanced weapons. One could say that Prussia was a very well organized efficient power.

Austria-Hungary was also able to maintain its status as a great power for a long time. The bureaucracy remained efficient due to the separation of power that existed between the prince and the people. In this case, the elements of finance, geography, and military strategy were not as crucial to the rise of this organization. France kept an effective and rational bureaucracy that consisted of royal officials who acted as state authorities along with the king. The collection of revenue was direct and strictly enforced by the bureaucracy. While France was a prominent Great Power, it also faced numerous problems. Their military strategy was extremely weak.

The allotment of revenue that went towards defense was split between land and sea powers; creating a mediocre military in both areas. Thus, France was unable to turn to the offensive. The taxes collected were not enough to uphold the maintenance of the state. France's financial situation was inferior to that of England's since they had no system of credit which England already developed. France also relied heavily on the importation of goods from colonies. This constant trade drained the economy because it called for a strong navy which was not possible.

England became superior to France in many ways. This was largely due to the industrial revolution that made England a powerful force while France suffered because of structural problems. England experienced success in the coal, iron, textile, and steel industry. England was the leading nation in Europe in mining and heavy manufacturing. Then came more innovations such as the invention of the steam engine in 1712. This success led only to more prosperity in many areas.

The rise of the mentioned powers was greatly influenced by the adaptation of a new system of bureaucracy. This new system utilized at least one of the important factors that brought about the rise of these nations: finance, geography, or military strategy. England proves to be the best example of this modern bureaucratic system because it used all three elements while striving for maximum efficiency and power.