

Nalanda Open University

Department of Economics

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- Course – MA Economics (Part –II)
- Paper – X (History of Economic Thoughts)
- Topic – Mercantilism

MERCANTILISM

Dominant system of economic thoughts

In Europe from 16th to 18th Century as Mercantilism

Known by different names in different countries

In England – Commercial System or Mercantile System

In France – Colbertism

In Germany and Austria – Cameralism (also as Bullionism)

Mercantilism prevailed not only in England, France and Germany but also in Russia, Spain and Scotland.

- Mercantilist thinkers did not form a group, advocating fixed line of thoughts and policies.
- They were businessmen, merchants, administrators, in different countries.
- They left number of papers and pamphlets regarding economic problems.
- Later, economists analyzed their writings and found some uniformities.

Some Important Mercantilists

- Sir Thomas Moon (1571-1641)
- Antonie de Montchretien (1576-1621)
- Jean Baptiste Colbert (1619-1683)
- Sir William Petty (1623-1687)
- Sir Joshiah Child (1630-1699)
- John Locke (1632-1704)
- Johann Joachim Bechers (1635-1682)
- Richard Cantillon (1680-1734)
- Sir James Stuart (1712-1780)

Factors Shaping Mercantilism

- Economic Factors
- Political Factors
- Religious Factors
- Cultural Factors
- Scientific Factors
- Technology Factors
- Intellectual Factors

Main Ideas or Characteristics of Mercantilism

- Establishment of Strong Country
- Importance of Gold and Silver
- Importance to Foreign Trade
- Favourable Balance of Trade
- Industrial and Commercial Control
- Importance of Agriculture in Trade
- Price Policy (Market Value and Intrinsic Value)
- Wage Policy (Subsistence Theory of Wage)
- Profit Policy (Positive Profit and Relative Profit)