Mercantilism in World History:

Ideas, Context, and Impact

- Covers definitions, intellectual origins, policies, and critiques
- Links early modern trade to today's economic nationalism
- Case studies from Europe and beyond
- Designed for history students, educators, and general learners

What Mercantilism Means

- National wealth viewed primarily as precious metals and favorable trade balance
- Heavy state role: regulation, tariffs, monopolies, and colonial controls
- A practical policy framework and loose set of ideas, not one coherent doctrine
- Not all mercantilists were crude bullionists; views varied by nation and period

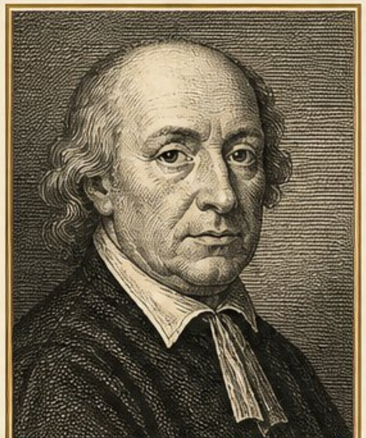
Where the Term Comes From

- Adam Smith coined 'mercantile system' in *The Wealth of Nations*, 1776
- Smith described and critiqued roughly two centuries of policy
- Historians like Eli Heckscher later reshaped it into a general phase
- Scholars debate: coherent system, shared assumptions, or retrospective label?
- Knowing this naming history helps use the term carefully

Intellectual Origins

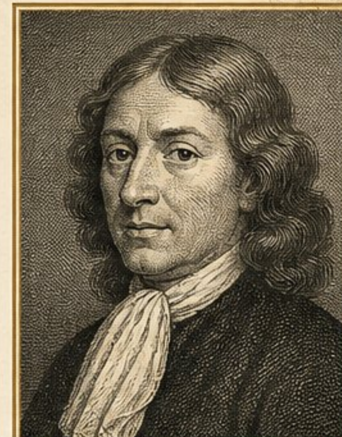
Antonio Serra

Gerard de Malynes



Edward Misselden

Thomas Mun



John Cary

- Pre-mercantilist ideas drew on scholastic and lingering Aristotelian frameworks
- Early writers argued about trade balances, coinage, and national wealth
- Cameralism in German lands shaped an administrative and fiscal strand
- Ideas emerged from pamphleteers, merchants, mint officers, and government reformers

Historical Context in Early Modern Europe

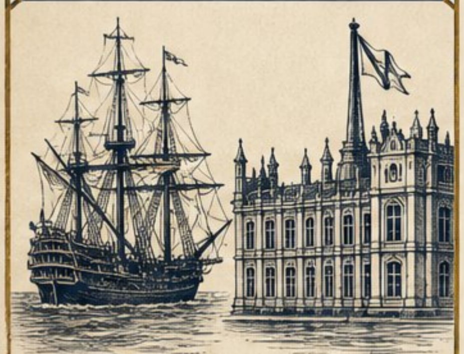
- Centralized states competed for power, revenue, and overseas commerce
- Colonies supplied raw materials and bought finished goods
- Anglo-French-Spanish-Dutch rivalries drove policy and warfare
- War made economic strength a foundation of military power

Key Policies and Tools

- - Navigation laws restricted shipping to domestic fleets
- - Tariffs raised imports; subsidies boosted exports
- - Colonies supplied raw materials through trade monopolies
- - Bullionist rules limited gold and silver exports
- - Smuggling and resistance exposed enforcement limits

National Varieties of Mercantilism

England



- **England:** merchant-driven, parliamentary, backed by powerful navy

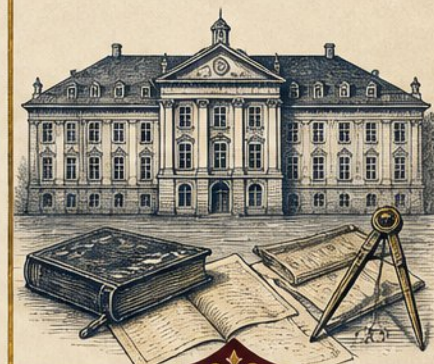
France

- **France:** centralized Colbertism under royal administration, state industry

Spain

- **Spain:** rooted in bullion extraction from colonies

Prussia



- **Prussia:** cameralist ideas adapted to fragmented territories

- **Dutch Republic:** built around commercial shipping and trade

Mercantilism Beyond Europe

- Mercantilism applies imperfectly outside Europe; states managed trade differently
- Tokugawa Japan and Qing China used controlled ports while remaining commercially active
- The Ottoman Empire favored provisioning and fiscal stability over bullion maximization
- Global silver flows connected European colonial systems to Asian commercial networks
- Whether mercantilism works as a global category remains debated

Critics and the Rise of Free Trade

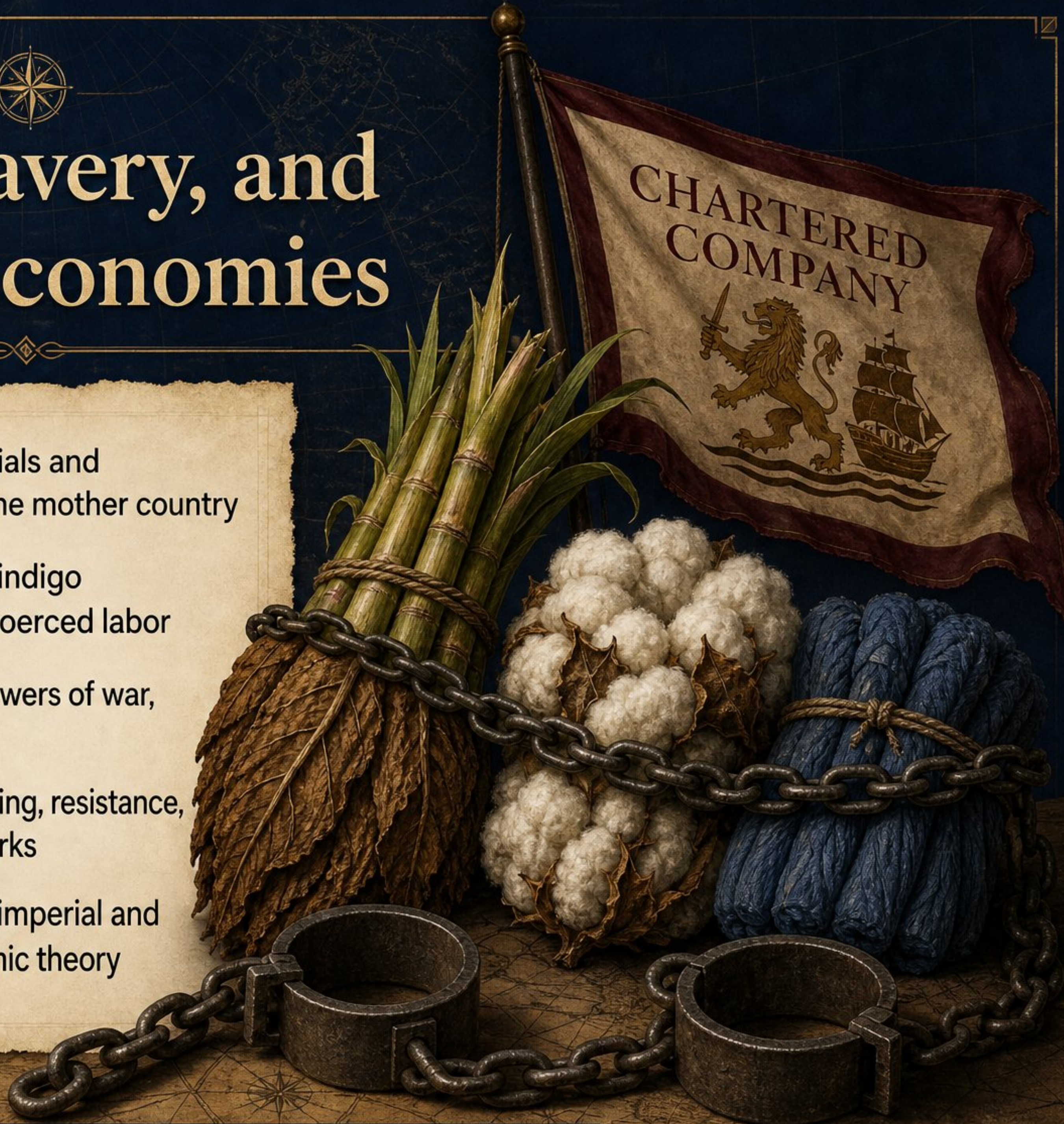
- Physiocrats: wealth comes from agriculture, not gold
- Smith: trade benefits both sides, not zero-sum
- Smith saw mercantilism as rent-seeking by merchants
- Hume: price-specie-flow and comparative advantage critiques
- By mid-1800s, Britain and France moved toward freer trade

Mercantilism and the American Revolution

- Navigation Acts and enumerated goods restricted colonial trade
- Post-1763 taxes aimed to fund imperial defense
- "Taxation without representation" became a rallying cry
- Trade grievances appear in the Declaration of Independence
- Debate continues: direct costs may have been modest

Empire, Slavery, and Colonial Economies

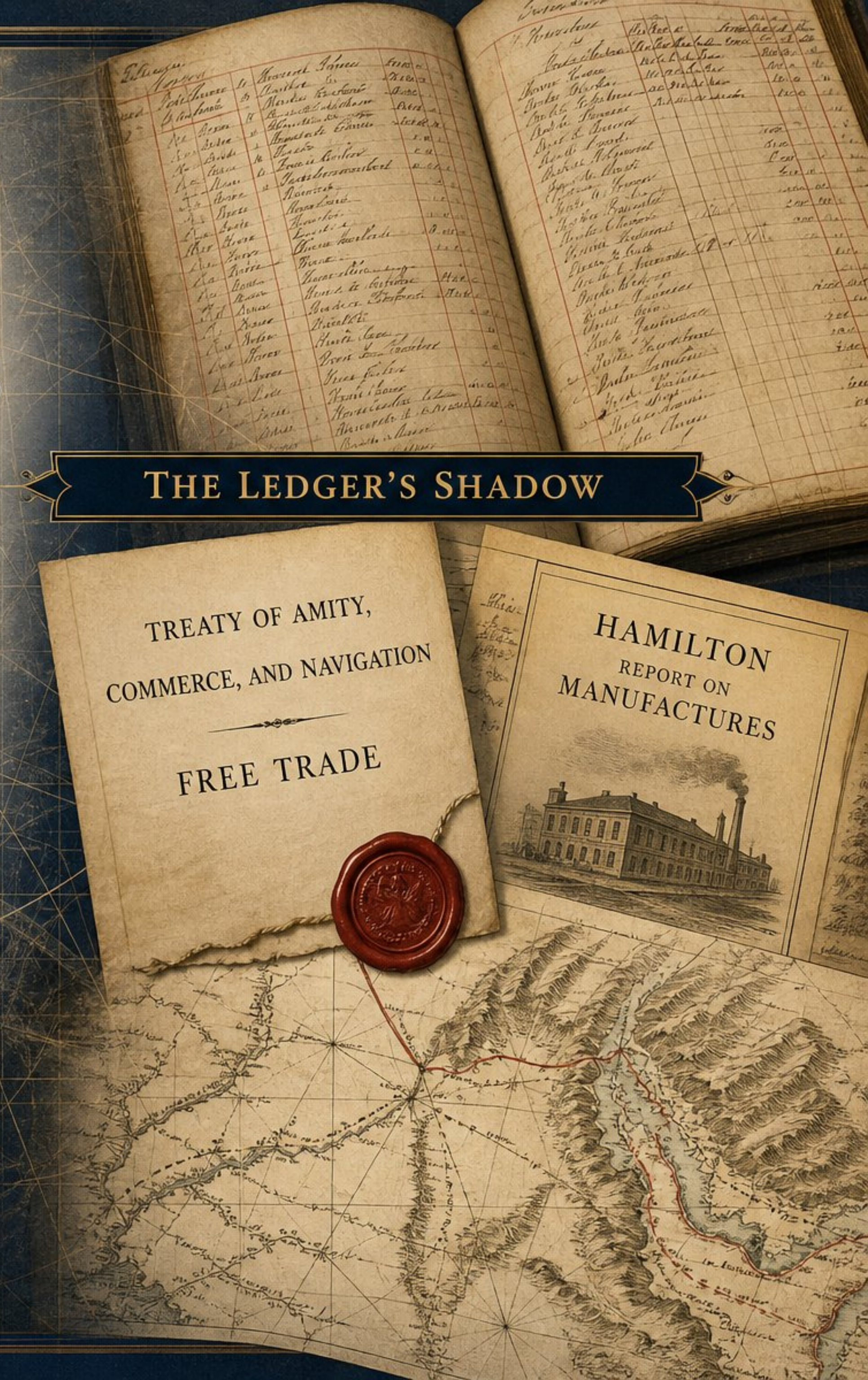
- Colonies supplied raw materials and bought finished goods from the mother country
- Tobacco, sugar, cotton, and indigo depended on enslaved and coerced labor
- Chartered companies held powers of war, trade, and colonial rule
- Restrictions produced smuggling, resistance, and alternative trading networks
- Mercantilism operated as an imperial and labor regime, not only economic theory



CHAINS OF GOODS

Decline, Persistence, and Rival Narratives

- Fell from dominance among leading industrial powers by the 1800s
- Hamilton and List adapted ideas into infant-industry protection
- German historical school criticized universal free-trade prescriptions
- Scholars debate whether the shift to free trade was uneven
- Mercantilist ideas survived in development strategies



Neomercantilism and Modern Echoes

- Revived focus on trade surpluses, industrial policy, and strategic protectionism
- US-China tensions: tariffs, export controls, and economic security policies
- Modern tools: investment screening, supply-chain controls, and subsidies
- Reevaluation: state-business coordination and the primacy of production
- Framework for analyzing globalization, deindustrialization, and economic sovereignty

Summary and Discussion Questions

- Mercantilism linked wealth, power, and state regulation in early modern Europe
- Multiple forms existed: Colbertism, kameralism, and parallels beyond Europe
- Legacy includes colonial exploitation, revolution, and free-trade critique
- Discussion: compare interpretations and connect mercantilism to current economic nationalism
- Activities: analyze Smith's critique and debate neomercantilism as a label