UNIT 2 EUROPEAN COLONIAL EXPANSION AND MERCANTILISM*

Structure

2.0 OBJECTIVES

After reading this Unit, you should be able to:

- understand the concept of mercantilism, as policy and as stage in the development of capitalism,
- identify the main features of mercantilist policies followed by the different states of Europe and the distinctions between the different states as regards policy and areas of implementation,
- see the linkages between the national monarchies of the 17th and first half of the 18th century and the internal social and political dynamics within their kingdoms,
- realize that these mercantilist policies had some consequences for the non-European world and for the colonies, and how these were distinct from the 16th century; and
- identify the new social classes that mercantile policies brought to the fore, the role of what has often been characterized as merchant capital or merchant capitalism, and the nature of expansion of commercial capital.

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2.1 INTRODUCTION

In your earlier course you have read about the explorations of the sixteenth century and the discovery by Europeans of many parts of the world they did not earlier know about. You would have understood that while this was called the age of exploration and discovery, it involved much more: it also meant an increase in international trade and commerce and the subjugation of peoples of the continents of America, both north and south, and beginnings of change in the dynamics of relationships with Asia. By the end of the sixteenth century, the expansion of Europe had already resulted in established Spanish and Portuguese empires in South America, the beginnings of slavery in production, a flourishing slave trade, and a system of unequal 'exchange' in which the Europeans benefited.

History of modern Europe cannot be understood without these associated and interconnected developments. The 16th and 17th centuries involved the conquest of new territories for settlement, mostly in the Americas, Siberia, Africa, and Australasia. There was also the aggressive extermination of the populations of the Americas and Siberia, the forced transportation as slaves of 12 million Africans to the Americas and later to the plantations of the Caribbean (between 1500 and 1860) and the consequent domination of the world by the various European powers. It must be noted that the expansion was accompanied by increasing inequalities across the world, between Europe and the rest of the world. Colonialism became a political reality.

The seventeenth century marked the acceleration of the pace of these changes that characterized the sixteenth century and also introduced new elements, both in Europe that is said to have expanded and in the areas where these European powers saw expansion. The expansion of Europe was, thus, an expansion of a world system of economy as well as changes in the nature of the economies the world over. Much of these developments were visible in changes in the nature of trade and commerce and associated production spheres. They also involved encounters between the Europeans and the rest of the world, which had long-term consequences for the history of humanity.

The features that were pervasive during this period have been characterized as mercantilism or merchant capitalism by various historians. There is a debate on whether mercantilism was the precursor, and a stage before capitalism, or whether it was the initial stage of capitalism. The term itself denotes the predominance of trade and commerce in the sphere of economy and the growing significance of the merchants in the social and political life of the different European nations, though not to an equal degree. It also refers to a certain set of policies followed by the different nation states of Europe. It led, from the mid 18th century onwards, to the development of industrial capitalism in Europe and later in North America, and to a well developed system of colonialism in the rest of the world.

2.2 MERCANTILISM: DEFINITION AND FEATURES

There was a link between expansion of Europe and mercantilism. If one looks at the history of economic thought it is possible to trace the parallels between economic ideas of the time and the policies. Just as there were some distinctions between policies in the different States but also certain commonalities that allow us to characterize those policies as mercantilist and to link them with a certain body of thought, so also despite differences in emphasis and advocacy of policies there are certain commonalities in the economic thought of the period under study that allow us to characterise these ideas as mercantilist. The criticism and theoretical critique of these ideas and polices emerged towards the middle of the eighteenth century and came to be known as *laissez faire* thought and policies. The contrast in policies between the two can be broadly characterized as that between monopoly and control of trade and free trade. Both are reflections of different phases of the merging and grown capitalism, from distinct perspectives within the broad interests of capital accumulation.

Capitalism required that what is produced should be transformed into commodities: that is, products that can be sold in the market and even labour itself, so that product can be sold at a price higher than it cost to produce it. This required a change in the system of production and organisation of the production process. This did not happen all of a sudden, it was a gradual historical process, as we can now see, although the pace of change at that time in history was faster than it had ever been before.

Not all of the changes involved in the process could emerge from within the existing stage of economy, although a large number of them did. But the more enormous impact at that stage was that which came from the external stimuli, i. e., from trade and commerce, which then became part of the production process. It is this stage that we are focussing on in this Unit, which can be called mercantilism.

2.2.1 Mercantilist Ideas

Because the large influx of gold and silver from the "New World" (South America) and the trade in luxury goods from the East (that incrementally became "unequal exchange" began to change the fortunes of the European Nation States, and to some extent their populations (for better, worse or just different), this became a noticed phenomenon. The thinkers and commentators of the time attributed this, correctly, to the increasing and widespread operation of the merchants and the manufacturers. The merchants were also now investing in the production process as well. These economic thinkers then began to advise the existing kings and governments and to influence legislative actions that might promote the interests of their nation, as they saw it. They were, of course, more concerned with the growth of economies and government's revenues rather than the economic health and the prosperity of the population, arguing that general wealth in the region will percolate and contribute to the prosperity of all.

Their basic assumption, therefore, was to identify economic health of their nation with wealth, and to identify wealth with money or circulating capital that can be used to further increase wealth. They also, in general, believed that this can be brought about only by the might of the State, that is the king acting in favor of regulating the economy with this aim as purpose. Hence, their almost universal reliance on state legislation and creation of the enabling laws. The motivating idea, then, was that more wealth should flow into the country than out of it. Exports must exceed imports and colonial conquests must be made to serve these interests. The balance of trade must ensure this, and the politics or government policy must be directed towards this end.

What did the governments need to do? According to these thinkers, they needed to protect the economy, stimulate demand and supervise production. They also needed to regulate commerce, devise and implement taxation policies and other regulations on a scale throughout the State. They needed to protect the interests of merchants and manufacturers against competition from other countries.

While these were the basic ideas, there were distinctions among writers, and in the differing emphases within different countries. There were also distinctions between early mercantilist ideas that influenced policies in fifteenth and sixteenth centuries, and the seventeenth century mercantilism, leading to more sophisticated ideas in early 18th century when these ideas began to be questioned and critiqued in favor of advocacy of free trade and different indices of measuring wealth.

2.2.2 Mercantilist Policies and Changes in the Nature and Organization of Trade

During the years from late sixteenth century to the first half of the eighteenth century, most of the European monarchs were successful in abolishing the local tolls and taxes of the town or village level, to replace them with a taxation policy that brought revenues to the kings. They also created custom barriers for goods to be brought into their kingdoms by foreign merchants or those manufactured outside their kingdoms. The taxes to be paid in these cases not only increased the taxation base of the monarchs and the central administration, but also enabled the products of one's own country to compete on more favorable terms than those from other countries. Ships, ports, roads and bridges were built across the length and breadth of these kingdoms with the main purpose of encouraging trade.

There were changes in the organization of trade. Long distance trade meant greater risks and investments, which were met by the formation of trading companies, investments in them by merchants and encouragement and protection by the states. Separate trading companies were formed by nations and granted monopoly of trade over areas of political control, thus creating the basic organizational structures for establishing direct linkages between politics, colonization and trade expansion. These companies were to take on important administrative functions as the eighteenth century dawned, and played a transitional role in the eventual direct rule over other continents by the European powers.

This resulted in a shift in the balance towards international trade which increased in volume from the first decade of the eighteenth century, although in the seventeenth century it was still the local and regional trade within European continent that was the most important. But as Koenigsberger has pointed out, this refers to the *volume* of the trade: in terms of *value*, it was the transoceanic trade that brought more revenues or involved larger investments. Spectacular fortunes were made on the basis of a trade 'dependent on a huge and growing European demand for tropical and sub tropical goods' (*Koenigsberger, p.* 174), as well as through the luxury items and fine cloth and artifacts of the Eastern world.

The items for trade consequently expanded in the seventeenth century, being taken over by these companies. From the fabled spice trade the products now included coffee, tea, potatoes, maize, tomatoes, tobacco, and then sugar. Slaves became an important commodity in the 17th century. Coffee and tea houses began to be part of the urban scene in Europe. Tea was imported directly from China. Sugar was now used by others not just the elite. In fact these commodities, including slaves, became linked with plantation economies in different parts of the world, managed and profited from by the colonial western powers, and brought about significant changes in the production system, making merchant capital integral to capitalist production (quite distinct from the slave economies of the ancient world). Cotton cloth from the Indian subcontinent was already significant item of trade. It was only the mill-made cloth after mid-18th century that was to reverse the trade in this item.

Also, already through the 17th century, the Europeans in the East began to take over a significant volume of the local trade through the Indian Ocean and China Sea, and "with profits made in this trade they paid for the exports of the of Asian goods to Europe." Later, from mid-18th century, they were, through the companies, able to derive the right of revenues, and buy the goods from this for export and profit. The systematic 'drain of wealth' from other continents to Europe and for the benefit of the European states and of the emerging bourgeoisies in these states was pervasive in the seventeenth century and integral to the mercantilist policies. Some state-owned manufactures were also set up in these countries, and ship-building grew in this period. Monopolies were granted in several states even in the sphere of mining and manufacture.

2.3 MERCANTILISM IN EUROPEAN COUNTRIES

The seventeenth century was mainly the era of The Dutch Republic, England and France. Amsterdam was the nerve centre of the now well established world economy. In this section we will discuss the development of mercantilism in some important European countries of this period.

2.3.1 The Dutch Republic

The seventeenth century was the golden age for the Dutch economy, based primarily on its preeminence in trade, with Amsterdam as the major port in Europe. Its merchant fleet tripled during the seventeenth century, accounting for about half of Europe's shipping. Grain and fish from Amsterdam, rye and wheat from Poland and East Prussia, iron produced in Sweden, salt, wine and other commodities, the Dutch brought into their ambit a range of commodities and nations, including the West indies, brazil, Japan, South-East Asia and West European coast, apart from France, Spain and the mediterranean. They also established the trading company settlements in India, Ceylon and Indonesia. Amsterdam also became home to well-established bills of exchange, banking and credit system, and a canal system that allowed boats to reach almost the warehouses of merchants.

As compared with France, there was no obsession with bullion or increasing the quantity of gold and silver gain through trade. Wealth was measured in terms of the quantum of actual goods traded, in advances in ship building and evolving financial institutions required for the increased commercial activity of the 17th century. Commercial revolution, i.e., gain through buying and selling was more significant than regulating industry, although the Netherlands region was among the first to build industry after the Italian states in the sixteenth century. Despite less emphasis on protectionism, however, in the colonies the Dutch did institute monopolies. The Interests of Holland, a treatise penned by John de Witt in 1662 reflected their mercantilist stance. Because of the greater dependence on international trade, regulation of industry was considered a hindrance by them. Since the Dutch followed and were the first to ride over Spanish and Portuguese monopolies in trade, they preferred freedom for a time until the end of the 17th century when England and France posed serious challenge. Their preeminence remained until subjugated by naval warfare by France and England.

2.3.2 England

In England the conflict between King and Parliament also involved control over resources, but did not have a detrimental impact on economy. In fact England forged ahead of other nations towards the second half of the seventeenth century and the first half of the eighteenth century. She was among the first nations to enact mercantilist legislation. The forms differed over this period, from regulation of domestic industries and manufacturing activities and a concern with balance of trade and commerce till the first half of the 17th century to navigation laws and colonial regulation in the second half.

There was a consistent policy of reducing imports and increasing exports. In 1581 itself the Parliament forbade the export of bullion, and the Tudor laws made it mandatory for English goods to be shipped in English vessels, while those brought by foreign ships had to pay higher duties. Through such laws trade was made more favorable for England within English territory and in the goods that England traded. In 1600 Queen Elizabeth issued a charter creating the East India Company, leading to subsequent acquisition of trading posts in India, in the Indian Ocean in general and in Persia. Thomas Mun wrote several treatises arguing in favor of mercantilist policies, and the significance of a favorable foreign trade for the general wellbeing of the nation. These were titled *Discourse on English Trade with the East Indies and England's Treasure by Foreign Trade*.

The first of several Navigation Acts was passed in 1651 that enabled England to dominate trade in the neighboring regions and soon this became a standard mercantilist practice by all European nations in and around areas of their control. This was accompanied by imposition of tariffs on imports which also became a standard practice, leading to numerous what came to be known as tariff wars through centuries. And as the 18th century advanced there were increasing regulations in the colonies too, which led to wars among the European powers in the colonies as well, for example in India, and expansion of navies and building of naval ships for warfare.

2.3.3 France

It is widely acknowledged that 'mercantilism provided the financial basis for absolutist France.' (*Merriman,* p.275) The chief Minister of Louis XIII, Richelieu, inaugurated mercantilist policies in a systematic manner in France, preferring to stimulate economic growth through royal edicts. He emphasized commerce in comparison with agriculture and stressed the importance of naval power. The main architect of the French mercantilist policies was, however, Jean Baptiste Colbert, the Minister for Finance and Economic matters under King Louis XIV. He persuaded the King that the main contenders for the markets of the world, that comprised of trade in about 20,000 ships owned mainly by the Dutch, were obviously the Dutch, but also the English and the French. A Code for Commerce was drawn up, he was determined that France should outgain Spain as the gainer of gold and silver, considered the main index of wealth by mercantilists, and insisted on protectionist measures for French industry. As compared to England, regulation of industry was much greater in France, encompassing a whole range of commercial items and manufacture. For the French to emerge as the strongest, it was necessary to take some significant steps, among which the most important was national tariffs. These tariffs were implemented by Colbert in 1664 and 1667, the first set directed mainly against the Dutch and the second against the English trade. It also led to wars against these countries, in Europe and subsequently other areas of the world.

This was accompanied by the formation of French trading companies for the countries of Europe, and in the Baltic and the Levant regions, but the earliest and the most significant were the East India and West India companies established in 1664, and for Africa and parts of North America. These were granted monopolies for colonial trade in the respective areas that that they operated in.

Tolls were abolished within France and collections by the Centre thereby increased. It is estimated that as compared to the one fourth earlier, four fifths of the collections came into the royal treasury, which, apart from other things, enabled the state to pursue an active economic and colonial interests. Some state-owned manufactures were also established.

In this period initiative was also taken to build four new naval ports and a waterway between the Atlantic and the Mediterranean.

2.3.4 Other Countries

Spain and Portugal that had been the first to initiate control over commerce and silver and gold and the first also to take over land in South America, continued with these policies through the 17th century, although they were left behind in competition with other European powers, in terms of volume, scale and value as the seventeenth century advanced.

Since there was an intrinsic link between mercantilism and absolutism, Prussia, Austria and Russia had evolved policies that ensured control over economy. In Prussia, it was necessitated by the devastation of the Thirty Years War (1618-48), after which the State had to play a major role in economic development. In both Prussia and within the Austrian region that comprised the German states, it was the state that conducted the mercantilist policies, although given their lack of access to the sea and general late decline of feudalism, there was a chronological time lag between western and eastern Europe, and the institution of serfdom continued to hamper growth of a bourgeois society and merchant capital in the 17th and early 18th centuries. In Russia, it was under Peter that the State, in a policy of westernization, took over promotion and organization of manufacture, including ship building. But here what were similar to mercantilist policies were based on the institution of serfdom and a firm alliance with the landed aristocracy. Merchant capital and the bourgeoisie remained weaker than in Western Europe. Although Russia became a powerful absolutist State, it remained an Autocracy in an age when new social forces were gaining in strength in Western Europe and the role of merchant capital had brought sweeping changes in economy. Sweden also attempted mercantilist policies during this era.

Check Your Progress 1

1) Give a definition of mercantilism. Write a brief note on the development of mercantilist ideas.

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2) Give an account of the development of mercantilism in the Dutch Republic and France.

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2.4 THE NATURE OF EUROPEAN EXPANSION

The nature of what has been termed as 'European expansion' was deeply influenced by the interests of the monarchical states and their economic policies. Mercantilism, because it entailed protection of economic interests, brought the European powers not only in conflict and competition with each other, but also necessitated control and hegemony over areas that were being traded with and the resources that promoted and created profit for the states or for the merchant companies which ultimately contributed to the benefit of state revenues.

European expansion was, first and foremost, an expansion in the areas and items of trade, as mentioned above. It is not that the 16th century explorations had not brought new areas within the fold of European trade. In the 17th century, new European national states challenged the supremacy of the older empires of Portugal and Spain, new areas were opened up for trade and exploitation of their resources, and transoceanic trade assumed a transformation, whereby goods could be bought and sold in a second country from where new items could be bought and sold in a third country. Thus, we see beginnings of circular trade patterns involving the areas that ultimately became colonies in later times. To give an example of India, monopoly of trade enabled the East India Company to buy cheap in India, while competitors were kept out, and conquests prevented Indian traders from participating in the same trade as well. Opium from India was taken to be pushed on the Chinese, and tea taken from China to be promoted and sold in India, in Europe and in North America, also a colony. Ultimately, the pattern of agriculture itself was made to change, forcing people in the controlled areas in the non European world to produce items that were lucrative to trade and benefited the western power that controlled the trade in a particular area. By the latter half of the 18th century even revenue rights were snatched and the goods to be traded were brought not from their own resources but from the economies that were becoming colonized.

In the 17th century, more so than in the 16th, trade became synonymous with plunder. Vast areas were destroyed across the world for profits of the powerful European nations and the merchants and the nascent bourgeoisie involved in manufacture. West Indies, East Indies, the continents of Africa, South America, North America, and Asia were subjugated to this plunder that took shape under mercantilism. Huge extraction of surplus and drain of wealth were systematized during what has been euphemistically called the 'commercial revolution'.

Colonies and the flow of wealth from colonies to the European country concerned held a foundational place within mercantilist thought. The 17th century is significant for the creation of legislation that transformed newly acquired conquests into colonies. They were sources of raw materials that could be traded and in the later century used for their own manufactures, colonies were also markets for goods, not necessarily from their own country, but could be from another territory under their control, these territories were also important transit points.

2.5 MIGRATIONS, SETTLEMENTS, AND MERCANTILISM

Within this one-sided relationship between the European powers and the non-European world there was considerable diversity in the way Europe interacted with this world. This is apparent most visibly in the patterns of migrations and settlements that took place during this period.

There was more wealth in the tropical regions, which were also more densely populated and capable of resistance. In the more temperate regions the population was sparse and riches more in the form of raw resources and land than production.

The expansion of Europe manifested itself differently in these two kinds of regions. The nature of colonization of these areas was distinct, although exploitation was equally intense. For example, Europeans, particular the English went as opportunity seekers for gold, land and new occupations to North America, in the process decimating and subjugating the original inhabitants. Similar was the case in Australia and parts of South America. These became controlled by the new migrants and settlers, their settlements becoming the focus of development and economic initiatives. There was a steady change in demography. In these areas the European emigrants far out numbered those in Asia and Africa, for example, while the native populations in these areas declined or was decimated. Moreover, from 17th century onwards, most expansion of European population was within their own imperial systems, i.e., English and the French in their respective areas of control in North America, the Portuguese in Brazil, and so on.

In Asia and Africa, emphasis was on obtaining trading outposts, control of local trade, rights of revenue, financing and taking control of production, and creating local allies. In China, a number of powers ventured and wrested specific areas of control. In India, the Dutch, Portuguese, the French and the English established their bases, and eventually the British succeeded in gaining control. Direct rule, however, came much later. African continent was a similar case of competition and control by the various European powers, the English, the Dutch, and the French. The Russians found their way to the Pacific and across Central Asia.

In the Americas, apart from the white settlers in all these lands, a very huge chunk of emigrants consisted of Africans, transported as slaves, changing the demography of many of these regions through the 18th century and later.

2.6 PLANTATION ECONOMIES

Cutting across these regions was the problem of labour where the new settlers in the Americas or the agents of the companies or the traders in other parts of the world invested in direct production. Plantations were formed, directly owned and supervised by them, generally for the production of one crop, which was a commercial item for sale. It developed first in the Southern states of North America, the settlements in what came to be known as colonies where the shortage of labour was met by utilizing slave labour. These plantations were the foundation of the economies of these colonies.

By the late 16th and 17th centuries, they were already visible in Brazil, the Caribbean region, North and South America, and towards the beginning of the 18th century in other parts of the world, including India (tea, for example), although they became a major feature only since the 18th century, apart from North America where tobacco, cotton and other such items were already grown. This gives an idea of the tremendous growth of such ventures. Plantations were started also in Ireland, after the Irish rebellions of the 16th and 17th centuries.

These plantations were run either through indentured labour or slave labour, usually slave labour where indentured labour was costlier to procure. In North America and the western hemisphere slave labour was introduced quite early in the history of plantations. Indentured labour continued to be profitable in many colonies of the eastern hemisphere.

2.7 SLAVERY AND SLAVE ECONOMIES

Slavery and slave labour were integral to the expansion of Europe and the growth of a world economy. Both European and African traders participated in an enterprise that made humans into slaves and into commodities, i.e., items for sale. Slaves contributed to this expanding commercialization of economy by both being commodities and creators of surplus through expropriation of their labour, in the plantations, as domestic labour and in many other ways. Their conditions of work were inhuman, a fact that is well known, but the immense scale of the profits earned through them has been investigated and assessed only by the research of the last few decades.

From the 16th century itself the Spaniards had begun to import African slaves to substitute for the American Indians, the slave trade increasing by bounds after sugar, tobacco, and later cotton assuming importance as items of trade. And most European powers, traders and ports were involved in this: Spaniards, Portuguese, Danes, the Dutch, and the English. The earliest slaves were also convicts transported for labour to far off lands.

The first shipment of slaves from Africa was as early as 1503 to the West Indies sugar plantations. Both England and France competed here and West Indies was significant for the trade of both these countries. Total import of slaves into all British colonies between 1680 and 1786 is estimated to be over 2 million.

2.8 BANKING AND FINANCE

Although the practice of credit was prevalent in international trade from the late medieval period and deposit banks were also prevalent in the 16th century, it was in the 17th century that banking and finance became a well developed business. Netherlands led the way. The Exchange Bank of Amsterdam was founded in 1609 and 'became the centre of a vast network of credit transactions by merchants trading in the Baltic, the Mediterranean, or the Indian Ocean and the China Sea.' Other cities and countries also set up banks, including England. The Bank of England founded in 1694 was able to rival the Bank of Amsterdam during the 18th century. These were the most important government-backed banks, although a number of commercial private banks were also established. (See *Koenigsberger*, p.179-180). The joint-stock company became the most acceptable form of company organization. Speculation and buying of company shares began. Thus, the 17th century was crucial in developing the structural instruments that were to become the hallmark of capital management.

2.9 MERCHANT CAPITALISM

While most historians are agreed on the general impact of the era of mercantilism and its policies in accelerating the end of feudalism, there are disagreements on the extent and ways in which merchants and transoceanic trade might have constituted the transition to industrial capitalism. The major debates are between those who emphasize the role of markets and others who argue that the crucial factor in the transition was the transformation of economic and social relations within the economies of the European powers.

In general, this period contributed to the creation of accumulation of capital in the hands of the merchants and revenues in the state exchequers. A major portion of this accumulated capital was reinvested in further increasing profits from trade and commerce. In other words, it remained circulating capital and still outside the realm of the manufacturing economy.

But there is a distinction between the beginning and the end of this span poised for the first industrial revolution. We have already spoken of investments in plantations that changed the structure of the economies and mode of producing the crops for market. Quite a substantial part of the drain of wealth from the colonized economies went into changing the face of economies in Europe. This was a form of primary accumulation that injected huge investments in the growing manufactures in Europe, or in mining or even in transforming the small putting-out system where the intervention by merchants in the form of providing raw material or taking over the finished products changed the equations of this small economy with the larger national or international economy. In some European countries there was a wider gap in terms of time between what can be termed merchant capitalism and industrial capitalism. In other countries the gap was much shorter, and in all these countries there were other avenues from within the manufacturing process that surplus for further investment came. In all cases the problem of markets, of labour and dispossession of the small producers had to take place before full-fledged capitalist system could emerge. Mercantilism or merchant capitalism was one significant factor, particularly in the centrality of the emphasis on favorable balance of trade and colonization of non European economies. The super profits make that obvious. This is irrespective of whether it is given the independent status of merchant capitalism or a transitional period that eventually needed to be dismantled in favour of policies that did away with monopolies that became a hindrance to free trade and more super profits and a new stage in world economy and its structures within nations.

Check Your Progress 2

1) Discuss the nature of European expansion in the late seventeenth and early eighteenth centuries.

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2) Write a note on the varying pattern of migration and settlement from Europe to other parts of the world.

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2.10 LET US SUM UP

In economy, as in polity, the 17th and first half of the 18th century, constitutes a distinct period. It was a period when trade helped restructure the European economy. The fast development of the world economy was as much based on the unity of its parts as competition, a hallmark of developing capitalism. This period saw the dismantling of the tolls and local taxes that characterized the late medieval economies and survived through the 16th century, to be replaced with systems that ensured unification within nations through systems that ensured revenues for the Kings. It was characterized by monopolies and competition, with state regulation and freedom to pillage. It saw the birth of the modern colonialism and its instruments. It paved the way for industrial capitalism and changed the balance between the European and the non European world.

2.11 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

1) Base Your Answer on Section 2.2 and Sub-section 2.2.1

2) See Sub-sections 2.3.1 and 2.3.3

Check Your Progress 2

1) See Section 2.4

2) See Section 2.5