

Economic history of modern europe

[Business](#), [Industries](#)



Name: Course: Instructor: Date: Economic History of Modern Europe Europe has undergone one of the most profound changes in various aspects such as the economic conditions and sociopolitical values.

This is due to the increase in interactions between various societies enhancing the aspect of globalization and multiculturalism. Historical events such as trade across the whole of Europe are among the instigating factors of the widespread economic development across Europe. In addition, this also placed Europe as a significant force of trade to reckon around the world leading to the ability of empires in Europe to access numerous products, which enhanced the development and growth of civilization in European countries. Economic structures in Europe have changed over the years, as a result of the increase in democracy and new approaches to enhance equity in the distribution of resources (Clough, & Charles, 27). Land is considered a crucial factor of production. Land carries all life and economic potential of a given region.

This is evidenced by the increasing values of land accruable to prime properties because of the presence of infrastructure or resources on the land. As a factor of production, land is important in the sense that it is considered as the origin of all material wealth. The value of land and the ability to access the same has changed considerably over the years because of the changes in the uses of and in the demand for the same over the years. Land in historical Europe was essentially used for agricultural purposes. This is because agriculture is the main economic means of ensuring sustenance. Land is an essential factor of production as it provides a producer with the much-needed area or space for production purposes.

<https://assignbuster.com/economic-history-of-modern-europe/>

In addition, it also avails the much-needed resources such as mineral that are raw materials for production (Clough & Charles, 33). From the perspective of a landowner, the use of land over the years has been the main of drivers of demand for land in Europe. This is attributable to the increased demand for housing, production sites and agricultural sites for production. The agricultural revolution took place in Europe as a means of transition into civilization from other means of survival such as hunting and gathering, which were unpredictable and unreliable for sustenance of large numbers of people in communities. Increase in the value of land is attributable to the increase in population sizes as well as the growth of industrialization. Industrialization is defined as the process of transition or change from an era of agrarian processes into an era of industrial processes. The increase in population necessitates the need for ample land to provide housing to people in the society.

In addition, it also leads to subsequent need for land, which is usable for set up of industries for production of consumable goods. The changes in the prices of land have resulted in wealthy individuals because of the increase in their land values. Hence, an upward change in land value usually results in the increase in wealth for a landowner. On the other hand, it also results in the inability of other individuals belonging to a low economic class to make acquisition of land. This is one of the main effects of increase in demand of land and the subsequent prices.

This has resulted in the division in classes in terms of those who have the ability to make purchases of land and those who are unable to purchase of

land. In addition, this is among the main reasons of the presence of a large size of the population in the world without access to ownership of land (Wasserstein, 47). PART II It is evident from available literature that a majority of Europe in the medieval years focused on means of survival. This is evidenced by the focus on agrarian activities to ensure that people had access to food for survival. Majority of labor in Europe focused on agriculture as this sector was the largest employer. Agriculture and commerce are among the main drivers of the economic changes in Europe. Agriculture necessitated the need for innovations and inventions to ensure that there was high production in the field for satisfaction of the increasing demand (Clough, & Charles, 46). The industrial revolution is estimated to have taken place between the eighteenth and nineteenth centuries in Europe.

Changes in terms of the transition from agriculture to industrialization were one of the main instigating factors of the unprecedented population growth in Europe. Industrialization has resulted in the growth and expansion of industries, such as services and manufacturing, all of which require land as a main factor of production in terms of the site of issue of the services and production of goods. Literature evidenced provides that in the period of 1870 majority of the labor force was embedded in agriculture as the primary source of income and sustenance.

However, there was also dire need for transition from the traditional means of agriculture to large-scale farming for the increasing population. In addition, this resulted in the struggle for new means of economic growth.

This resulted in innovations, which encouraged large-scale farming resulting in the dire need to dispose the produce because it was in surplus.

This was a driver for the need by European countries to engage in commerce to ensure that they were able to access varied products and sell their produce to foreigners (Wasserstein, 52). The developments in agriculture are evidenced in the modern European societies as they are able to ensure large-scale farming at negligible costs due to innovations in farming practices. In addition, commerce is also another major aspect in the modern society in terms of the economic activities engaged by the European societies. Technological changes have enabled increased productivity in economic activities such as agriculture. Innovations are aimed at enhancing productivity and increasing the economic benefits accrued from agricultural activities. Real estate is a lucrative economic activity, which has gained large-scale acceptance. This is because of the increase in demand driven up by increases in population.

Increase in population translates in a dire need for land to increase production of goods and issue of services and agricultural activities, which form a substantial economic activity around the world. Modern land prices, when compared to historical land prices could be simply termed as exorbitant (Wasserstein, 57). In addition, issues such as politics have also been factors, which have dictated the ownership and ability towards the acquisition of land by the public in Europe. Policies instated in Europe have been major determinants in terms of enhancing or restricting the ability of the populace to acquire and own land in Europe. Economic conditions have

also changed leading to changes in terms of ability of the populace in Europe to acquire and own land. Increasing costs of living have resulted in a scramble for the available employment opportunities, which are essentially inadequate for an ever-increasing population (Berend, 36).

Economic conditions usually translate to the effects of aspects such as rates of inflation. Inflation determines the availability of disposable incomes, which in turn affect the purchasing or buying power of the population. Hence, a decline in the inflation rates usually results in subsequent increases in the disposable incomes and thus increases in the purchasing power of the populace. This usually results in economic effects such as property booms and bubbles which if unregulated could result in collapse of real estate markets. On the other hand, high inflation usually translates to reduced disposable incomes and the ability of the population to make real estate or land purchases.

Hence, a landowner has the value of his or her land stagnating or declining. Reductions in value also translate to lower rates of real estate developments and the establishment of industrial plants (Berend, 39). Socio-cultural values of land in Europe differ from one region to another.

Some parts of Europe only allow ownership of land at certain areas because of historical values placed on some parts of Europe. Land, which is regarded as a heritage, is usually regarded as government property irrespective of such land hanging, been under private ownership. However, there is a transition from the traditional means of business, which focused largely on manufacturing of goods. Consumerism has changed in that, specific focus on

service industries than on products consumed is needed. This is because of the changes around the world in terms of consumer preferences and changing consumer needs and focus (Pounds, 57). Land value increase is attributable to improvements in the labor sector in terms of working conditions and remuneration accruable to a laborer. In addition, this is also directly intertwined to the increasing costs of living resulting in the dire need by the labor industry to give in to the demands for higher wages. In essence, land costs and inflation are mutual events, which affect the ordinary citizen.

Land costs are determined by the costs of living. In addition, the products, which are derived for use by consumers, are usually produced with the availability of land. Products such as consumables are usually the modern means of sustenance. Some are derived through agriculture whereas others are derived from production processes (Pounds, 63). Hence, increase in the value of land usually translates in the increase, in costs of production of goods such as agricultural products from farms and other manufactured goods. This is because the cost burden is usually transferred to the consumer by either the farmer or producer to the consumer.

In addition, production costs of goods are increased by costs such as lease for land and purchase of the same. However, such costs are recoupable as the probability of increase in the value of land is usually high resulting in increased value of the acquired land. Focus on industry and services have resulted in high demand for land, in urban areas because of the high number of population. Service industries usually require high turnover and traffic flow of potential customers for making tier sales. Hence, this resulted in

abandonment of agricultural land and new focus on the service and manufacturing industries. Hence, land value is usually different in either the urban areas or the rural areas or between less populated areas and highly populated areas. This is because of the high value attributable to large movement of population because service industries are considered as the modern day businesses (Pounds, 68). Social value of land over the years has evolved because of the changes in the social norms and values.

Historically land has been associated with wealth and power. However, in the modern world land is associated with peasantry and agriculture. This is because large farms are usually held by farmers, which might require extensive labor hours to ensure maximum productivity. Hence, modern society has changed in terms of the consideration of land.

The value of land is usually associated with prime locations. This is evidence of the changes in the value land in that, urban land is essential in comparison to rural land, which might be more productive than the land located in the urban areas. Landowners over the years have faced challenges brought about by changes in the ability of acquisition of land.

New policies have resulted in the reduction of ability of people to won land. Restriction of ownership of land has been necessitated by the need to ensure parity in the acquisition and subsequent ownership of land in a given country. Policies are instituted to ensure the presence of transparency in terms of land ownership. Land is historically an asset, which has been associated with graft in numerous countries around the world.

It is also an asset, which has the potency to result in conflict, in the case of disputes over land. Due to the changes in governance structures, land disputes are on the decline. In addition, there are provided avenues for settlement of disputes such as through mediation teams and the main avenue, which is through law courts (Broadberry, & Kevin, 47). However, the value of land is constant in that, it is associated with wealth but from a different perspective. Land is valued in terms of its accessibility and proximity of social services or amenities and to the urban areas.

Changes in society such as increased rural to urban migration have resulted in the decline in the value of the land in rural areas. This has resulted in appending of high values on land and subsequent developments in urban areas because of the high demand of such land and the scarcity in terms of availability. This represents an elaborate demand and supply chain.

The move towards industrialization was influenced by the availability of land and the presence of resources for production. Landowners during the historical period were forced to give up prime land for the establishment of industries and extraction of raw materials for the industries, which sought to satisfy an insatiable consumer need for the products. Additionally, this resulted in appreciation of land value and thus subsequent high demand for land (Broadberry, 67). In conclusion, land is a primary factor of production as well as for economic development. This is because society appends high value to land as it provides raw materials, goods such as agricultural products, and provides for sites to establish industries and premises for issue of services.

Land in Europe was historically used for agriculture as the main economic activity. However, the economic activities in Europe have changed over the years resulting in a focus on new activities such as the service and manufacturing industries. This is because of the changes in social norms, values and resulting change in consumer behavior. Work Cited Broadberry, Stephen.

“ An Economic History Of Modern Europe: Sectoral Developments, 1870-1914” Unifying the European Experience: An Economic History of Modern Europe, Volume 2: Pp. 1870-2000, 2005. Print. Broadberry, S N, & Kevin H. O’Rourke. The Cambridge Economic History of Modern Europe. New York: Cambridge University Press, 2010.

Print. Berend, T I. An Economic History of Twentieth-Century Europe: Economic Regimes from Laissez-Faire to Globalization. Cambridge, UK: Cambridge University Press, 2006.

Print. Clough, Shepard B, & Charles W. Cole. Economic History of Europe. Boston: Heath, 1952.

Print. Pounds, Norman J. G. An Economic History of Medieval Europe.

London: Longman, 1974. Print. Wasserstein, Bernard. Barbarism and Civilization: A History of Europe in Our Time.

Oxford: Oxford University Press, 2007. Print