Beginning in the 18th century, Britain underwent an Industrial Revolution, and became Europe's strongest industrial power. The Industrial Revolution is customarily defined as a catastrophic change in the economy produced by the change from manual labor facilitated by levers, ropes, and simple tools to industrial labor which is carried out by machines running, in this period, on steam and then coal power.

Social, economic, and political developments which were unique, or at least unique in their scope, to Britain catapulted it into a dominant economic position between 1700 and 1830.

For much of British history, non-aristocratic agriculture was conducted on small peasant plots and commuted lands surrounding villages, or by tenant farmers working on plots of land owned by large land holders. In the 18th century, the desire of large sheep farmers to raise large sheep flocks for meat and most importantly for wool which could be made into wools, prompted the sheep farmers to seek from Parliament the ability to enclose vast plots of land which could be taken from peasant, yeomen, and village commuted holdings. The Enclosure movement itself, and immense plots of land were enclosed by hedgerows for large scale sheep farming and agriculture. Not only did sheep farming become more productive, but landed aristocrats who could buy new and productive farm tools could now have people farm...
Great expense at great profit, capital was thus accumulated by the very rich for later industrial investment. Equally importantly, thousands of small yeomen and tenant farmers were forced off their land and into the growing cities. A large mobile work force essential to industrialization was thus created.

England was also unique in that it had aristocrats who had profited from the land, merchants who had settled from worldwide exploration and trade, and investors who had profited in the great stock companies which funded around the globe. In short, a large reserve of capital was created which could be invested in new industrial ventures.

Ridley thy were, for despite inventors of automated paper looms and the phenomenal growth of the textile industry, initial factories using untested equipment and pioneering the struggle of labor relations, could as easily run into the red as into the black.

Finally, England's banking system facilitated the fluidity of capital.

Parliament, the bicameral representative body which, by the 18th century dominated English politics was integral to the success of the industrial revolution. Although it was not until the 1832 Reform laws and after that Parliament even began to approach broad based representation, Parliament well represented the interests of the...
Industrials. While the urban middle class was often not enfranchised, industrialists had a close relationship with Parliament's upper class whigs, who advocated for their interests. Moreover, the Tories in Parliament, to oppose the Whigs, often took the worker's side in the 19th century. And so, through virtual representation, the interests of the industrialists and to a lesser extent the interests of the working class were represented. Industrialism was fostered, and violent social upheaval did not occur.

In short, the large, mobile, working-class created by the Enclosure Acts, the reserve, and fluidity of English capital, and representation of Parliament combined to promote industrial success in Great Britain. The patterns inherent to an industrial society adequately insured the populace, maintaining a strong currency, recovering from unprecedented destruction of modern ways—would consume British and Western interests from the 19th century to the present day.
The rise of England as the dominant European economy was aided by three important domestic developments. The first was the advances in agricultural methods and the cottage industry. The second was the government's decision to move away from mercantilism and adopt a more laissez-faire approach. And the third was the development of the industrial technology and factory system that led to the Industrial Revolution.

Advances in agriculture laid the framework for British economic dominance. New farming practices, such as crop rotation, enclosure, and the planting of nitrogen-fixing crops allowed more food to be produced by less people. This allowed the cottage industry to develop. The cottage industry provided the means for a lower class family to earn money and aided the textile industry. Enclosure got people off the land and the cottage industry put them producing manufactured goods.

It was only a matter of time before people would end up doing this in factories. Britain now had an advantage over the rest of Europe because it had developed these practices first.

If a more laissez-faire economy hadn't been instituted, British industry would never have grown as it did. Adam Smith showed convincingly that mercantilism was the way of the past and so the British government began to allow greater economic freedom. The "invisible hand" was now
the guiding force behind England's economy. Because Great Britain was no longer a merchant list day, British goods could go anywhere and they gained important markets on the continent. Also, Napoleon attempted to damage the British economy with his continental system. Instead of hurting the British economy it actually made it stronger by forcing the British to find new markets in the Americas, Africa, and Asia. When the continental markets reopened Britain was able to get its imports from elsewhere and sell large quantities of goods to Europe, giving Britain a distinct advantage over the rest of Europe.

The development of the cottage industry plus the new economic freedom allowed for the creation of factories. Factories harnessed the production power of many workers in one place. Workers were able to specialize in a single part of the production process and goods could be made quicker and cheaper than ever before. With the invention of the steam engine energy no longer had to be worried about and the British economy gained even more strength. With the new transportation the steam engine allowed trains were able to transport goods from the factories to the seaports and raw materials from the seaports to the factories cheaper than ever before. The English economy was able to dominate
Europe because of the early advances in farming and the cottage industry, an economic policy of laissez-faire, and the Industrial Revolution. All these things occurred in Britain first, thus giving them several boosts ahead of the rest of Europe.