

The Great Divergence: European economics and institutes in XV-XVII



AGOPOV OVANES

Preconditions: Middle Ages (400 to 1500)



- The dominant role of the Catholic Church and its dogma
- Subsistence agriculture -> Internal Exchange/Sharing
- Poorly centralized power of King as the Overlord
- Slow pace of technological development
- The prohibition of charging “interest”

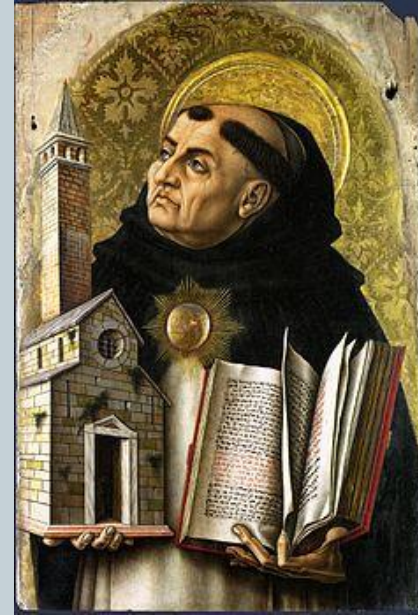
Reformation or Renaissance



- Secularization
- Church split: the emergence Protestantism
- Centralization of power
- Development of Technologies and Sciences -> The Great geographic discoveries
- New religious standards -> Controlled “interest”

Loan at interest: long history

- “The doctrine of fair price”
- **Thomas Aquinas**
(Aquinas) (1225-1274)



Martin Luther (1483-1546)
and **John Calvin** (1509-1564)

From Peasants to Burgess

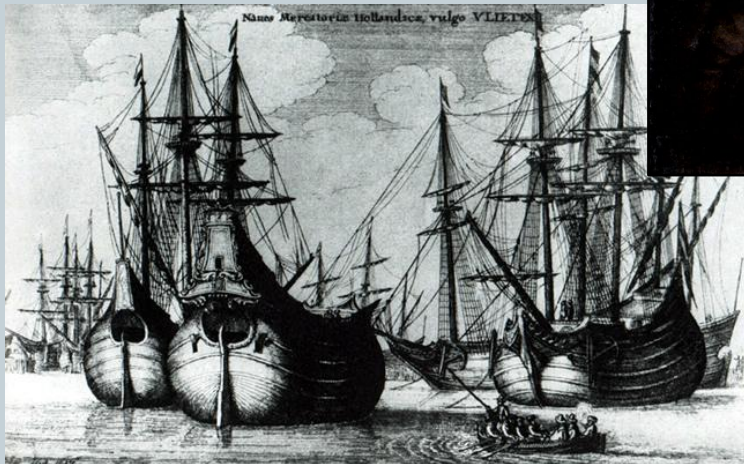


- The appearance of manufactories and craft associations
- Development of trade relations on all levels of supply chain
- Development of shipbuilding: rebirth of **caravel**

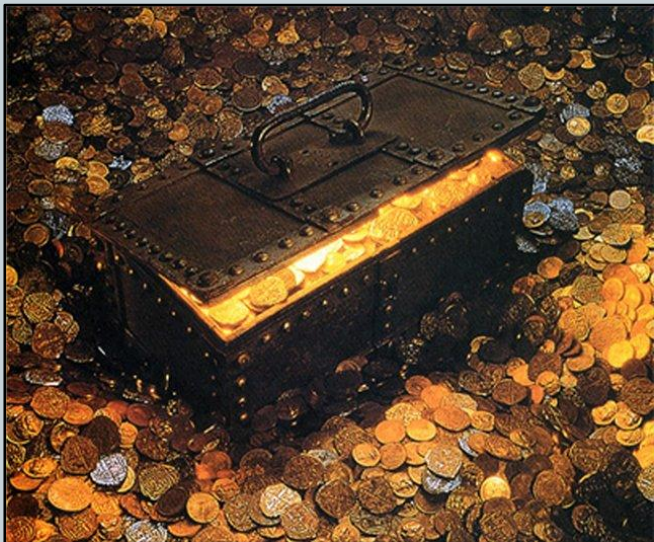
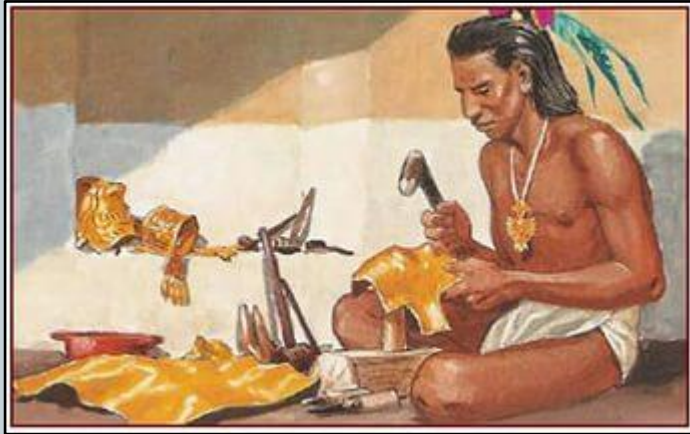
The Great Developments



The Great Geographic Discoveries



What's New in the New World



The new perception of the world



The Peace of Westphalia (1648)



The End



Thanks for your attention!

Questions?