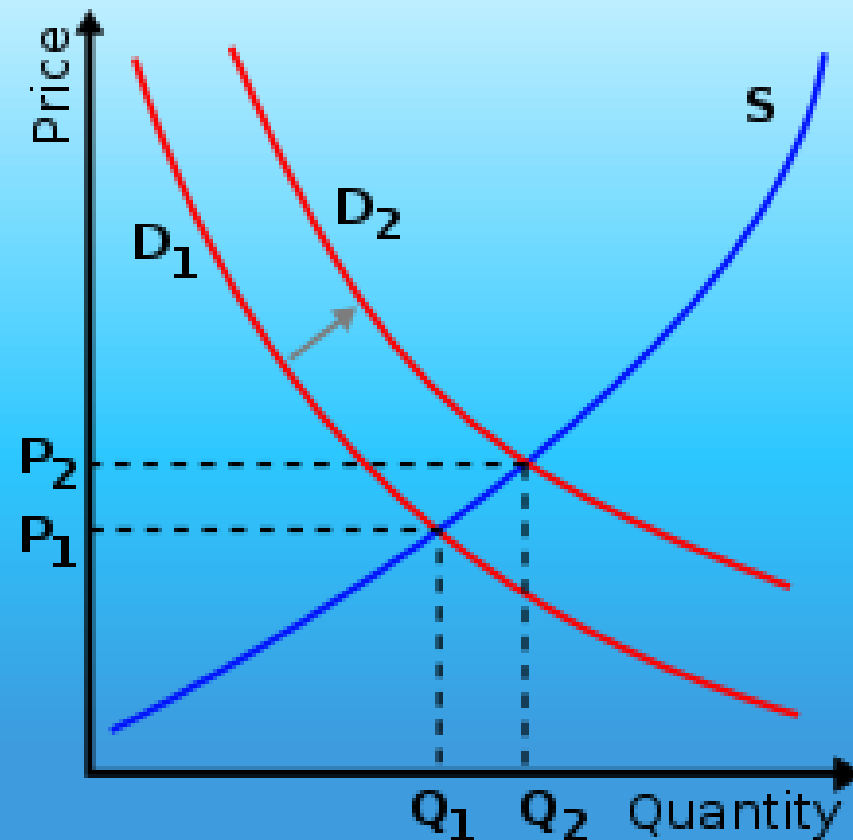


# Economic Dimensions

## Lecture 6



# Lecture Outline

- Review the Economic Theories of Empire and Mercantilism
- World Exchange Market
- Capitalist Mode of Production
- Value (Use, Exchange, Labor,)
- Commodity, Socially Determined Labor Time
- Wages and Exploitation
- Summary

# Economic Ideologies of Empire and Mercantilism



Regions controlled by the Roman Empire



View of the Island of Banda-Neira... Captured by a force landed from a squadron under the Command of Captain Cole in the morning of the 9th August 1810  
(Wikipedia)

# Modes of Production in the World Market

## Before 1750

- **Tribute**

- the laborer has access to the means of production with the obligation of tribute to a lord or a ruling elite.
- “labor is...mobilized and committed to the transformation of nature primarily through the exercise of power and domination (Wolf, 80).”

- **Kin-ordered**

- Production and consumption organized through kinship (real or fictitious).
- Kinship may or may not restrict access to resources needed to produce goods.

- **Alliance based**

- Exchange based on political agreements between groups in order to create obligations.

- **Mercantilist**

- **Capitalist**

# Modes of Production in the World Market

**After 1750**

- **Capitalist**

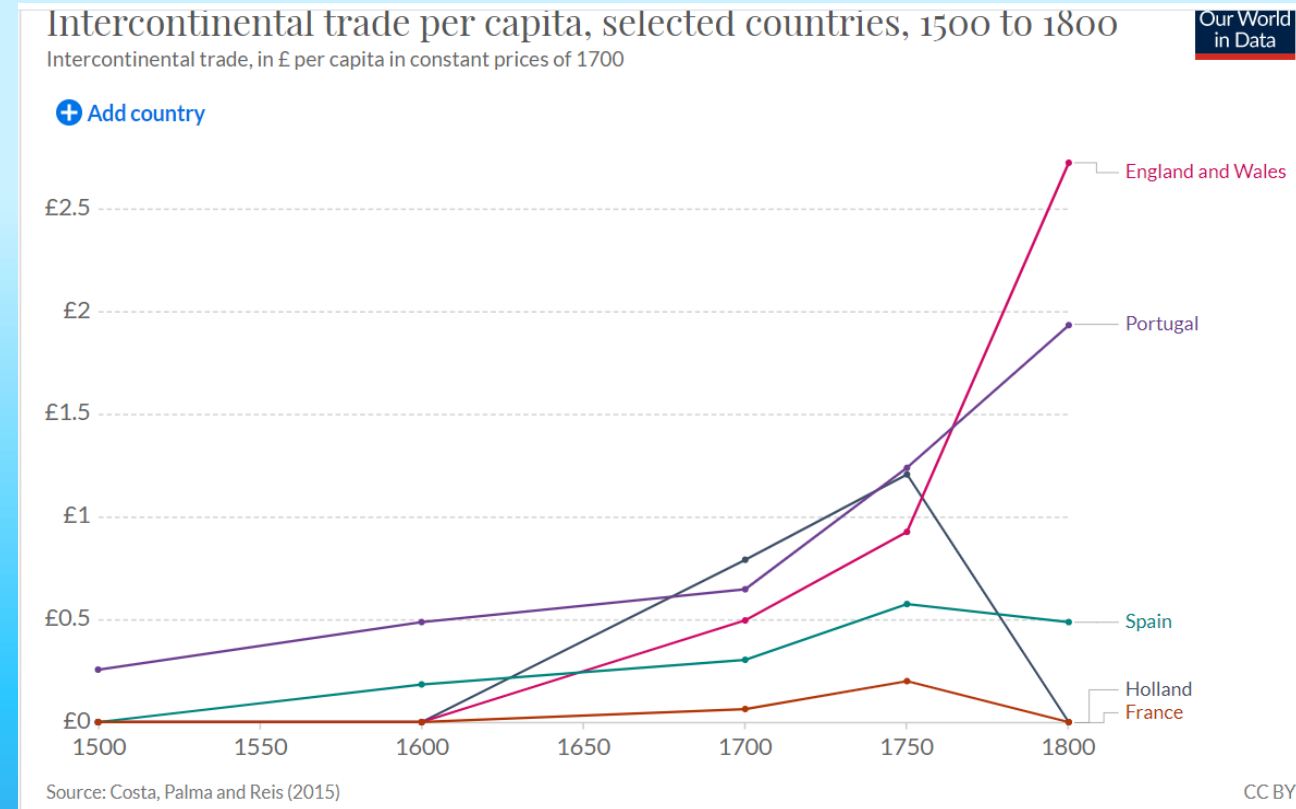
# The Rise of Capitalism from Empire and Mercantilist Economic Ideologies

- *From the fifteenth century on, European soldiers and sailors carried the flags of their rulers to the four corners of the globe, and European merchants established their storehouses from Vera Cruz to Nagasaki. Dominating the sea-lanes of the world, these merchants invaded existing networks of exchange and linked one to the other. In the service of “God and profit” they located sources of products desired in Europe and developed coercive systems for their delivery. In response, European craft shops, either singly or aggregated into manufactories, began to produce goods to provision the wide-ranging military and naval efforts and to furnish commodities to overseas suppliers in exchange for goods to be sold as commodities at home. The outcome was the creation of a commercial network of global scale.*
- —Eric Wolf, *A People Without History*



# The Capitalist World Market Expansion After 1500

- Rise of new navel powers such as Portugal, Spain, England, France
- Enormous growth in the world economy and the amount of currency in circulation.
- By the 1600s, new states began to become more involved in global trade and commerce
- Trading companies were very powerful
  - Dutch East India Company
  - British East India Company
- Massive wealth created for parent countries



“The capitalist mode produced, at one and the same time, a new form of deploying social labor and a change from a mercantile to a capitalist market. (Eric Wolf, 298)”



# Two Requirements of the Capitalist Mode of Production

- Freely Available Human Labor
- Relationship Between
  - Human Labor
  - Stock of Wealth
  - Tools or Technology or Machinery to Produce Goods