

Organizing and Paying for Global Empire, 1598–1668

Since the last decades of the sixteenth century, Europe's insertion in the process of globalization intensified. It did so as a consequence of Iberian empires' development. But—this is important to consider—they were not alone in this process. On the contrary, it was a poly-nuclear development that had important consequences both in Europe and the Iberian world.

In macroeconomic terms, the figures of international trade were still small in regard to the size of the European economy. But the direct and indirect effects were notable from the perspective of the political economies of the distinct European regions. This section investigates those effects as well as the different patterns of political development that explain institutional trends in Western Europe and their economic consequences. The different trajectories, we propose, will be important to understand the consequences of globalization for Europe and the commercial and industrial competitiveness within it. But external factors, such as religion, also would be important in this process.

The question to deal with, however, is to what extent the union among the different polities that composed the Habsburgs' composite monarchy and more in particular Portugal and Castile—and, therefore, what we could consider the composite empire—would resist the pressure of globalization. To answer such a question, we also need to consider the way those empires were constructed and the relationship between formal institutions and the social networks on which they were based. From this perspective—I hope—some common places regarding the history of Iberia, Iberian empires, and globalization, as well as their economic trajectories and the concept of their decadence, will be clarified.