

# 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)



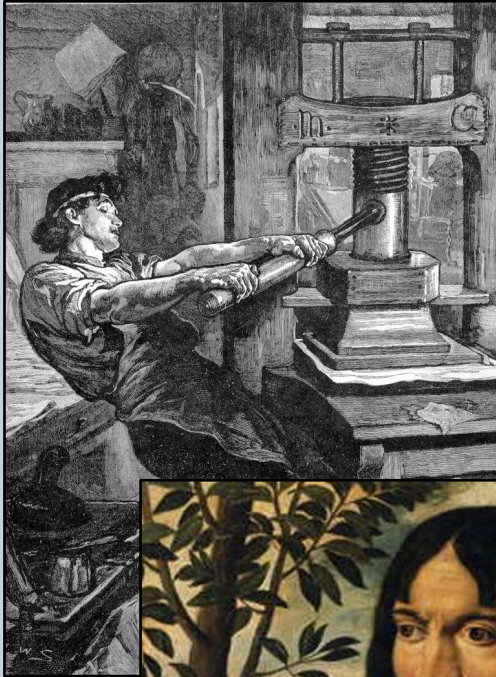
**Martin Luther** (1483-1546)  
and **John Calvin** (1509-1564)

# From Peasants to Burgess

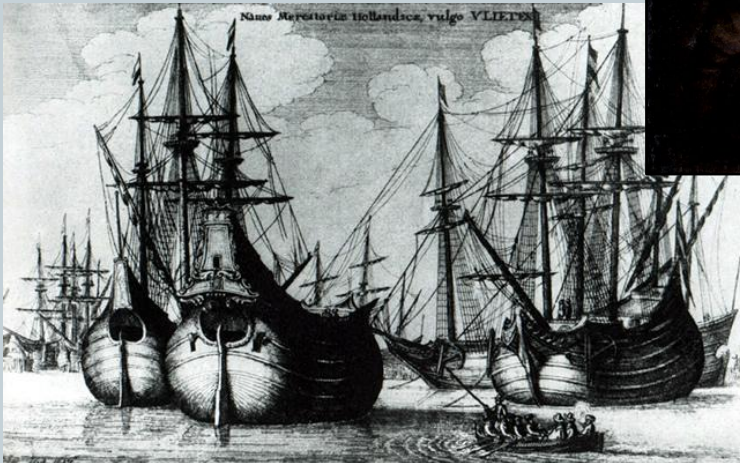


- The appearance of manufactories and craft associations
- Development of trade relations on all levels of supply chain
- Development of shipbuilding: rebirth of **caravel**

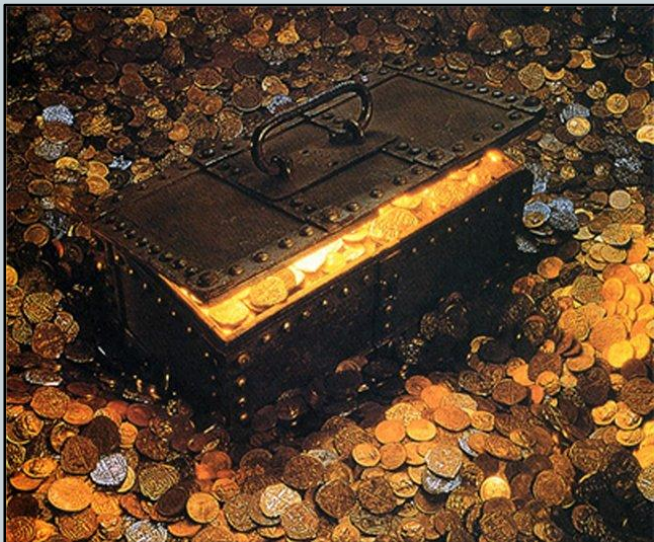
# The Great Developments



# 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?