

**History of Economic Theory**  
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**Lecture No. # 09**  
**The age of Faith: Europe until the crusades**

Welcome back in the last class, we were discussing this speculative philosophy as we founded in classical Greece. We found considerable foundations of scientific thought laid out in that period leading to what we might call modernity these days. Now, from there to the modern we are talking of in time chronologically a movement from around the fifth century BC to something like 16 century AD. So, we are talking about 2100 years. This 2100 years is a period during which very little seem to have happened by way of scientific speculative thinking. There was a lot of theology as Christianity set up routs constituted itself into church and later churches there was lot of theology, there was a lot of mystical thinking too among certain monastic orders in Christianity.

But there was very little flowering of scientific thinking as you found in the times of Pythagoras and 100 years or so after him. So, we shall walk through these 1600 years or 2000 years. Actually we shall walk through this 2000 year period in today's sessions and leaders lead ourselves onto modernity. What happened to Greece towards the end of the fifth century and then afterwards BC? We know that the period from around 550 to around 410 BC was a truly protective golden period, not only in Greece of the time but also in the very history of Europe. We saw bits and pieces of this as far as we could in terms of mystical philosophical thinking and speculative philosophical thinking too in the last couple of classes.

But all of this ends in the third century BC dramatically and then comes a big interregnum from around third century BC to about fifth century AD. And after that from the sixth century AD the whole of Europe seems to go into a period of big darkness is called the dark age till about the 13th century AD. So, the questions we shall be asking today and trying to answer are what happened to Greece towards the closing 50 years of the fifth century BC. And then what happened to Greece afterwards till finally, there is

very little of Greece left envelope totally in what came to be known as the Roman Empire. And then subsequently even the Roman Empire by the sixth century becomes a Christian Empire.

So, the western world becomes a world of Christianity by that from then on. If you want to know what happened in Greece in the second half of the fifth century BC, we have to start earlier on we had two great wars between 490 and 470 BC with the Persians. Garius, Juckses two great Persian Emperors defeated by a federation of Greek cities under the leadership of Ethan's by the time it is 470 BC the Persian incursion and the threats it imposed are becoming memory, from there on becomes a great period in the history of Greece again led by Athens. You see what happens is this federation of cities against the Persians against is kind of constituted under duress of war, under duress under threat of being extinguished.

The Greek cities had to come together to fight the Persians and Athens does a tremendous job trying to bring these cities together. In the process gradually Athens assumes leadership of Greece and becomes virtually the political headquarters of Greece. Much to the resentment of other cities especially Sparta with which Athens has a running dispute not just because Sparta's in independent city on it is own very proud, very militant, very aggressive. But the fact also remains that the cultures of Athens and Sparta are dramatically different. So, from around 14 from around 450 BC onwards begins increasing conflicts between Sparta and Athens, increasingly for about 30 years, increasingly costly to both the economies and to Greece as a whole.

Till finally, a huge epidemic of plague were wipes out most of Athens population and along with it the great ruler of Athens; and that is virtually the end of Athens because Athens looses out to Sparta and the war and from there on the Greek civilization starts declining. You see the victory of Sparta is a victory of what might be called the more boorish section of Greek population Athens was the home of culture Sparta was not. But Spartans were great fighters and far more conservative then Athenians use to be whatever with the rise of with the conquest of Athens by Sparta begins the decline of the Greek civilization. And the next century is the century of Macedonians, who are the Macedonians? Sharanya take a short.

Student: (( )) Macedonia but other then that I am not sure.

Ok can you.

Student: Alexander is (( )).

Oh my god that is tremendous they are Macedonians but there were many other Macedonians too but still that is right. The Macedonian the word Macedonian brings into mind Philip and Alexander, it is said that Alexander engineer the death of Philips. But we do not think of it now, because they are all Macedonians right Alexander quit an extraordinary phenomenon of all times in human history. Young leading is to across the world comes rights up to Punjab and then sets up his branches from Punjab through Tigris and Uteri's, Uteri's valleys all the way up Syria onto Egypt and you name it he has the world in spam.

So, the Macedonian Empire speaks of the second epoch in the history of the Greeks the first epoch of course, is a epoch when they are all classical. We are not talking of the pre classical Greeks here it is all beginning there. The second epoch is the conquest by Macedonians when there were subservience and no peace for the Greeks. In the classical epoch there was no subservience there were free and they had no peace for themselves because they fought each other all the time. And around approximately 211 BC, I think the Romans conquer Egypt and that heralds the end of Macedonian Empire. Where a Rhome come from suddenly out of the blue well you see Rhome was another city the public as it were as all the Greek cities use to be.

If you recall we have talked up about Greek cities in Ionia in the Northern side then in the mainland Greece and then the Islands of Greece around Greece and most importantly in Southern Italy. And we have also said the cities Greek cities of Southern Italy and the Islands were usually homes were a lot of Mysticism, Orphism that sort of thing grew. Faith religion that approach to the universal where as the Ionians were people who brought in a lot of thinking brought in a lot of philosophy bring who brought in lot of you know scientific outlook. Who are the ones who brought a lot of knowledge from Babylonia and Egypt onto Egypt I am sorry onto Greece.

Now, in the period when Roman annexation takes over the third period of the Greek history you had complete conquest of Greeks no political independence total subservience and no peace. In other words it is an extension of the Macedonian rule but on a permanent basis because by this time the eminent of the Greek civilization are

vanishing. Now, the Roman Empire as I said grew out of the growth of the city state of Rome gradually into eminent and leadership as Athens had in the fifth century. By about the end of the third century Romans had conquered all of North Africa, Syria and all the way down up to Babylonia, the estuaries of Tigris and Euphrates. They had conquered all of France as it is known today they had conquered a large part of Great Britain.

So, the Roman Empire extended all the way from the granum in the East in Europe to the Thames in London. And then it extended all the way from the courts of the boltiks in the North all the way down to the valleys of Tigris and Euphrates deep down in the Arabic world or rather in the in the middle eastern world, Arabic world came later. Roman Empire too had its nemesis and this nemesis largely it is its own growth seen at its peak the political leadership in Rome had created provincial governments across the Empire, which had considerable autonomy, which had considerable sets of obligations and rights vis-à-vis Rome.

An excellent system of law and an outstanding army, and more importantly a tremendous capacity for public works road making, bridges, all of which were responsible for the rapid movement of the Roman army; and the legionaries across Europe, is this expansion which gradually led to the demise. On the one hand as more and more wars were fought the cost of fighting more and more wars had to be distributed more and more across the provinces. So, the provinces had to bear the physical burden of the war increasingly at one point, the burden of the war became so intense that the prefix of township. Where the Romans ruled used to be free because the penalty for not collecting enough taxes and paying it to Rome was severe.

So, the law was made that the prefix should not run away they should stay in the townships. So, gradually the magnificent orderliness of Roman legal system political and bureaucratic system became more and more and more repressive. About this time the army suddenly realizes that it is the most powerful institution in the whole of Roman Empire. So, army takes it into its head that it should become the kind maker of the Romans. So, army takes its privilege to assassinate a Senator or it might through somebody out and put somebody else in its place in other words army became central in deciding political leadership in Roman Empire.

And the prices heavy for that because what happens is different fractions of the army start supporting different leading political mummies in Rome. And the price expected is not only rewards as salary by the soldiers but also bonuses in the form of trophy after the victories one against the other Roman who we are fighting and finally, land grants. The victorious soldiers who fought for the winning person who became the king of Rome or the ruler of Romans demanded an acquired grants of land so; a new lead of aristocracy was growing in Roman Empire. And this is very destructive process because what one general could do with his troops another general could, what one aspiring politician could do another could.

So, the resources for these came from agriculture from the whatever manufacture that existed in short from economic activities. More and more of resources were taxed away from productive economic activity on to the wastefulness of war. And or more importantly onto the incredible corruption that grew out of it of some kind of war lordship which the generals and the troops had. So, this goes on were quite a while till about two three hundred years till about 250 years I think after Christ. When a Sessler or Augustus comes into power and there is a period of great peace after which of course, things started rewriting slowly.

But by this time as this the deterioration occurs there is yet another force which is operating in Europe, which is started operating actually around a 150 years after Christ. Which is the holds from the east called the Huns there pressing in on Eastern Europe there coming in waves and pressing in on Eastern Europe. And who is in Eastern Europe, people known as the barbarian, tribes, the vandals, the gouts, the ostogouts, the vissigouts, the franks these people are under pressure from the East and they start moving in onto the Roman Empire exert in their pressure. So, eventually the Roman Empire comes under threat from the raiding arms of various groups of so, called Barbarians.

By this time to the great Empire as split into two the Eastern and Western Empire, the Western Empire located in Rome and Eastern Empire located in Byzantium which today is known as Istanbul. But in those days became known as Constantinople after the great emperor Constantine. Who was a great Eastern Empire leader, is the Eastern Empire which becomes officially Christian first. King Constantine makes Christianity the official religion of the Romans state at least of the Eastern wing and the reason is

very clear. One a miracle is promise to him in a war and if the miracle happens he should get into the Christian faith, it is said that the miracle happened and Constantine became a Christian.

But most important more than two thirds of the army of the Constantine were already Christians. So, in order to be a popular leader he had to make a nation Christian nation. So, by the time of Constantine Christianity became the official religion of the Roman Empire as I said originally in the Eastern half and later on in the Western half in Rhome. While that is the case the fact that Rhome was a kind of a cultural headquarters of the Christians became evident long before. Because both Saint Paul and Saint Peter had attain their Mart Adam in Rhome and therefore, Rhome was scientified. And at least 300 years of repression and harassment of Christians happened in Rhome.

You heard of the catacombs of the Rhome where large number of Christian believers uses to hide from persecution and the persecution as we have seen earlier was quiet intensive. So, eventually when the leadership of Christian religious group happened to find a centre it was naturally Rhome. And it became the headquarters of the Christian world ruled by the Christian ruler called Pope; the Pope became the head the ecclesiastic head of Europe by that time. Well done the vandals, the gouts, the vissigouts, the ostogouts, they attack and raid the Roman Empire by 14. I think the year 461 if I am not mistaken is the year when at last the gouts sack the city of Rhome.

With that the victory of the Barbarians is more or less taken for granted. Does this mean that the Roman Empire became a Barbarian Empire or does it became does it mean Barbarians replace Rhome forever? No, it is a trade off. For nearly 100 150 years this you know the gouts and ostrogouts, franks and people are you know pressing in on the Roman Empire and making in roads taking territory. And most important in the process becoming Christians; so eventually the political victory of the gouts in the sack of Rhome and eventually the victory of the Lombard's in the capture of the cities in the North of the Italian Peninsula.

All this is merely institutionalization of a new era in that part of the world what is happening in this new era is that the (( )) Barbarian has become politically supreme, militarily supreme. At least in the western part of the Roman Empire the eastern part is still holding on with Constantinople has its headquarters, but the western part is

seemingly taken over by the Barbarians. So, yes they have taken over politically they have taken over militarily but the Barbarians were endlessly envious of the Romans for their culture, their laws, their rules, regulations, their political organization. So, over a period of time you find the Barbarian rulers trying to become more Roman than Romans.

So, this is what is happening here by the fourth or fifth century Christianity is come to hold itself strong, in both Eastern and Western Empires see official religion. Not only that it is religion of all the conquerors of the Rhome the Barbarians. So, by the fifth century you can say Christian Europe comes into existence in a full fledge form. Do you have any questions at this point? You do not have questions; I will ask you a question. Have you heard of Saint Ambrose, have you heard of Saint Augustine, tell me about Saint Augustine? Adithi.

If you look at western philosophy Greek classification, Greek philosophy the medieval philosophy is social rules Saint Augustine and some that more Christian based religions. Very true and what did you have to say.

Student: Saint Augustine and Thomus (( )).

Much later Thomus (( )).

Student: (( )) peace scholastic?

No, Saint Augustine was peace scholastic and Saint Thomas Aquenous was end of scholastics. Between them is almost a period of 900 years, Saint Augustine spelt the end of one era of Christianity. Where it is known as the four great doctors of Christianity came into existence Saint Gerome, Saint Augustine, Saint Ambrose and then Pope Gragery the great. Their preoccupations are entirely theological you do not have the Greek type of philosophical speculation, which is already rejected and thrown out as Pagan philosophy. What has to be taken from the Pagans has been taken from Plato by the time people like Saint Augustine or writing a little bit of substantial bit of Plato's absorbed into Christian theology.

More importantly the idea of the Mart Adam of the religious leader which you find in the Orphism at this becomes translated into the Mart Adam of Jesus Christ in Christianity. There is continuous belief systems out there which ends up with the Mart Adam of Jesus

Christ. But other than all these things Saint Gerome, Saint Augustine, Saint Ambrose these are great figures in the history of the church probably very great figures at that time in the western world their work was entirely theological. There was no scientific work, interact all knowledge by that time became the monopoly of ecclesiastical institutions church and its organizations.

And all non ecclesiastic learning was discouraged including Saint Ambrose was very strongly against non ecclesiastic learning in other words learning should be done by Church and only through the Church. So, already the ground was set for a long period of hibernation in faith so, from the sixth century begins a long period in philosophical terms till the 16th century or at least the 14th century. When Europe seems to go to sleep and a long hibernation, often times the period from the fifth century on to the 12th centuries specifically is known as the dark ages. There is some activity in the 12th century, when the Pope suddenly realizes that he must build more political capital for himself.

And he institutes a series of activities called Crusades, which is basically on the face of it attempts to recover the Wholly Grail from the Muslim hands in Jerusalem. But it is different ways in which Pope tries to consolidate their own political power across Europe. Can you tell me can somebody tell me something about the Crusades has somebody read an old and probably out of fashion English writer called Sir Voltas Scott no, have you heard of names like King Richard the lion heart, in England does it seem familiar.

Student: No.

No, have you heard of a name called Selidane, these are all names out of the times of the Crusades. You see by the time of the Crusades there is a division of the Church which is virtually an armed division of the Church their nights they use to be known as nights Templers. These were people who had sort of dedicated themselves to celibacy, dedicated themselves to rightist living by the Christians standards and to fight martially for Christianity wherever such a fighting was needed. So, there were the nights in the errand of god I suppose to nights who were errand of kings so, nights Templers they became the central focus around which the Crusades began. Different parts they were several Crusades first, second, third and fourth Crusade over a period of 150-180 years.

As I said this ostensible purpose of Crusades was religious to recover the relics from the sacred land which were thought to be property of Christians because it was a home of Christ. It was also an attempt at a kind of a global militarism because the Arab world was immensely politically powerful. By the time the Crusades came the Eastern Empire which also use to be known as Byzantine Empire because it was based on Byzantium or Constantinople was tottering the Western Empire had already become non Roman. But Christian, the Eastern Empire was tottering. And there was you know there is lot of political economic opportunistic interplane all these things I shall just let you a know little event of this type.

So, when the Crusades being were being organized the Lombardian cities that is the cities say Northern Europe which had been occupied by Lombard's. And which were prospering, which were full of trade then activity these Lombardian cities were looking to opportunity and the Pope says now go fight the Crusades. The Christian armies will embark and sail towards the holy land and fight there fantastic, people of Vinnitsa the opportunity were themselves here when it is of course, being one of the principle of Lombardian cities and the great port city. So, they made a following presentation they said well you know if you really want to send the holly army to Jerusalem and capture it.

They have to land at some port like Haifa or Accava on the Middle East and mainland on the Israeli mainland as it were. And that is a problem because that whole area is controlled by Muslims and the best thing is to have a gateway to Jerusalem much closer to Jerusalem. The best thing is to capture is to Constantinople and thereby you have the gateway to Jerusalem wide open and you could build big war and so forth. Now, everybody knew that the venetians were trying to make good business out of this. But nobody had a choice because most of the ships seems seem to belong venetians and you need ships to transport all the ships and horses and cargo I am sorry the troughs and horses and the nights Templers.

So, eventually you know there was an axe to grand across a place that is what I was trying to say is much more complex full of little in trigs here and there and therefore, a lot more complicated then a simple religious war. And if you read the stories of Walter Scott you were find how in England the coming of the Crusades makes tremendous internal political transformations within England. So, lots of things were happening in Europe, is what I am trying to say in the Crusades come, two things that happen, when

the Crusades are tremendously important. One growth of business lot of prosperity so, business groups are very prosperous because you know Crusades they self things to go to people war for the holly purpose but there was good business in that.

Second lot of internal political transformations occurs across Europe, because it is a big political way which is sweeping across Europe. And lots of little ways happen following it there by changing political power structure with every Crusade across different countries of Europe. But two other things happen which are not often mentioned; one is there is an incredibly aggressive violence unleash against all the Zeus in Europe. Zeus till the first Crusade control virtually all business in Europe, the entire transaction of business from the East towards Europe was controlled and organized and regulated by the Zeus for centuries.

But with the coming of the Crusades one thing that happen was incredible unlashing of violence towards the Zeus they were (( )) large numbers and vast quantities of Zeus property was annex by the Christians. So, by the end of the second Crusade most of European business had gone from the hands of the Zeus on to the hands of the Christians. So, it is a big political economic shift for which religion is an ostensible reason, but it is merely a predatory activity will take a little aside at this point. Because time and time again religion has cropped up in the world involving vast passions, vast violence and more importantly enormous economic loss.

And every time it is happened, there is always a little opportunism somewhere which uses a religion as a proxy. What happened in the Crusades? Is one thing that you see in 1939 there was a man who fought against the world from Germany, who is entire ideology was that the Zeus are the enemy of the world we should destroy them. They are controlling us, killing us you should wiped them out and do what take their wealth, take their resources. So, here it was done not in the name of Christianity, but in the name of national socialism so, you see ideology once again comes in as a proxy for opportunism. So, where did the resources of the Zeus go to, the resources were Zeus went to the existing Christian German business.

The croups and the you name it the Bensons and so on and so forth I am not saying that there need be a value judgment in this matter. But I am saying certainly that the Crusades is a clear illustration to us that there is a long history of opportunism of political

maneuvering and economic pragmatism. All of them underlying major ideological disputes, the Crusades is one example that is an aside. Equally important this was one first phase of growth in European economy at the time of Crusades. Because not only is business happening because a war is being fought but because precisely of that is lot of going and coming in trade. Especially the Lombard cities are making hay they are really growing during this period twelfth thirteen century they grow very fast.

And therefore, the break happens along with the Crusades out of the dark ages, almost unwillingly Europe it breaks out of a long period of slumber into something positive, something aggressive, something economically purposive. While this is happening, while the cities are growing, while trade is growing at this time something has else is on this eclipse. What is on the eclipse is the way in the rural society had got itself organized in Europe for the previous seven eight hundred years. That is going through enormous stress; there is a little breakdown of that social order. And there is a literal renewal of rural energies, which starts around the time of Crusades and completes itself around the sixteenth or seventeenth century.

So, this period is a very crucial period, not only for the rise of towns, but for a change in the rural social and economical and political order in Europe. But in order to understand this rural economical political and social order which was transformed we must go back in time again to the Romans. The routes of the political economic and social system which came into existence in the dark ages in Europe lay also during the time of the Roman Empire. If you remember I was telling you that, the great involvement of the army in king making in the Roman Empire became tremendously expensive. And the expenses came out of the tax payer and the tax payer not sitting mainly in Rhome, but he was sitting in the rural areas.

So, by that time the rural the face of rural Roman Empire had also changed, there was enormous wealth coming in, enormous prosperity coming in, with victory after victory, conquest of a conquest Empire growing. And the money mostly went into the hands of nobility in Rhome. And basically nobility of the Empire, formally the Europe the Roman Empire was politically organized in a kind of a democracy. There was representation for the common man in political power, but the affairs of the state were run by the Sonnet which was almost totally controlled by the aristocracy. So, with these trims and victories

and prosperity coming into Rome, it is the Aristocracy that grows bigger and bigger and stronger.

And when eventually the price had to be paid king making, for paying the army to fight other peoples wars is the aristocracy which had to pay. So, in number of cases landlords were trying to go away from their estates because it was becoming too expensive. You cannot maintain an a state paying so much for the armies and the government taxing you all the time. So, came the first of the regulations of that time, if you remember already I told you that the prefix of towns were ban from living the town then the next the landlords were prohibited from living their estates. Or more importantly the workers the farmers and the peasants, who had become you see, what happened was the with the growth of the power of the Aristocrats.

All small farm holdings were integrated and taken over by the Aristocrats and agriculture in those part turns from small present agriculture to big estate agriculture which was controlled by Aristocrats. So, the peasants became the workers and these workers were banned from shifting from their location by these new regulations. Because if there are no workers there is no agriculture, if there is no agriculture there is no revenue for the government. So, here comes a regulation very quietly which was to affect all of Europe in the centuries to come. Regulation which bans the mobility free mobility of rural labor force from one area to another, which means is labor force cannot anymore offer itself even for wages to anybody.

That it wanted to offer it was tight to land, you are in this estate you belong in this estate this is where you stay. So, here comes a tradition which lasted centuries a tradition where labor was locked up in the estate, could not offer itself offer its labor power for sale anywhere in the market. This goes back as I said to the days of the political anarchy in Roman Empire, will take a break at this point and then resume, I guess after the break. Now, you have any questions we have a minute or so. No, you do not will take a break.