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GREAT BRITAIN ON THE WAY TO INDUSTRIAL AND COMMERCIAL HEGEMONY (THE LAST THIRD OF THE 18TH – THE 70S OF THE 19TH CENTURY)

Svitlana Boyeva

Candidate of Historical Sciences,
Associate Professor of the Department of History,
National Technical University of Ukraine “Igor Sikorsky Kyiv Polytechnic Institute”, Kyiv
e-mail: svit.boyeveva@gmail.com
<https://orcid.org/0000-0002-9966-9745>

Abstract. *On the basis of the civilizational approach, the latest studies of historical and economic science the main trends in the economic development of Great Britain in the late 18th - first half of the 19th century and the genesis of capitalism are analyzed. The preconditions of industrial revolution, its essence, sources, tendencies, stages, characteristics and the consequences, particularities of socio-economic development of Great Britain, which accelerated industrial revolution, are investigated.*

Key words: *industrial revolution, agrarian reform, «the enclosing of the lands», policy of protectionism, free trading, industrial Economics, international Economics, economic liberalism, the world economy, industry factory, «factory of the world», international economic relations, technological progress.*

The Problem Statement. At the present stage, in the context of strengthening the processes of globalization and internationalization, deepening the international division of labor, trans nationalization of production activities, knowledge of historical experience of management in Europe and the world is of great importance.

The relevance of this topic is due to the fact that Ukraine and other countries of the transition economy are completing the process of transformations associated with the formation of a market management system. Effective prediction of the consequences of these transformations, forecasting further development is possible only on the basis of a thorough knowledge of the history and laws of economic development.

Thus, the study of specific facts of economic life of the countries of European civilization, in particular the industrialization of Great Britain in the last third of the 18th – 70s of the 19th century, analysis of historical and economic processes related to certain changes in the structure of the economy are important prerequisites for the effectiveness of the processes of restructuring in the national economy, their deep understanding and theoretical justification.

Global consideration of the problem contributes to the theoretical understanding of the globalization processes of the modern world, the knowledge of the fundamental principles of the functioning and development of national economies, their interrelationships and trends in the development of the general civilizational process.

The Purpose. The article is aimed at research on the basis of a comprehensive analysis of the latest domestic and foreign publications of historical and economic

experience in the formation of a modern market economy of developed European countries; the history of the emergence, formation and development of Western industrial civilization in the context of the crisis of agrarian civilization on the example of industrialization of Great Britain; evolution, nature, causes and consequences of the industrial revolution and its transformation in Great Britain; investigation of the main trends and problems, general laws and peculiarities of socio-economic and social development of the country, changes in political, economic, and financial structures; understanding the relationship of national-historical conditions with world processes.

The Analyses of Recent Researches. This problem has always attracted the attention of scientists. Most of the material presented in the scientific literature is general in nature and considered in the context of the formation of a market economy of developed European countries. Of particular interest are modern domestic general researches, the authors of which (B. Lanovyk, Z. Matisyakevich, R. Mateiko [Lanovyk, Matysiakivych, Mateiko, 2005], P. Leonenko, P. Yukhimenko [Leonenko, Yukhymenko, 2004], S. Stepanenko, S. Antonyuk, V. Feshchenko, N. Timochko [Stepanenko, Antonyuk, Feshchenko, Timochko, 2010]) tried to provide a broad overview of the factual material on the history of formation and development of Western European industrial civilization, and in particular, to reveal the socio-economic aspects of Great Britain's history in the late 18th – the 70's of the 19th century, the reasons for its transformation into a leading country in the world.

Useful for the study of the problem are a number of works by scientists D. P. Bohynia, N. M. Kraus, O. V. Manzhura [Bohynia, Kraus, Manzhura 2010], P. Yakobchuk, Yu. V. Bogoyavlenskaia, S. V. Tyshchenko [Yakobchuk, Bogoyavlenskaia, Tyshchenko 2015], V. S. Virginsky [Virhinskyi, 1984], G. B. Polyak [Ekonomicheskaya istoriya, 2017], in which they turn to the historical and economic experience of Great Britain, as well as Germany, France, and the USA and point out the need for an in-depth analysis of the historical and economic conditions for the formation of a modern market economy.

Monographs, mainly by foreign authors, are devoted to a more detailed coverage of specific issues of the industrial revolution in Great Britain and its features. Worthy of attention are the works of R. C. Allen [Allen, 2009], Lee T. Wyatt [Wyatt, 2009], G. Clark [Clark], E. Hobsbaum, K. E. Hendrickson, J. Corfield, S. Landes [The Encyclopedia of the Industrial Revolution in World History, 2014], J. Mokyr, as well as I. M. Kryvoguz [Novaya istoriya stran Evropy i Ameriki, 2005], N. I. Poletaeva, V. I. Holubovich, and L. F. Pashkevich [Ekonomicheskaya istoriya zarubezhnykh stran, 2010], which highlight the role of Great Britain in the industrial revolution and in the world economy, analyze its development before industrialization and during the industrial revolution, the essence, causes and impacts of the industrial revolution in the global context, not only in Great Britain, but also in the United States and the rest of the world, research inventions of prominent scientists, movements and ideologies.

Analysis of modern domestic and foreign scientific literature shows the growing interest in the history of Western Europe during the industrial rise. Modern scientific developments are characterized by a variety of assessments, approaches, and conclusions on certain aspects of this issue. However, thorough scientific studies that would comprehensively examine the features of the industrialization of Great Britain in the last

third of the 18th – the 70's of the 19th century are still missing. Today the problem of studying the process of industrialization of Western Europe, and in particular Great Britain, is really relevant and requires further scientific research.

The Main Material Statement. In the last third of the 18th century in European countries – Great Britain, Germany, France, as well as the United States, began the transition from manual production to machine, from manufactory to factory. This meant that an industrial revolution took place here, which ended in the 60 – 80s of the 19th century. It laid the economic conditions for the transition from agrarian society to industrial. The industrial revolution was characterized by both common trends for all countries and features inherent in a particular country.

It was a time of struggle for parliamentary reform and Chartism in England; crises of the absolutist-feudal system in France, the Great French Bourgeois Revolution and the Napoleonic Wars; the wars of the North American colonies of England for the independence and formation of the Republic of the United States; Revolution of 1830 in France; revitalization of the revolutionary movement in Europe and the revolutionary events of 1848 – 1849 in France, Germany, Italy and the Austrian Empire; national liberation movements of the 50-60's of the 19th century; abolition of serfdom in the Russian Empire; the American Civil War [Virhinskyi, 1984, p. 139].

In Great Britain, the industrial revolution began in the 60's of the 18th century, earlier than other countries. The pattern of this phenomenon is based on such prerequisites.

1. Bourgeois revolution of the mid-17th century finally established bourgeois democratic system, which has retained its basic features to our time.

2. Agrarian revolution («the enclosing of the lands») led at the end of 17th century to the liquidation of the peasantry [Yakobchuk, Bogoyavlenskaia, Tyshchenko, 2015, p. 123-124].

3. The struggle for domination on the seas weakened in the 16th century Spain, in the 17th century – Netherlands, in the 18th century – France, has turned Britain into a powerful maritime superpower. It owned almost all of North America and India, controlled the exits from the Mediterranean Sea, and economically dominated in Portugal and even the Netherlands. All this contributed to the huge inflow of new capital into the metropolis.

4. Exceptionally favorable natural conditions (a large number of rivers, a coastline stretching for hundreds of miles) created the basis for stable communications [Landes, 2014, p. 42]; the subsoil contained large reserves of iron and coal; huge pastures provided raw materials for the cloth industry [Ekonomicheskaya istoriya zarubezhnykh stran, 2010, p. 41].

5. The increased demand in Europe for British goods (mainly textile) was caused by continuous wars on the continent: military unified clothing, military equipment, weapons, especially cotton fabrics were needed for sewing linen [Ekonomicheskaya istoriya zarubezhnykh stran, 2010, p. 106]. The cotton industry arose as a result of fierce competition with the wool industry. The victory was won by the importation of cheap cotton from the British colonies in North America.

In this regard, the professor of economic history at the University of Oxford R. C. Allen in his work «The British Industrial Revolution in Global Perspective» concludes that «The success of the British economy was ... due to long-haired sheep,

cheap coal and the imperial foreign policy that secured a rising volume of trade» [Allen, 2009, p. 131].

Laggard manual technology which did not satisfy the increased demand for cotton fabrics needed to be replaced by machines. In the third quarter of the 18th century the era of the most important inventions began. Initially, with their help, it became possible to mechanize the process of cotton charging (spinning machines «Jenny» by J. Hargreaves and the mechanical machine of E. Cartwright) [Landes, 2014, p. 62]. The advantages of these two machines united S. Crompton in his model, which became the basis of mechanized cotton charging, as well as wool, cloth, paper, printing industry [The Encyclopedia of the Industrial Revolution in World History, 2014, p. 499].

Mechanization of spinning and weaving revealed the need for an engine that does not depend on hydropower. This engine was the first steam engine by J. Watt. Very quickly it began to be used in all sectors of industrial production, and later on transport [Landes, 2014, p. 84; Clark, p. 7-8]. In 1840, British steam engines were generating 620,000 horsepower out of a European 860,000 [The Industrial Revolution. Economic effects].

The use of machines has dramatically increased the demand for metal. Charcoal was not enough for the development of metallurgy. In addition, deforestation led to the decline of shipbuilding. In 1735, A. Derby developed a method of using coal fuel in the metallurgical process [Ekonomicheskaya istoriya zarubezhnykh stran, 2010, p. 116], and in 1784 G. Court offered his invented puddling furnace for smelting steel from cast iron. The use of rolling rolls made it possible to produce products of the desired configuration. Thanks to these innovations, labor productivity in metallurgy increased by 15 times [Lanovyk, Matysiakivych, Mateiko, 2005, p. 129].

The upheaval in industry led to an increase in freight traffic. This, in turn, led to the modernization of machine and water transport. In 1805 – 1807 American R. Fulton built the first steamer [The Encyclopedia of the Industrial Revolution in World History, 2014, p. 746-747]. Soon J. Stephenson created the first locomotive (1814), and in 1825 the first railway was put into operation [Leonenko, Yukhymenko, 2004]. Mechanized water transport and railways connected various economic areas and industries, creating new stable communications. All this was of great economic importance.

One of the last problems of the industrial revolution was solved by machine production of machines, the emergence of a new industry – mechanical engineering [Ekonomicheskaya istoriya, 2017, p. 211]. Its development was facilitated by the development of the main types of metal-cutting machines: lathe (H. Maudsley, 1798), and later – drilling and milling [Industrial Revolution].

Creation of factory engineering in the first half of the 19th century completed the industrial revolution in Great Britain, ensured the transition from manufactory to factory system of industry.

It was a truly industrial revolution, which allowed Great Britain to occupy a prominent place in world economy and world politics in the mid-19th century. It produced half of the world's production [Bohynia, Kraus, Manzhura, 2010, p. 85]. Relying on a powerful material base, Great Britain after a successful struggle with revolutionary France firmly entrenched in world markets.

The development of industry reduced the share of rural population in 1811 to 35%, in 1870 p. – to 14 %. [Leonenko, Yukhymenko, 2004]. This contributed to the use of advanced methods of farming and cattle breeding.

In agriculture, a policy of agrarian protectionism was carried out, beneficial to large landowners. Bread laws of 1815 sharply restricted the import of bread from abroad. In this way, high prices for bread were artificially maintained, which worsened the lives of workers and led to an increase in the cost of labor [The Encyclopedia of the Industrial Revolution in World History, 2014, p. 739]. Under the influence of the industrial bourgeoisie bread laws in 1846 were abolished [Novaia istoriya stran Evropy i Ameriki, 2005, p. 194]. At the end of the 19th century bread fell as a result of its importation from America. This led to the restructuring of agriculture, a new transformation of arable land into pastures.

At the same time, the process of establishing the hegemony of Great Britain in the world capitalist economy took place. This created conditions for freedom of trade. If by the 40s of the 19th century the bourgeois state pursued a policy of industrial protectionism, that is, the imposition of a high duty on foreign goods [Bohynia, Kraus, Manzhuira, 2010, p. 84], then under new conditions, when Great Britain reached industrial hegemony, the system of protectionism lost its importance, hampered economic development.

The state exempted from duties almost the entire range of goods imported into Great Britain. One of the measures was the abolition of bread laws.

So, among the reasons for free trading are the following:

1. The disadvantage of duty on raw materials and food products;
2. High competitiveness of English industry;
3. The abolition of protectionism was based on a clear calculation: Europe will facilitate the importation of English goods, which will make it possible to receive much greater benefits.

This happened during concluding on this basis of commodity agreements with France, Belgium, Italy, Austria, Sweden and other countries. As a result, Great Britain has occupied a prominent place not only in the world industry, production, but also in trade, maritime transportation.

The most important factor in commercial and industrial hegemony was British colonialism. In the first half of the 19th century Great Britain penetrated in Africa, conquered Australia, seized islands in the Pacific Ocean. As a result of opium war in 1840-1843, bonded treaties were concluded with China; a new market for English goods emerged. Great Britain unleashed wars in the Middle East, continued the process of conquest and looting of India, the development and settlement of Canada. By the middle of the 19th century Great Britain was finally formed as a colonial empire, which contributed to an even greater strengthening of the country's economic power [Ekonomicheskaya istoriya zarubezhnykh stran, p. 108-109].

Colonial robbery, the role of a leader in industry and trade led to huge accumulations of capital, the development of lending. English Bank was created (1694), after him until the beginning of the 19th century – another 650 banks [Lanovyk, Matysiakievych, Mateiko, 2005, p. 144]. By the middle of the 19th century London has become a global credit center, a place to accommodate a large number of foreign government loans [Novaia istoriya stran Evropy i Ameriki, 2005, p. 203];

Ekonomicheskaya istoriya, 2017, p. 211]. In this way, Great Britain becomes not only a global manufacturer, merchant and carrier of goods, but also a global banker.

The Conclusions. Thus, Great Britain, the first country in the world to survive the Industrial Revolution, which developed into industrialization from the 60`s of the 19th century, to the middle of the 19th century has become the most powerful industrial country. It became the largest colonial empire, the «factory of the world», the world's financial center. Creation of a market economy, the transition from the policy of protectionism to free trade contributed to the country's entry into the position of leader of the world economic space. In 1870, Great Britain accounted for 32% of world industrial production, half of all hard coal mining and iron production [Wyatt, 2009, p. 76]. Great Britain turned into the center of world trade: in 1870 its share in world trade was 37.3%, while France – 10.4, Germany – 9.7, and the United States – 7.5% [Stepanenko, Antonyuk, Feshchenko, Timochko, 2010, p. 264]. It owned the largest merchant fleet in the world, was ahead of other countries in terms of capital exports, and was actively preparing for war for new spheres of influence.

However, under the influence of the law of uneven development of capitalism already in the 50 – 60s of the 19th century there are signs of Great Britain's losing its leading positions. The process of accelerated development of the United States and Germany is taking place; their competition in the domestic and world markets is becoming increasingly felt. Some countries cease to be a market for British goods. The new state of the United States of America defends itself with high import duties. There is a tendency to apply the protectionist system in Western Europe. The main reason for these phenomena is the loss of the Great Britain's organizational and technical superiority over the countries of «young capitalism».

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**ВЕЛИКА БРИТАНІЯ НА ШЛЯХУ ДО ПРОМИСЛОВОЇ ТА ТОРГОВОЇ ГЕГЕМОНІЇ
(ОСТАННЯ ТРЕТИНА XVIII – 70-ТІ РОКИ XIX СТ.)**

Босва Світлана Юрївна

кандидат історичних наук, доцент кафедри історії,

Національний технічний університет України

«Київський політехнічний інститут імені Ігоря Сікорського», Київ

Анотація. На основі цивілізаційного підходу, новітніх вітчизняних та зарубіжних досліджень історичної та економічної науки аналізуються основні тенденції економічного розвитку Великобританії в кінці XVIII – першій половині XIX століття та генезис капіталізму. Досліджуються передумови промислової революції, її сутність, джерела, тенденції, етапи, характерні риси та наслідки, особливості соціально-економічного розвитку Великобританії, які прискорили промислову революцію.

Ключові слова: промислова революція, аграрна реформа, «огороджування», політика протекціонізму, фритредерство, промислова економіка, міжнародна економіка, економічний лібералізм, світове господарство, промислова фабрика, «фабрика світу», міжнародні економічні відносини, технічний прогрес.