

World Trade,
Globalization,
and the Emergence of Europe

TWEDYAODWTS

*Was the world
better or worse off
for the globalization
of the early modern period?*

The World in 1500— “An End and a Beginning”

- A World in Balance
- Separate Zones of Culture
- Cultural Pluralism
- Balance of Power – no real “superpower”
- “Southern-ization” – rich South and poor North.

“motley array of human cultures”

“their specific felt differences were very great”

- “Southern-ization” = the success and wealth of the cultures of India and China
 - which the Muslims tapped into after 1000 due to their commercial empire.
- When some Europeans learned about the wider world, as a result of their journeys to the Holy Land during the Crusades, or due to the Mongol onslaught of the 14th century, they began to yearn for the products they had tasted on their journey.
 - *But how to get a foothold?*

Europe, a “cramped little cluster of nations.”

■	1500	1000+ political units
■	1600	500 political units
■	1900	25 nations

Composite Civilization – no common culture, even if a common religion

Mediterranean Sea functioned as a “wall,” with little trade between Europe and other cultures.

EUROPE IN 1500

“Its relative weaknesses were more apparent than its strengths.”

Western 1/5 of Eurasia, neither the oldest nor most impressive civilization:

- soil not that fertile.
- population not that great (60-70 million)
- “awkward geopolitically”
- fragmented, no united Europe
- on the losing end of struggles with the Muslims
- most of its technology “borrowed” from Chinese and Muslim states
- countries within Europe saw each other as rivals
- warfare “gunpowder” states – much violence, competition within Europe

Why does Europe transform itself between 1500-1800?

- **OPPORTUNITY** (thanks to the Americas and spice trade)
- **MEANS** (merchant capitalist organizations freed from government restraints, technology, military)
- **MOTIVATIONS** (competition among the Europeans), which they used, along with “God, Gold, and Glory,” and **IDEAS** (Renaissance and Reformation) to enhance their power

EARLY MODERN EUROPE

1500-1800

Traditional

Modern

15TH

16TH

17TH

18TH

RENAISSANCE

PROTESTANT
REFORMATION

SCIENTIFIC
REVOLUTION

ENLIGHTENMENT

HUMANISM

SPLIT WITHIN THE
CHURCH

SCIENTIFIC METHOD-
“START FROM
SCRATCH”

“CLOCKWORK
UNIVERSE”

REASON

“CAPITALIST SPIRIT”

INTELLECTUAL
FREEDOM

SKEPTICISM

NATURAL LAWS

PROGRESS

OLD IMPERIALISM
“GOD, GOLD, GLORY”

SPAIN, PORTUGAL

SPAIN

NETHERLANDS

ENGLAND, FRANCE

Diverse Cultures, Diverse Trade Systems

- Ottomans and Mughals
 - Rise and decline paralleled Spain and Portugal
 - Ottomans did not control their own trade
 - Akbar (Mughal) built great empire (1556-1605)
 - Fostered widespread economic activity
 - Merchant class was mobile
 - Could not protect coastal and oceanic trade
 - Trade relations were personal, not corporate
 - Merchants were not an armed class

The Islamic Empires, 1500-1800

“The Muslim Curtain” – Why?



■ Why Muslim Curtain?

- If you look out at how you could get from Europe to Asia, the promised land of goodies, you'd see a “wall” of Muslim states—Ottomans, Safavids, Mughals—blocking you by land and by sea.
- How to get around this—and get one over on the infidel Muslims, who were increasing in power and were richer than Europeans, and had, in 1453, conquered the bastion of Eastern Christianity when they took Constantinople—were high priorities for the Europeans.

Diverse Cultures, Diverse Trade Systems

- Ming and Qing Dynasties in China
 - Ming withdrew from ocean commerce
 - Western presence was limited
 - Chinese only interested in silver as payment
 - Economic growth tied to internal growth
 - Grand Canal facilitated internal grain trade
 - Qing (1644-1911) continued patterns
 - Europe “pulled” into Chinese market

The Qing Empire → Who's #1?



- China was the economic engine of the world, along with India, often referred to as “the workshop of the world” at this time.
- Why? Their products—from tea, porcelain, handicrafts and textiles, and even their culture.
- Europeans couldn’t compete at this time.
 - → But they soon would.

Diverse Cultures, Diverse Trade Systems

■ Tokugawa Japan

- ❑ Welcomed western missionary Francis Xavier as avenue to western culture and trade (1549)
- ❑ Growth and power of west prompted restriction and expulsion of most westerners (by 1624) and persecution of Japanese Christians (1637-38)
- ❑ Consolidation of government power proceeded
- ❑ Government under control of *samurai* and *chonin*
→ *a feudal system*

Diverse Cultures, Diverse Trade Systems

■ Southeast Asia

- ❑ Attractive to all traders
- ❑ Offset decline in spice trade with commercial production of coffee, sugar, and tobacco
- ❑ Wealth went to local leaders and European merchants, not the people of the region
- ❑ Region became participant--and victim--of the trade system

The World in 1500 –“A Beginning”

What upset the Balance?

- European Explorations
- Western colonization / imperialism
- Westernization – cultural
- Globalization
- Early phase of Modernity- “self-conscious sense of having broken with tradition.”

*“The West went everywhere
and they did not go home”*

What global processes were at work?

- **Biological Exchanges**
- **Commercial Exchanges**
- **Diffusion of Technologies and Cultural Traditions**

The Lure of Trade

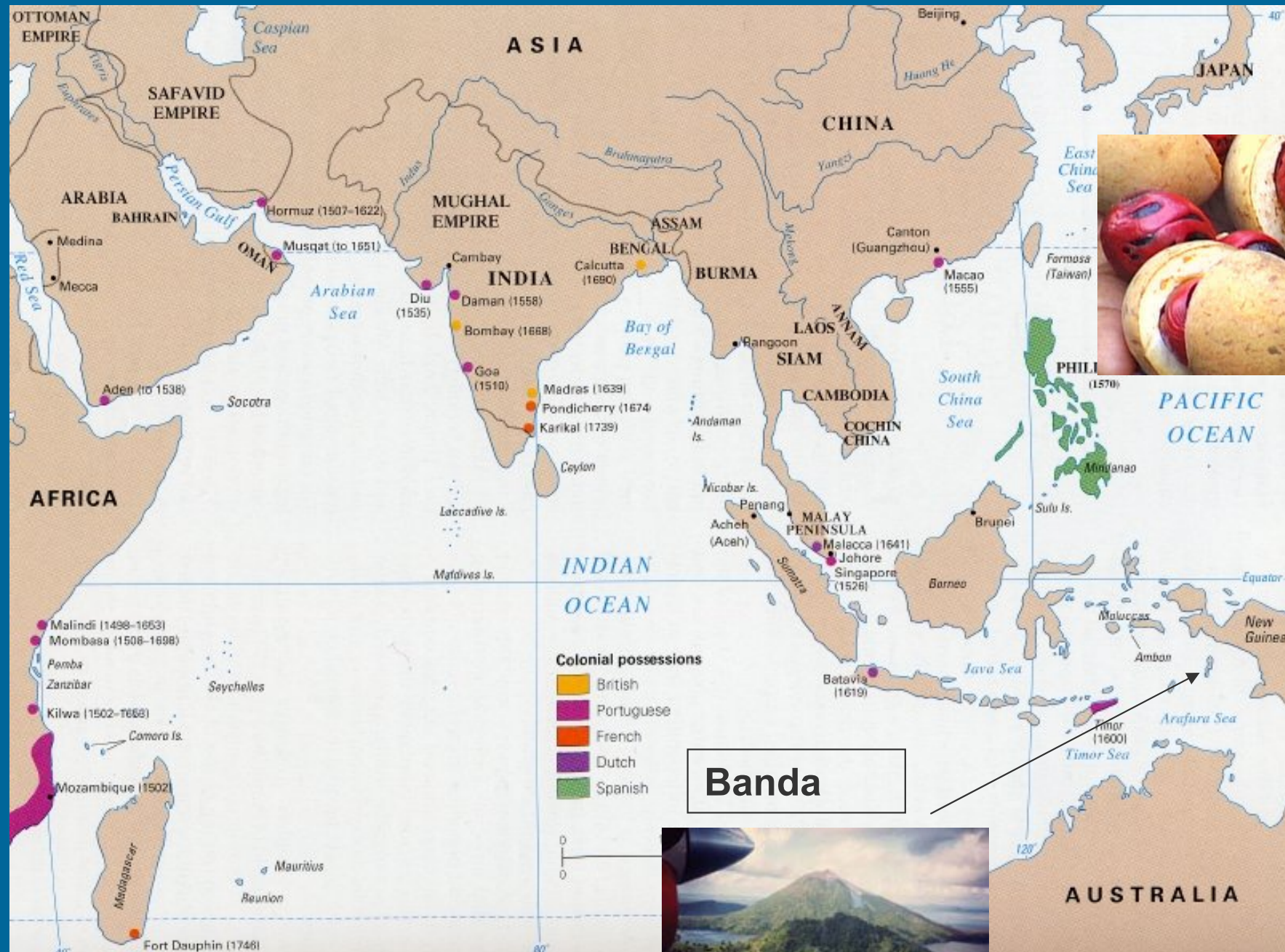
- Maritime routes to Asia
 - Spices, silk, porcelain
- Silk roads more dangerous since spread of Bubonic Plague
- Prices, profits increase
- Indian pepper, Chinese ginger increasingly essential to diet of European wealthy classes
- African gold, ivory, slaves

Origins of Global Trade

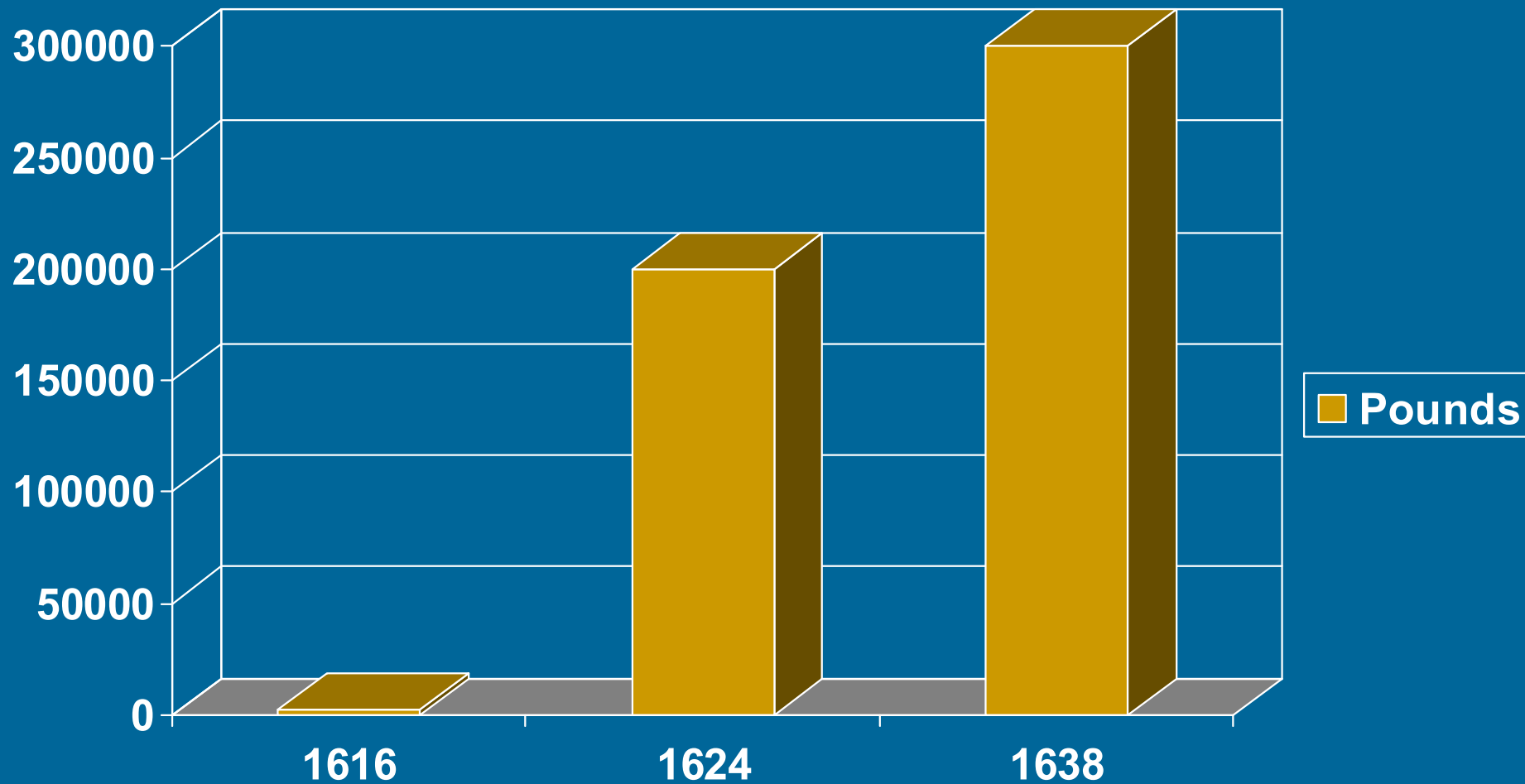
- **Transoceanic trade in Atlantic Ocean basin**
 - **Manufactured goods from Europe**
 - **Raw goods from Americas**
- **The Manila Galleons – “windfall for Europeans”**
 - **1565-1815 Spanish galleons dominate Pacific Ocean trade**
 - **Chinese luxury goods for American raw materials, esp. silver**

*“Europeans bought themselves a seat
on the Asian train”*

“For Christ and spices!”



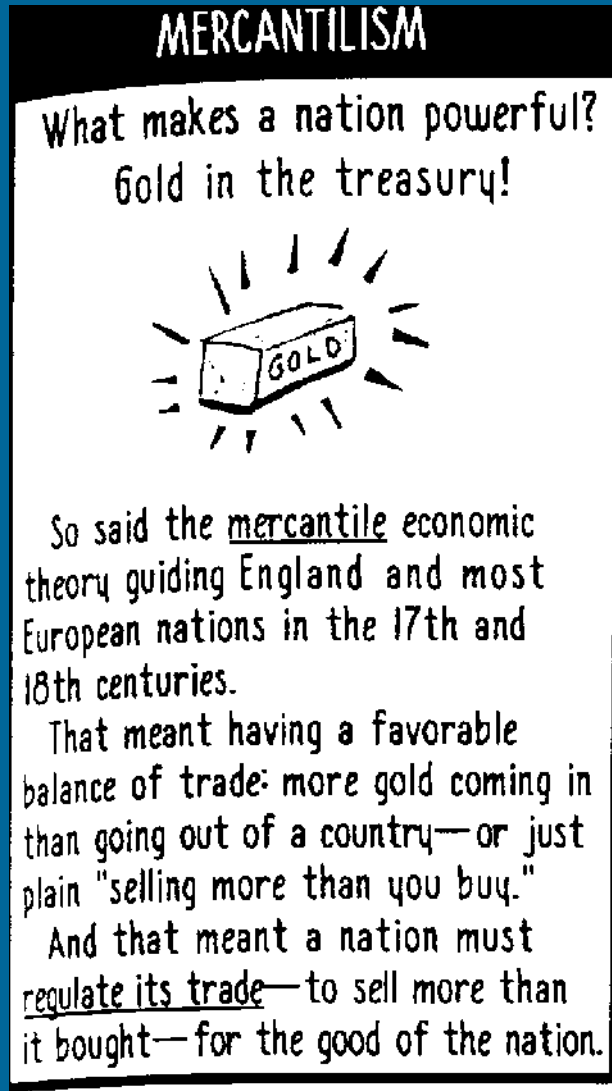
Export of Tobacco from Virginia



Manila galleon route and the lands of Oceania, 1500-1800



Commercial Revolution



- Balance of trade
- Tariffs & Guaranteed markets
- Spain lacked good banking system
- World trade on a dependent level—cheap labor
- Colonies didn't control their terms of trade
- Inflation
- Capitalism
- Joint Stock Companies

A System of International Inequality

- Core-dependent system
 - Dependent (Latin America & Africa) → not in total poverty
 - African slave traders & prince grew rich
 - Latin American regional merchants and farmers that supplied food to the mines
 - Coercive labor systems spread → Economies were dependent on the cheap costs of production.
 - Massive loss of life led to importation of African slaves

How much World in the World Economy?

- East Asia remained on the outside
 - Government isolation
 - Only trade went through Macao in China
 - More silver ended up in China than any other
 - Japan opened at first → also shut down
 - Interested in weapons
- Mughal India & Ottoman Turks & Russia
 - Interested, but more focused on internal development
- Africa
 - Besides the slave trade, most was untouched by world trade

Origins of Global Trade

- By the late 16th Century, European mariners had linked the ports of the world
- During the next two centuries, the volume of trade burgeoned and merchants developed markets
- During the 18th Century, mass markets emerged for commodities such as coffee, tea, sugar, and tobacco

Trading Companies

- Netherlands, Britain & France formed
- Government monopolies in regions
- Not rigorously supervised
- Could raise armies and coin money
- Acted almost like independent governments

Trading Post Empires

- European powers built a series of fortified trading posts throughout the maritime regions
- Commercial and political competition between the European powers would result in the Seven Years' War
- The English would emerge victorious in 1763 and dominate world trade and build a vast empire

Trading Post Empires:

Portuguese Trading Posts

- Portuguese trading posts were designed not to conquer territory but to control trade routes by forcing merchant vessels to stop and pay duties
- By the mid-16th Century, Portuguese merchants had built more than 50 trading posts between west Africa and east Asia

Trading Post Empires:

Portuguese Trading Posts

- Alfonso d' Albuquerque led the effort seizing Hormuz in 1508, Goa in 1510, and Melaka (Malacca) in 1511
 - From these strategic sites, Albuquerque tried to control trade throughout the Indian Ocean → a “Portuguese lake”
 - He was only partially successful because of an insufficient number of ships to enforce his plan
 - Eventually the English and Dutch surpassed the Portuguese in the Indian Ocean

Portugal's Empire in the East

Albuquerque ended Muslim dominance by burning coastal towns and sinking Arab fleets

Albuquerque took Malacca, massacring Muslims and making the Europeans hated and feared

Religious intolerance caused resentment → the Portuguese sank Muslim pilgrim ships, destroyed Hindu temples, and introduced the Inquisition

Trading Post Empires:

English and Dutch Trading Posts

- Like the Portuguese, the English and Dutch built trading posts on the Asian coasts but they did not attempt to control shipping on the high seas
- The English and Dutch had two main advantages over the Portuguese
 - Faster, cheaper, and more powerful ships
 - Joint-stock companies

Trading Post Empires:

English and Dutch Trading Posts

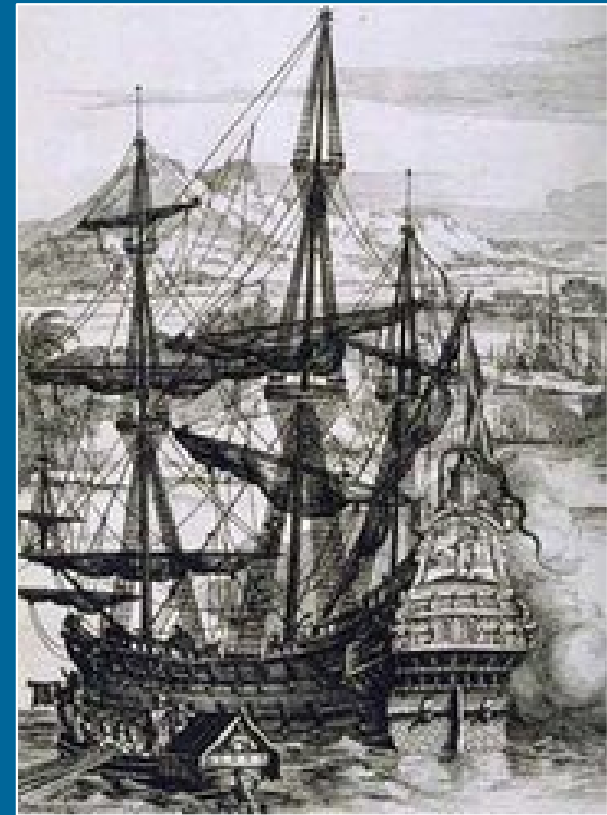
- Joint-stock companies enabled investors to realize profits while limiting risks to their investments
 - English East India Company
 - Dutch United East India Company (VOC)
- Companies had government support to buy, sell, and build trading posts and even make war, but they were privately owned
- Advanced nautical technology, military power, efficient organization, and relentless pursuit of profit allowed the joint-stock companies to form a global trade network

Trading Post Empires: Philippines and Indonesia

- In most cases the Europeans traded peacefully with the Asians (partly because they were unable to subjugate them)
 - The Dutch forged closer ties with local rulers than the Portuguese, and many merchants married Asian women
- The two exceptions were the Philippines and Indonesia where Europeans were able to use massive force to establish imperial regimes

Trading Post Empires: Philippines and Indonesia

- The Spanish arrived in the Philippines in 1565, controlled most of the coastal regions by 1575, and controlled most of the archipelago during the 17th Century
- Spanish activities revolved around trade and Christianity
 - (Today the Philippines are 83% Roman Catholic)
- The most prominent area was the port of Manila which supported the trade of silk from China with New World silver from Mexico



“Manila galleons” transported cargo from the Philippines to Mexico

Trading Post Empires: Philippines and Indonesia

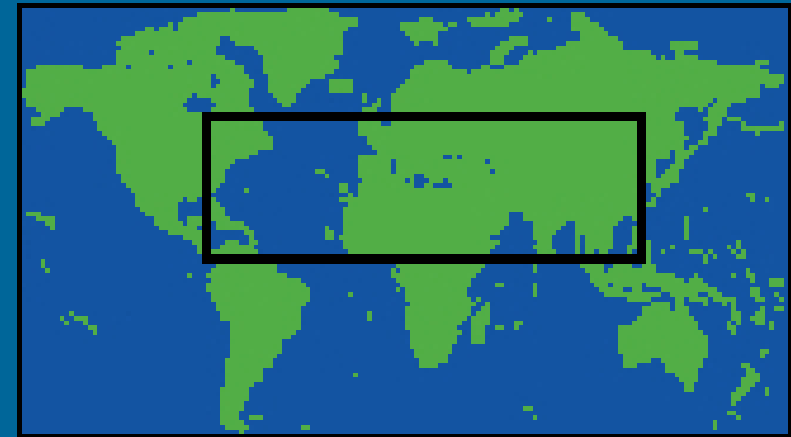
- In Indonesia, the Dutch focused on trade and did not try to win converts to Christianity
 - (Today Indonesia is 88% Muslim)
- The VOC established a monopoly over the spice trade, seeking less to rule than to control spice production
- Used a variety of techniques
 - Formed local alliances, uprooted plants on islands they did not control, attacked people who sold their spices to others

Trading Post Empires: Seven Years' War

- Commercial competition ultimately generated violence
 - In 1746 French forces seized the English trading post at Madras, India
 - In the Caribbean, English pirates attacked Spanish vessels and French and English forces fought over the sugar islands
- The violence culminated in the Seven Years' War (1756-1763)

Trading Post Empires: Seven Years' War

- **A global war**
 - ❑ **In Europe, Britain and Prussia fought against France, Austria, and Russia**
 - ❑ **In India, British and French allied with local rulers and fought each other**
 - ❑ **In the Caribbean, the Spanish and French fought the British**
 - ❑ **In North America, the Seven Years' War merged with the on-going French and Indian War (1754-1763) which pitted the British and French against each other**



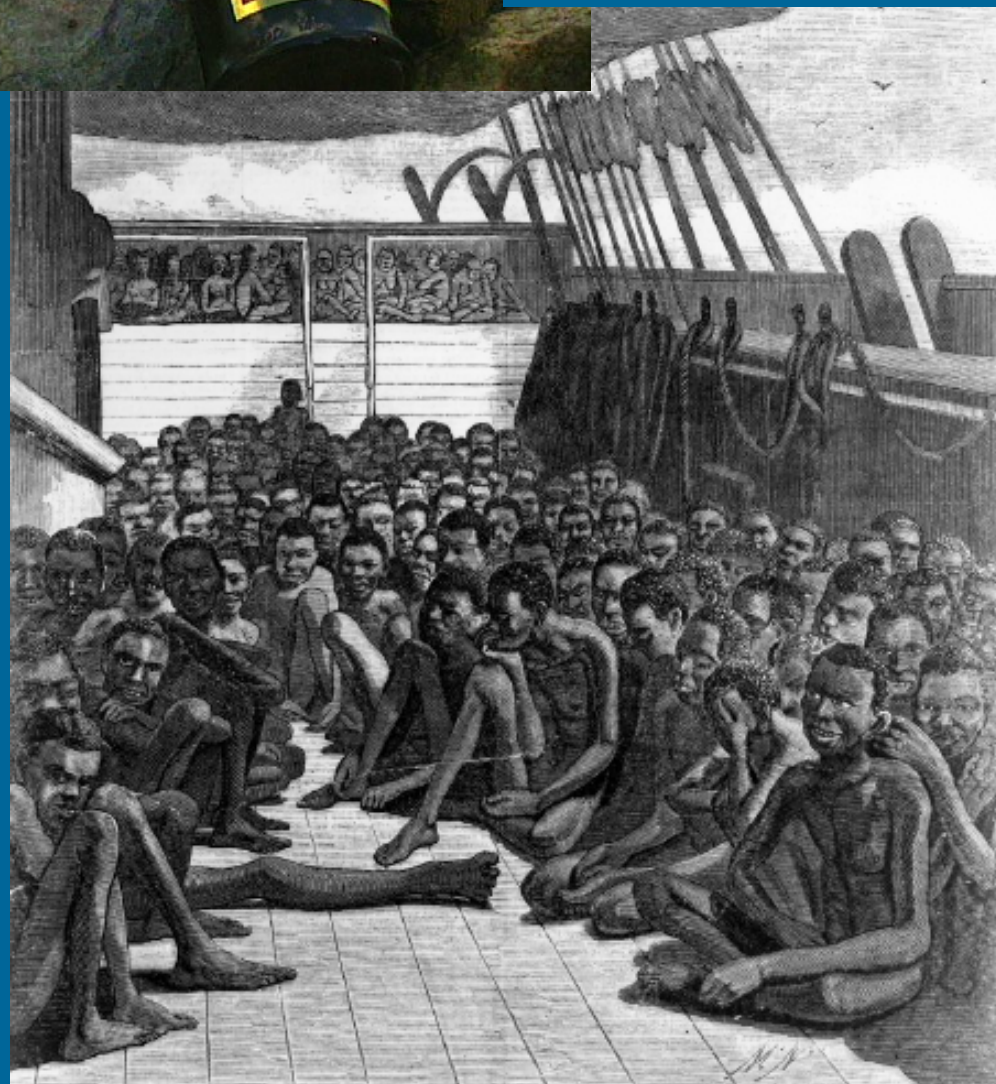
Trading Post Empires: Seven Years' War

- In the end Britain emerged victorious, but challenges continued
- Still Britain was now in a position to dominate world trade for the foreseeable future
- The Seven Years' War paved the way for the establishment of the British Empire of the 19th Century



Beating
Today's
Online

Sugar and Slavery



African Slave Exports per Century

