

## MERCANTILIST THOUGHT IN THE WESTERN BALKANS .

UDC 330.812

**Predrag Vuković<sup>1</sup>, Zoran Simonović<sup>1</sup>, Dragoljub Simonović<sup>2</sup>**

<sup>1</sup>Institute of Agricultural Economics, Belgrade

<sup>2</sup>Faculty of Economics, University of Niš, Serbia

**Abstract.** *An insight into the economic thought of the past is significant for fundamental understanding of certain historical events and represents an important anthropogenic legacy. Scientific works on economics of western Balkans philosophers, from the earliest times of economic thought development to the present, have not occupied the attention of contemporary authors to a large extent. However, in order to understand the historical sequence of events that have affected the situation in which we are now, a constant study and analysis of these events is necessary. Also, we all know the maxim that "without understanding the past we cannot understand present or plan our future". The development of modern economic thought in Western Balkans, as well as in Europe, begins with "mercantilism". Mercantilism, as a line of economic thought, was developing simultaneously with then current tendencies in Europe. Turbulent historical events that characterize Western Balkans have not affected the development of economic thought, and we may conclude that, despite certain historical circumstances, the development of economic thought was not "in the dark ages." Numerous authors have given their contribution to the science of economy, and shown that trends were, nonetheless, current in this region as well. Those works are stored in numerous libraries representing historical materials of inestimable value. This study analyzes the development of mercantilist thought in Western Balkans emphasizing the major representatives of this line of economic thought.*

**Key Words:** *mercantilism, economy, trade, crafts.*

---

Received March 21, 2012 / Accepted April 24, 2012

**Corresponding author:** Predrag Vuković

Institute of Agricultural Economics, Volgina 15, 11060 Belgrade, Serbia

E-mail: predrag\_v@iep.bg.ac.rs

\* The study is part of Republic of Serbia Ministry of Education and Science research project III 46006 "Sustainable agriculture and rural development in function of realizing Republic of Serbia strategic objectives in the Danube region".

## INTRODUCTION

Studying economical theoretical doctrine helps us in better understanding of social and economic circumstances in a particular moment of history. Therefore this process is of invaluable importance. In this way it helps us understand certain historical circumstances, and make decisions of historic importance for the benefit of a state at that time.

Historical development of the first serious scientific economic doctrine in the Western Balkans has begun with development of Mercantilism doctrine. The conditions that caused that development were the following: the rise of capitalist market economy, accelerated process of labor division, market development, financial economics became a dominant form of business, labor became a commodity, first forms of capital accumulation appeared.

These factors created conditions for scientists to start searching for new forms of economic trends and brought about the appearance of mercantilist school in economic doctrines development.

## THE THEORETICAL APPROACH OF MERCANTILISM

The term "mercantilism" was first accepted in scientific professional community by Adam Smith [9, pp. 1], the author of classical economic thought, who named a period from 1450 - 1750 after that term. In literature a synonym "merchant capitalism" can often be found. The term was originally used to mark a period, that had a large number of common denominators, in a more appropriate way. It is pointed out, in the "Oxford English Dictionary", that mercantilism constitutes acceptance of economic doctrine system and legislative policy based on a principle that "money itself is not a fortune". Some authors, such as D. C. Coleman [2, pp. 1], emphasize that "this definition is a relic of the past and represents outdated beliefs and, as such, is completely inadequate and unacceptable". J. Robinson and J. Eatwell [8, pp. 5] have pointed out that mercantilist school was flourishing through the development of British maritime trade in XVII and XVIII century. They emphasized that "there is only one pure doctrine - export brings wealth to a nation." Hence, their attitude that "a strong state intervention protects balance of foreign trade and stimulates effective demand, in order to raise the level of production and the extent of population" is quite understandable.

The views of A. Smith have been interpreted differently in science. In addition, there are supporters and critics. One of the best known is A. Gray [3, pp 53] who emphasizes that "mercantilism, as any other doctrine, originated from an expression of time, and must be considered as such". According to him, due to certain social and economic changes, mercantilism occurred as a need for certain economic concepts, or more precisely as N. Vučo [15, pp 53] points out: "Mercantilist study included actual facts of economic development, and then evolved concrete measures for solving the current problems of the time". B. Šoškić [13, pp 21] said that "mercantilist teaching involved the real facts of economic development of a period and pointed out specific measures to resolve the current problems." Real facts on which the authors discuss, mainly refer to: geographic discoveries, scientific and technical progress, the emergence of humanism and renaissance, development of handicrafts, implementation of new discoveries in agricultural production, market development, development of world trade, discovery of mines of precious metals in colonies (especially in South America), etc. B. Šoškić [13, pp 21] sets out basic theoretical principles underlying mercantilism:

- a wealth of a country is expressed in money, i.e. in precious metals
- money as the incarnation of wealth (if there are no mines of gold and silver in the country) can come only through the exchange, through foreign trade.
- export of goods leads to an influx of money (precious metals) in a state, increases the wealth of a state, and, in contrast, import leads to an outflow of money and reduces the wealth of a state.

Periods of mercantilism can be divided in: early, developed and classical monetarism. The early period is also called a "monetary system" or "bullionism". This period extends until the end of XVI century. Its main feature is to support the cash balance system in foreign trade. "Sharpness" of this attitude was such that authors of the period suggested that government intervention should ban import of goods, if necessary. XVII century was characterized by developed mercantilism. According to mercantilists of the time, a state should not prohibit import of goods, but provide a positive trade balance.

XVI century Spain was characterized by classic monetarism. Spanish court (kings) carried out regulations of money supply. Attitudes were so decisive that the export of precious metals was banned under penalty of death. These views should be regarded by the fact that most European countries at the time were strongly rural. Agricultural products were not lacking, therefore they did not represent the subject of foreign trade. European countries used to develop manufacture with influence of a state (by state intervention). The aim was to bring the largest foreign trade volume of precious metals. That is why countries tended to export as much as possible of their own manufactured products and, at the same time, make less import of such goods. This implied a state intervention that attempted, by foreign exchange, to provide a greater amount of precious metals which had to remain in a country. The feudal system was not a match for this policy, so the governments had to adopt new institutional forms which could also be named centralized absolutist monarchies. Niccolò Machiavelli criticizes these companies in his *"Il Principe"*, and later, Jean Bodin.

#### HISTORICAL CIRCUMSTANCES IN WESTERN BALKANS, WITH SPECIAL FOCUS ON BYZANTIUM

The nations of Western Balkans, in the period of mercantilist thought development, due to social and historical circumstances, were not in a position to freely develop their scientific and any other advanced thought. Territories of the Serbs, Croats, and Macedonians were under Turkish occupation; on the other hand, present territories of Slovenia, Croatia and Vojvodina were under Austro-Hungarian rule. Dalmatia was under the rule of Venetian Republic, and the only free territory was the Dubrovnik Republic. Thus, the renaissance here spawned a number of important artists, scientists and philosophers.

We would particularly want to emphasize that mercantilism was present on the territory of Byzantine Empire, which held the Western Balkans within its borders. The best example for this assertion is our famous "Eparch book." This legal document was created as part of legislative work of Macedonian dynasty kings who have left visible traces in the history of Europe of that time. Eparch book text was brought to public during the reign of Emperor Leo VI the Wise (886-912). Its exact dating was placed in the 6420th year according to the old Byzantine calendar or in the 912th year according to present calculating of time. This period of Byzantine history is known as "Byzantine renaissance". Eparch

book is in fact a book of regulations which regulated a work of twenty-two corporations that were dealing with crafts and trade. [11, pp 26]

Studying "Eparch book" we come to conclusion that the inner life of guilds and their organization of production, trade places, labor costs and profits, exports and imports, were regulated by strict rules adopted by state. Free trade and free production did not exist [14, pp 452-453]. A direct consequence of this relationship was the decrease of entrepreneurship and free initiative for Byzantine craftsmen and traders [6, pp 55]. The state maintained crafts, industry, and trade under its strong influence. Crafts were protected by a series of protectionist measures, such as ban on imports of final products, raw material exports, than ban of stays to foreigners etc.

According to this relation, we can conclude that Byzantium appears as a forerunner of mercantilist policy, which has not prevailed in Europe until the Modern era. [5, pp 104] "Eparch book", therefore, represents the regulations for organization of guilds and, in general, corporations in Byzantium. The state's interest was reflected in the fact that it had influence in any economic activity of capital, and therefore, of the entire Empire.

#### THE EARLY MERCANTILISM

The main problem in the approach so far is that, during the development of economic thought, some authors are being given too much importance, while others, by stronger or weaker arguments, are being neglected. The most frequently mentioned in most bibliographical lists were Benko Kotruljić, Nikola Vid Vucetic i Matija Vlasic Ilirik. Because of the scope and character of this study, only the most important representatives of the period will be presented in this work.

##### **Benko Kotruljić**

According to some sources, he was born in 1400, though according to other, in 1416. He originated from the Kotruljić family who came to Dubrovnik, Kotor (the name of Kotor goldsmith Radomilj Kotrulj from the XIII century is also famous). Kotruljić Family played an important role in trade between Italy and Dubrovnik, especially with the Kingdom of Naples which was under the dynasty of Aragon, King Alfonso I and his son Ferrante, at that time.<sup>1</sup>The main merchants of Kotruljić family were Benko and his father Jakša. The only and the most important work, which is nowadays left, is "On trade and the Perfect Merchant", although, it is known that some other studies and discussions, which had been published, were lost over time. The work is divided into four books. The first one discusses the origin, nature and forms of trade. The book title is "Il primo libro di Benedetto Cotrugli, nel qual si tratta della inventione, form, et ella Mercatura essential." The second book analysis position of merchants towards religion and church. The second book title is "Libro secondo di Benedetto Cotrugli, della mercatur". The third analyses trade skills. Its name is "*Dell' arte dela Mercatura*". The fourth has the same name and theme as the third. In this book, Kotruljić discusses traders' household and their family life. The analysis of Benko Kotruljić's work indicates that no one has paid adequate attention to it until today. It is the first work in this area that deals with mercantilist trade.

---

<sup>1</sup> Aragon dynasty ruled the Kingdom of Naples from 1442. to the year 1495.

Although some authors ascribed the importance of this part of the analysis to double-entry bookkeeping, it should be noted that it represents only one aspect of the study. The basic idea Benko pointed out was his need to emphasize the importance of trade, and, as a consequence of such approach, all the other mercantilist conceptions have derived from it. Benko indicated that trade contributes to the development of handicrafts and agriculture, and therefore, to wealth of a state. Like all mercantilists, he also saw the source of wealth in trade. He has given initiatives to increase this wealth.

It is considered nowadays that he was the first writer who justified the interest on capital, which opposed the scholastic views of Thomas Aquinas, who exactly criticized the "*exorbitant capital*". Also, unlike scholastic writers, who believed that the amount of costs determines the price, Benko allowed the possibility that price can be formed on a market. That makes, at the same time, the difference from other mercantilists who supported state intervention. He did not deny the need for tariffs, taxes and other government revenues. His thought was insofar progressive as he considered that a market should be governed by free competition.

M. Zebic [16, pp 6] emphasizes that a number of French mercantilists (notably Jacques Savary) took many Kotruljić's ideas and attitudes. Kotruljić's work was very advanced for the time in which it originated. It was written before the discovery of America, and Serbia had not yet been completely enslaved by the Turks (Smederevo fell under the Turkish rule a year after the publication of this work).

On the basis of the work and its analysis, it can be concluded that it is obvious that Benko was a great canonist expert (primarily of St. Thomas Aquinas) as well as of an ancient philosophical thought. The importance of Benko is that he provided a scientific debate on trade, which separates and differs from his time by its innovation and righteousness of economic and political views, so that even today it has not lost its scientific value. He did not get his rightful place in economic textbooks: the reason lies in the fact that, to the present, he has been considered primarily as the earliest writer on bookkeeping.

### **Nikola Vid Gucetic**

Like Benko, Nikola belonged to a famous Dubrovnik family which came from Hercegovina. He was born in 1549, and, according to most biographers, did not leave the territory of Dubrovnik, while some others point out that he studied in Italy. On the basis of the quantitative number of papers we can say that he was a productive writer. He began to publish his first writings at age of twelve. This testified about the quality of education that he had. His work was highly appreciated both by local officials and Vatican. Unfortunately, his scientific work has not been studied enough to the present. This refers particularly to the part that is located in Vatican ("Urubin codes" in manuscript). His most famous work is certainly a debate "On Aristotle's conception of a state" or in the original "Dello stato delle Republiche secondo la mente di Aristotle con essempli modern. Giorange otto". The work was written in a form of a dialogue with his great friend Dinko Ranjin, who was a famous poet of the time. The work discusses many problems of the state, such as current state policy, money, types of state government, the issue of economic equality etc. Furthermore, he accepted Aristotle's view that a man joins himself into a community to provide a more comfortable life, and he believed that such community must be based on love and hunger. According to him, "a man can run away from so-

ciety only because of the tyranny"[4, pp 11]. An adequate social order must be established in order to develop a successful society. In this sense, law states must be consistent with needs of population. His attitudes can be considered democratic, since he considered that rule by choice is better than rule by inheritance. As he pointed out, in this way a state government will not become a "master of laws, but their protector" [4, pp 59]. He also believed that "it is better that the poor are the authorities, even if they would be given a supreme leadership of a state, than to leave country to the rich. Because of their being caught up by wealth, the rich are more inclined to tyranny rather than to righteous rule, while the poor prefer to preserve the equality and justice in each country, than violence and tyranny" [4, pp 177]. He makes a difference between the types of poverty. According to him, there are those who become poor by their own fault and those whose poverty is caused by trouble. These other "poor" should become the object of society attention. Unlike other mercantilists, who believed that the main aim of a state should be providing abundance of silver and gold within a country through foreign trade, he did not adhere to these concepts of economic omnipotence of money. He pointed out that: "the real cultural strength and state power lie in economy, science, civil virtues and skills" [4, pp 360]. In his observations of wealth, there are extremes. One is the acceptance of Aristotle's attitude, which was also accepted by scholars and their canonical economic theory. That attitude supported the thought that money is just a simple sign of wealth, an artificial institution. On the other hand, mercantilists claim that money is the only form of wealth. He discussed money origin and, unlike Aristotle, he concluded that money emerged as a natural creation and rejected the view that it was made by agreement. However, according to him, a monetary unit is a creation of an agreement. He emphasized the importance of money as means of financial transactions and circulation.

Unlike other mercantilists, he believed that a source of wealth is in work (hunting, pastoral, fishing, agricultural work, craft and commercial work). He talked about work as of source of useful goods, where work cannot be a creator of production value. He believed that the interest is not a natural phenomenon and he emphasized that it was unnatural to make money just because of the expiration of time, and to replicate itself without any risk or effort. In this sense, he cited the Old and New Testaments. Gutečić's work is certainly an important contribution to the time it belonged to, and, as such, together with Benko Kotruljić's work, is inevitable, and it must never be overestimated or underestimated.

#### DEVELOPED MERCANTILISM

##### **Juraj Križanić**

Juraj belongs to "Camerallistic" school of economy thought. By his conceptions, he exceeds his contemporaries in Germany, Austria and other European countries. It is assumed that he was born in 1618 in the Zupa Lipnicka around Ozi. Križanić graduated at the University of Graz in 1638.

Published scientific work of Juraj Križanić is quite large. His most important work is "Policy and discussions about rule" created in the period from 1663 - 1666. In this work he appears as an economist, politician, historian, philosopher, philologist and theologian. The work is divided into three parts. The first part tells "about treasure", the second, "about force", the third "about wisdom". The first part is divided into four parts. These

are about: trade, crafts, agriculture, minerals. From the standpoint of economic thought this part was the most important. He, unlike other cameralists, gave attention to work, connecting it with the problem of price.

What makes him different from other mercantilists is that he paid attention to issues of supply and demand. The central economic issue in his reviews is the royal treasury. According to him, it is an indicator of social status in a country. Well-being and funding sources of economic policy, which run some dynasty, are based on it and determined by it.

Unlike the early representatives of mercantilism, he has given considerable attention to the area of agriculture in his work. However, this never makes him a physiocrat. J. Badalić [1, pp 3-5] says that his "Politics" represents a typical cameralistic work, because, in addition to economic issues, he turns his attention to general social policy as well.

The most complete view of Krizanic attitudes can be simply expressed by one of his notes: "Rich is the kingdom which is rich in gold, silver and other ores, such as Arabic and Hungarian lands. Richer, however, is the one that is rich in objects necessary for clothing and housing, and even richer is the one that is rich in food and raw materials. Finally, the richest country in the one which has well designed and developed trade, well developed market, which has bright and educated people, where are goods and ports, where crafts, farming and large shipping trade flourish, as it is in English and Brabant country. A glorious and happy is the kingdom which, in addition to all of that, has good laws, as is the case with French kingdom." [7, pp 64]

Križanić's works had not been published for a long time and they lied unpublished in the Imperial Library of St. Petersburg. Bezasnov published them in 1859. Since that time, considering the large variety of his interests, a lot has been written. It is worth mentioning that his work had a great impact on the development of Russian economic thought.

#### CAMERALISTS

As J. A. Schumpeter [10, pp 119] outlined, in second half of eighteenth century, the intention was to systematize and reduce all former economic thoughts to a set of principles and rules. Industrial revolution, that had began at that time, caused unequal development of certain European countries. Cameralistic direction of economic thought was strongest in Germany, Austria and Hungary.

The initial accumulation of capital and expansion of trade has caused the cameralistic thought to firstly appear in Western Balkans, in Slovenia and Croatia, then with the Serbs from Vojvodina and finally, in liberated Serbia. The development of commercial and industrial capitalism and strengthening the monarchy as a state organization, also contributed to the development of cameralistic thought. This is a very productive period for writing papers, if we consider all previously published economic papers. Among important cameralists were: Nilo Škerlec, Simeon Petrovic, Demetrius Isailović, John Muškatirović.

#### **Nikola Škerlec**

He was born in Zagreb in 1729 in a noble family. He had exceptionally high quality education (Vienna, Budapest, Bologna). He made himself as a prominent statesman and public servant. His economic views are compiled in the idea of economic union with Hungary.

From the standpoint of economy, his most important work was in the Hungarian Parliament from 1790 to 1792, as an associate for commercial committee and economic studies written in Latin, "Elaboratum actualis status" (Elaboration of current situation) and "Projectum legum motivatum" (Draft of law and explanation). The first book represents the sum of suggestions to amend the current situation in Hungary and Croatia, while the second book supplements the first, because there some of suggestions entered in the first one were processed.

The essence of Škerlec's economic policy was reflected in establishing economic policy relationship and measures in relations between Austria and Hungary. He stood for reciprocity and equality in these relationships. Also, he believed that trade between these two countries must not depend on one another. Škerlec criticized the customs of these countries, because he believed they damaged the trade. He criticized Scholastics who believed that trading was a dishonest profession. He considered that feudalism was, as a social order, unsustainable and he promoted struggle against it.

He advocated economic policy under the influence of rationalist-enlightenment course. In politics he stood for the protection of serfs. He suggested the development of channels that were supposed to connect the interior of Croatia with the Adriatic coast. He believed that this would make better circulation of manufacturing products and enable a better sale of goods. He also pleaded for the improvement of manufacture production, primarily tobacco, silkworm, wine, etc. Škerlec supported the active policy of foreign trade and balance of payments. In this sense he represented the views of developed mercantilism, demanding state intervention in order to achieve a positive foreign trade balance. Money is, as he pointed out, "nervus republicae" and a state must have as much money as it is possible. Škerlec supported the opinion of Zonenfelsen according to whom there is a mechanical relationship between money and prices of goods, and, as such, should be regulated by a state. Also, he pointed out some disadvantages of the quantitative theory of money. He highlighted that money supply of Hungary was greater than its outflow, and he explained this "circulation of money," as a balance of payments relationships. He talked about the need to form a national market and, in this sense, Škerlec suggested the unification of fragmented feudal territories.

### **Simeon Petrović**

In areas inhabited by the Serbs, most writers and lawyers had dealt with history as a science, therefore, no economic issues preoccupied their attention to a greater extent.

There is not much biographical information about Simeon Petrović, except those written in the preface to his work "Policaj" from 1813. At the time, he served in state administration in Timisoara as a "Timisoara senator" and lawyer.

His work mainly deals with state administration and describes some trading opportunities in border areas at the end of eighteenth and nineteenth century. As role models, in his learning lists, he cited Montesquieu, Zonenfels, Voltaire and others. Petrović's book focuses on material incorporated into a part of J. V. Sonnefeles book, a "Grundsatz der Polizey, Handlung und Finanzwissenschaft", which deals with public administration. He accepted Zonenfels position by which the existence of state and state government are derived from a supreme principle, the "general happiness". The purpose of society, according to him, is the union of individuals for the purpose of common good. Interests of soci-



ety must prevail over the interests of individuals. By this, Simeon opposed to Zonfelesa's attitude that interests of individuals must be in harmony with the interests of society.

The idea of a state as a living being, developed by Zonfeles, was no stranger to Petrović. According to this theory, elaborated in detail by Petrović, "a state, described as a single body, can be considered as a living man with his limbs. The head represents the supreme authority, laws and customs are brain, where nerves, reason, will and feelings begin, represented in judges, government officials. Trade, crafts and agriculture are mouth and stomach, which process common food. Public revenues are lifeblood. Prudent economization is heart, which sends blood and thus distributes food and life throughout the body. Citizens are represented by torso and limbs that move, live, and maintain the moving of mechanism." This idea was later developed by Adam Smith who emphasized the issue of automatic regulation and harmonization of society interests.

According to Petrović, the most general concretization of common interest optimum is safety and comfort of life, and he equated it with public welfare. Politics is, as Petrović suggested, a science that promotes a way to regulate an external threat to a state. A science that deals with the issue of easy living was called "Trade Experience", and a science that deals with free disposal of income and expenses, he named Finance. With the increase of people, as he says, the possibility for real pleasure reduces (by which he meant the reduction of resources). He strived for good governance that will be able to protect and enforce laws. In order to prevent poverty, a state should lead an active policy of stock. In this sense, a role of economic policy strengthens. In this way the state prevents the emergence of private speculative traders. Petrović stands for strengthening the infrastructure in order to strengthen trade in a country, primarily market place and fair area, roads and bridges.

According to Petrović, a country should control whether at a market the customers are buying for their own needs or these goods go to dealers and speculators. He also dealt with class issue and suggested that state land properties, as an award given to some individuals, should be returned to state when rewarded die. He insisted on humane treatment of servants, mercenaries, etc.

Petrović was heavily influenced by Enlightenment representatives at end of eighteenth century (Vuk Karadzic, Dositej Obradovic, Louis Guy, Jernej Kopitar, etc.). In scientific terms, Petrović's book can be considered as Zonfeles's concepts processing. However, considering all previous economic activities (which practically did not exist by the time) and scientific and political situation (especially in Banat and Transylvania where Petrović wrote), his book remains of great importance.

### **Dimitrije Isailovic**

Dimitrije was born in Dalj, in 1783. He graduated at the Faculty of Arts in Budapest. He worked as a teacher in Karlowitz, Szentendre and Sombor. Since 1830 he transferred to the civil service in Serbia.

His most important work was "History of trade since the beginning of world to present time, how it grew and declined throughout the world and all the kingdoms, and in which situation it is today." The work was published in Budapest in 1816. However, his source was not, like Petrović's, any of Zonfeles's books. In fact, he did not mention sources he used. The assumption is that he used some of Hungarian and German books.

According to Isailovic, at the beginning, people went from one to another and exchanged everything they needed. Trade fairs and trade markets, where trade could take

place, emerged later. He discussed the development of crafts and trade as a comparative process. Dimitrije considered that barter made a normal flow of trade exchange more difficult. Hence, money was promoted, as a general measure of trade. According to him, it had become necessary for people to agree on which goods would represent a general measure for all others, and it was agreed that silver would be the most adequate. Dimitrije Isailovic was a great supporter of monetarism. He noticed that in some other countries gold, copper and bronze are taken as money.

Isailović noticed offer and demand effect. According to him, trade has branches. These are: the trade of raw goods, trade of handcrafts and trade of money. The last one is used to determine the rates of other two branches. As he believed, money was a source of happiness and prosperity. He spoke about functions of money: "Whoever has money, can have everything in the world. That person can self-obtain all things that he/she wants and wishes, so those who receive money from such sort of trade, can equally use and self-obtain for money all their needs, so the introduction of this measure facilitates and disperses trade a lot. However, the usefulness of money is not just one, it also serves to charge activities and services among persons, to buy houses and worldly goods with it, in a word, money represent means by which one can have all. Therefore a perception of wealth arises, which consists in having money or such things that can be easily converted into money."

Trading is a means for acquiring wealth and precious metals, and to ensure inflow of money, the production of handcrafts must be developed, as well as an increase in sailing over sea and rivers to transport goods. Hence, the main stimulus for a man's work is, according to Isailovic, trade. These are typical mercantilist attitudes that have been specially developed by cameralists. Trade provides state independence. According to him, "those who have power on the sea, gain power on land." The book was, at the time when published, used as a textbook on trade in Vojvodina. It is considered the most important work of mercantilist era in Vojvodina.

### **Jovan Muskatirovic**

Muskatirovic was born in 1743 in Senta. He finished law school in Budapest in 1769. The enlightenment position was very prominent in his thoughts. Historians consider him one of first Enlightenment educators among Serbs, together with Dositej Obradovic. Besides history and law, he practiced philosophy. In his book "Brief thoughts on public holidays", which was published in Vienna in 1786, Jovan attempted to influence his nation to increase confidence in national authorities on the occasion of the reduction of the number of holidays and increase of the number of working days. In this sense, he criticized superstition. He addressed a case file to the Emperor Joseph the Second, "The political reflections by which one could see many benefits in order to maintain the nation existence" in 1783. With these writings he stood for lower taxes in region of Vojvodina, which was, at the time, preparing for war with Turkey.

Attitudes of Jovan Muškatirović are best presented in "Discussion about the origin of Eastern Church".<sup>2</sup> This work was published in Vienna in 1794. Muškatirović exposed advanced theses that criticized some of views and doctrines of the church dictated to population at that time (for example, beliefs that excessive fasts may deteriorate working abilities of population; further, he supported views of Protestant writers against the

---

<sup>2</sup> "Расужденије о постах восточина цркве".

Catholic Church from the late sixteenth century). These attitudes derived as an expression of acceptance the rationalist attitudes of the Enlightenment. The basic Muškatirović's idea was that the supreme aim of every individual should be general social good. This was in accordance with neo-cameralistic views. He did much to improve agriculture and he considered conditions that would contribute to the improvement of meat production. These attitudes have been caused by physiocrat influence.

Unlike other mercantilists, besides money as the main source of wealth of a country, he discussed agricultural products as well. In this regard, he stressed livestock and agricultural products. The importance of these attitudes is primarily in the fact that, until he appeared, the problems of agricultural production had not been considered seriously. He tried to connect problems with trade. This indicated a relation of certain goods exchange, which would increase the production of some agricultural goods (he gave an example of salt exchange that could increase trade of livestock). Muskatirovic advocated for trade fairs as means to increase trade of agricultural products. In that sense, he gave examples of Hungarian cities, considering their level of development and the number of potential buyers.

Muskatirovic suggested ways to economize on farms and ways to optimize livestock. In this sense, he brought forward different examples of Germany, Slovakia, Hungarian empire.

It is obvious that Muškatirović was strongly influenced by neo-cameralists and that he promoted the development of crafts and trades.

#### CONCLUSION

The Renaissance has made a strong and measurable impact on all spheres of society. This is particularly important in the case of Western European countries. The concepts that were previously preached by the church as doctrine were smashed within the renaissance. The development of ideas on "free man", frequent struggle for the expansion of national territories, followed by locating new geographic territories, raising the awareness of the need for state management, development of crafts - all of that could not be treated by previous attitudes of church ethics and corresponding canons of behavior. These considerations influenced that the idea of state and its strengthening become more present, which later led to striving for creation of national states. This had negative consequences as well, because some rulers began to ultimately demand and implement absolutist monarchist government. Mercantilism, with its teachings, undermined the positions of monarchs, but bearing in mind the ultimate instance of each mercantilist teaching (and that implied strengthening state and interventionism), the rulers embraced their opinions in vast majority.

Historical events that led to the detriment of Western Balkans people could not stop the development of free economic thinking. On the contrary, many authors and their works have left their mark on this time. Like most mercantilists in Europe, the views of authors from Western Balkans can also be reduced to proper principles that match those in other European countries. However, the thing that was lacking in Western Balkans and, at the same time, adorned other Western European countries that have developed mercantile line of thinking and had the opportunity to implement it in practice, was the development of productive forces, technology, and greater state influence on the international exchange of goods. Actually, mercantilism was more abstractly considered and studied in the region of Western Balkans, than present in practice of the region and its states. There was no adequate social and economic awareness of it either.

All the authors we discussed in this work deserve due consideration, which unfortunately has remained minor and unfairly neglected. If the development of economic thought in the past did not have appropriate conditions, that certainly does not mean that its philosophers should be forgotten or neglected today.

#### REFERENCES

1. Badalić, J., J. Križanić preteča I. Posoškova, Radovi zavoda za slavensku filozofiju, Zagreb 1963.
2. Colema D.C., Editors' Introduction, Proceeding "Revision in mercantilism, London 1969.
3. Gray, A., The Development of Economic Doctrine, New York 1965.
4. Gutecic N. "On Aristotle's conception of a state" or in the original "Dello stato delle Repubbliche secondo la mente di Aristotle con essempli modern. Giorante otto".
5. Грђић Г., Привредна историја Европе, позна антика - средњи век, Научна, Београд 1952.
6. Mango, C., Byzantium the empire of the new Rome, London 1998.
7. Krizanic J., "Politika", Zagreb 1947.
8. Robinson J. & Eatwell J., An introduction to Modern Economics, London 1973.
9. Smith A. An inquiry into the Nature and Causes of the Wealth on Nations, 1776.
10. Schumpeter J. A. History of Economic Analysis, Wien 1990.
11. Симоновић, З., Епархова књига, Зборник правила из занатства и трговина, Ниш 2004.
12. Simonović Z., Simonović D., A review of agricultural policy in Serbia in the period of first Serbian uprising to World war II (1804-1941), Facta universitatis, series Economics and organization, Vo 7, N 4, 2010.
13. Шошкић, Б., Развој савремене економске мисли, Савремена администрација, Београд 1991.
14. Васильев, А. А., История Византийской Империи, Время до Крестовых походов, Санкт – Петербург 2000.
15. Вучо, Н., Државна интервенција у привреди, Београд 1975.
16. Zebic M., The Life and Wopk of Kotpuljić Benko from Dubpovnik and his wprinting: A perfect trade and money, Podgopica 1974.

## MERKANTILISTISTIČKA MISAO NA PROSTORU ZAPADNOG BALKANA

**Predrag Vuković, Zoran Simonović, Dragoljub Simonović**

*Pronicanje u ekonomsku misao prošlosti je od suštinskog zanačaja za razumevanje određenih istorijskih događaja i predstavlja važno antropogeno nasleđe. Naučni radovi ekonomskih mislilaca sa prostora Zapadnog Balakana iz najranijih vremena u razvoju ekonomske misli do danas nisu u velikoj meri zaokupili pažnju savremenih autora. Međutim, kako bi razumeli istorijski sled događaja koji su uticali na stanje u kome se nalazimo, neophodno je njihovo neprestano izučavanje i analiziranje. Dobro je poznata sentenca da "bez razumevanja prošlosti nemožemo razumeti ni sadašnjost, niti planirati svoju budućnost". Razvoj savremene ekonomske misli na prostoru Zapadnog Balkana, kao i u Evropi započinje sa "merkantilizmom". On se kao pravac ekonomske misli uporedo razvijao sa tadašnjim tendencijama u Evropi. Burni istorijski događaji koji karakterišu prostore Zapadnog Balkana, nisu uticali na razvoj ekonomske misli, odnosno može se konstatovati da i pored određenih istorijskih prilika razvoj ekonomske misli nije bio "u mraku srednjevekovnog ropstva". Brojni autori su dali svoj doprinos ekonomiji kao nauci i pokazali da tadašnji trendovi su, svakako, bili aktuelni i na ovim prostorima. Radovi se čuvaju u velikom broju biblioteka i predstavljaju istorijsku građu od neprocenjive vrednosti.*

Ključne reči: merkantilizam, ekonomija, trgovina, zanati.