

# Capitalism europe

Government, Capitalism



Businessmen transformed economic activities by learning to take advantage of market conditions by alluding efficient networks of transportation and communication and by creating a system of regulating the price of a product based on supply and demand. 4. The institutions that supported early capitalism were banks and joint-stock companies such as the English East India Company and their Dutch counterpart. 5. The Dutch and English supported the growth of capitalism because the English East India Company and their Dutch counterpart were two large trading companies that spread the ideas of capitalism on a larger scale than ever before. . The Joint-stock companies set p by the ideas of capitalism and the English/Dutch would be authorized to conquer, explore, and colonize distant lands in search of commercial opportunities. Therefore, early capitalism developed in the context of Imperialism, as European peoples established fortified trading posts in Asia and colonial regimes in both Southeast Asia and the Americas. Imperial expansion was important to the spread of capitalism, since it enabled European merchants to get natural resources that would be distributed. 7.

Crafts and guilds had fixed prices and wages and they regulated standards of quality. They did not seek to realize profits, therefore discouraging competition and resisted technological innovation. 8. The putting out system was system in which capitalist entrepreneurs delivered unfinished materials to rural households where the artisans would finish a part of the product in their homes (similar to an assembly line) and pass it on until the product was finished and then it was giving to the entrepreneurs, and then the artisans were paid for their labor. 9.

The advantages of the putting out system were that because of the plethora of rural labor, entrepreneurs spent relatively little on wages and profited greatly. 10. The putting out system introduced large sums of money to the countryside which brought material benefits and disrupted the long-established patterns of rural life. The standard of rural life rose dramatically; households acquired more goods and rural people wore nicer clothes, ate better food, and drank better wine. Individuals had the opportunity to become wealthy and stop relying on neighbors and family. Young adults and women began to earn their own incomes. 11.

In Eastern Europe lacked cities so there was no alternative to working in the countryside, so landlords took advantage of this situation by forcing peasants to work under extremely harsh conditions whereas in Western Europe there were better working conditions and more cities. Western Europe was far better in comparison to Eastern Europe in the area of labor. 12. Capitalism posed moral challenges. Medieval theologians believed that profit-making was morally dangerous, since profiteers looked to their own advantage rather than the welfare of the larger community. The Church considered interest an unearned and immoral profit. 13.

Adam Smith's response was that society would prosper when individuals pursued their own economic interests. 14. Although Capitalism may not have necessarily caused changes in family life, it encouraged developments that helped to define the nature and role of the family. Capitalism favored the nuclear family; it offered opportunities for independent families to increase their wealth. As these families became more important

economically, their importance socially and emotionally increased. Love became more important in marriage (not simply strengthening alliances) and parents and their children became more important to family life.