

Rise and Fall of Mighty Portugal: How Competition Leads to Decline

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2025 June

Introduction

This paper investigates the reasons behind Portugal's rise and eventual decline as a maritime empire. Earlier investigation over Portugal's rise and fall focusing on the age of exploration dived into how Portugal's eventual inability led to its decline. But why does this inability occur in such a country of great power? What is the inevitability behind the failure? This paper focuses on the topic of competition and explores how competition might be the reason behind this "inevitable decline" of the glorious Portugal. It will examine how Portugal rose to global power in competition over vital resources like land, labour, dominance on trade, control over production — and how the exact competition and those very forces that brought Portugal to its power later contributed to its decline.

The age of exploration perfectly exemplifies aggression; a type of aggression where all countries compete with one another, bringing one up to great power but only at the cost of another. Through means of violence – wars and uses of force – Portugal won this competition for a while, but only for a while. From large, the very same competition brought Portugal to its decline; in detail, the inability of Portugal to manage such large of an empire and its failure to arrive at newer powers broke the pillar that supported its victory in the aggressive competition of the late 1500s.

The story begins with Portugal's early dominance of maritime trade routes and its frenetic pursuit of wealth through colonization and exploitation. Backed by imperial ideology and papal authority, the small kingdom built a vast empire that stretched far beyond its capacity to govern or sustain. This disproportionate expansion, while initially impressive, eventually exposed deep weaknesses. As newer powers emerged—more industrialized, better organized, and strategically adaptive—Portugal struggled to keep pace. What once made it powerful became the root of its vulnerability. Soon, one rose and the previous fell from the high pitch it used to stand.

Examining how competition play an important and simultaneously detrimental role in a country's rise and fall is of great importance. By examining Portugal's rise and fall, this investigation will shed light on broader patterns other empires or modern countries that rose in a same way through its victory on competition.

Section 1: Investigating the Rise

Imperial and Colonial Ambitions

The reason why Portugal wanted expansion well beyond the original borders was its imperial ideology, a desire to extend its nation's power and influence through economic, political, military, or colonial control and more.

Morocco, the Muslim stronghold is seen as a gateway to gold, spices and untold richness in Africa and beyond. Soon after the dawn of the 15th century did King John I turned a greedy sight on Morocco. A Portuguese fleet marked the start of this era. In 1415, it crossed the Strait of Gibraltar and capture the Moroccan port of Ceuta, announcing Portugal's arrival at the "world stage". In the decades to come, Prince Henry the Navigator financed numerous expeditions along the Western coasts of Africa, aimed at making the country rich with profits from gold, spices and slaves.ⁱ

Slavery, as the Portuguese expanded southward along the African coast, they sought to exploit the people they encountered for economic gain. The country's actions found legal justification to enslave Africans: in 1452, Pope Nicholas V issued the papal bull *Dum Diversas*, which granted King Afonso V of Portugal the authority to subjugate non-Christians, claim their territories, and enslave them, providing a legal and moral pretext for the development of the Portuguese slave trade.

In the following years to come, Portugal transported approximately 6 million Africans from 1501 to 1875, Lisbon received an average of 2,000–3,000 enslaved Africans per year; and with its colony Brazil, the country was responsible for 99% of the ~630,000 Africans enslaved between 1501–1625.ⁱⁱ

The Portuguese merchants made astonishing profits from spice trading, they achieved approximately 90% profit margins on spices after subtracting costs like transport and maintenance of naval fleets and forts.ⁱⁱⁱ

In 1510, the Casa da Índia generated nearly 1 million cruzados annually from the Spice Trade alone—earning King Manuel I the nickname "le roi épicier" ("the grocer king")^{iv}

Essentially, what brought Portugal to prosperity and power was the domination and control over trading routes that it established through its colonies. Then, unimagined amounts of profit from gold, spices, slaves and more all go to Portugal. This imperial domination over its colonial states is what allowed Portugal to extract wealth from its colonies and the trading routes.

What the fleet in 1415 started was a quest for sea routes and the establishment for a global empire through imperialism and colonialism. The trade in the sea routes within this empire will of course then be benefit the owner – Portugal.

The Portugal Empire established vital trading routes across the oceans, forming a “global trade chain”. The voyages that Henry the Navigator sponsored was the start of the Portuguese empire trade routes. In query of the rich stream of resources that the Muslims holds, the voyages successfully helped Portugal to bypass overland Muslim-controlled trade routes^v. All of this was achieved only at the huge advantage that Portugal gained through its cutting-edge technology in ship building, navigation, and map crafting.

In the years to come, Vasco da Gama rounded Africa from 1497-99, Bartolomeu Dias rounded the Cape of Good Hope in 1488, Afonso De Albuquerque conquered Goa, Malacca, and Hormuz in the 1510s, and Francisco de Almeida conquered the East African ports^{vi}. From the first ever oversea conquest in 1415 of the Morocco Ceuta, Portugal continued its effort for a hundred years; and it did not put an end to this endless conquer of ports, colonies, and resources in the ongoing future, it only continued on its early efforts, stretching to the far east into the Asia, reaching China and Japan...

Of course, this imperial ideology was all driven by the lure to own the vital resources, the spices, gold, slaves, wealth and natural resources that would allow the prosperity of Portugal and its people. These scarce resources were ultimately desired by all countries because there is just so little available to enable a country to flourish. And if a country is unsuccessful at obtaining these resources, then frankly developmental failure happens due to a lack of vital support from materials and financial wealth. Here comes competition.

Section 2: Investigating the fall

The Portuguese did not want to put an end to their endless conquest. They expanded and expanded. However, their dream did not come true, and there must be an end. In response, this expansion collapsed, the empire collapsed. Portugal was not anymore capable of its previous domination against all the colonies and rival powers. It fell from the crown.

Destruction from external conquest – the Dutch and the Spanish

The Portuguese overseas expansion occurred in competition with other European powers, namely Spain and the Dutch.

The Dutch Republic, beginning in the late 16th century, sought to build a “commercial empire” driven by trade. Ideologically, it mirrored the imperial ambitions of monarchies like Portugal^{vii}.

Portugal and Castile divided the world among them through the Treaty of Alcáçovas (1479) and the Treaty of Tordesillas (1494). Presenting the doctrine of mare clausum, both treaties forbade Spanish exploration and commerce South of the Sahara and excluded the ambitions of other powers, resulting in conflicts, piracy and conquest.^{viii} By claiming exclusive rights, Portugal created a sphere where it could enforce trade licensing and maritime control.

However, this monopolistic posture provoked tensions. As France, England, and especially the Dutch Republic entered the Indian and Atlantic Oceans, they began to challenge Portuguese dominance. when Portugal fell under the Iberian Union (1580–1640), Spain prioritized its own colonies and pulled naval resources away from defending Portuguese possessions. As a result, rivals saw openings. The Dutch and English took advantage of this lapse, sacking Portuguese ports in Asia and Africa. The Dutch–Portuguese War (1598–1663) saw the Dutch East India Company (VOC) and West India Company (WIC) mount strategic assaults on Portuguese holdings. As noted by Peter Emmer, these were not isolated naval skirmishes but a coordinated global campaign across Asia, Africa, and South America, aimed at dismantling Portugal’s trade circuits. By capturing Malacca, Ceylon, Elmina, and territories in Brazil, the Dutch

effectively shattered the Portuguese Estado da Índia—weakening its ability to enforce treaty-backed control^{ix}. Portugal's initial profitability—rooted in spices, gold, and slave trade—created structural weaknesses that emerged when this Iberian monopoly collapsed.

From the early 17th century, the Dutch fleet began seizing key Portuguese strongholds, including Elmina on the Gold Coast and coastal enclaves like Malacca and Ceylon^x. Dutch and English privateers systematically intercepted Portuguese treasure fleets and established competing trading companies that gradually undercut Portuguese shipping capacity^{xi}.

These ongoing maritime attrition crippled Portugal's Estado da Índia revenues and undermined its ability to defend its empire. Portugal as an empire that has forever dominated the seas and its colonies now loosed to the exact competition that brought it up.

Disproportionate Expansion – The Fatal Overreach of Portugal's Empire

One of the most significant structural reasons for Portugal's decline was its disproportionate expansion, which is the mismatch between the nation's limited internal resources and the vastness of its global ambitions.

By early 16th century, Portugal with a population of fewer than 2 million people had established a far-flung empire that stretched across four continents: Brazil in the west to the west coast of Africa, to India and Southeast Asia across the Indian Ocean, and even to Japan and China...

Following Vasco da Gama's successful voyage to India in 1498, the Portuguese quickly established a strategically dispersed network of fortified coastal outposts rather than pursuing large-scale territorial conquest. Their imperial strategy prioritized control over key maritime chokepoints, such as straits and harbor towns, which allowed Portugal to dominate the flow of spices, gold, and other goods without extending deep inland. This model—often referred to as a “thalassocracy”—relied on a chain of heavily defended ports that formed the backbone of the Estado da Índia, Portugal's overseas empire in Asia and Africa^{xii}. As historian Sanjay Subrahmanyam explains, this approach allowed Portugal to leverage its limited manpower and resources to exert

disproportionate influence across the Indian Ocean world^{xiii}. This expansion was financially, militarily, and administratively beyond the country's capacity to manage.

Portugal's relentless focus on overseas expansion came with significant domestic consequences. Rather than channeling its colonial wealth into the development of industry, agriculture, or infrastructure at home, much of the profits from gold in Brazil, spices in Asia, and the transatlantic slave trade were funneled directly into royal coffers or spent defending scattered territories abroad. This diversion of resources weakened internal economic resilience. Historian Charles R. Boxer notes that by the end of the 16th century, Portugal maintained over 60 fortified positions across the Indian Ocean and Atlantic regions, each requiring constant military and naval support. The result was an empire that was overextended and increasingly dependent on foreign manpower, especially from mercenaries and local collaborators, to maintain control of its holdings. This fragile system diverted attention from Portugal's own modernization and left the country vulnerable to both external attacks and internal stagnation^{xiv}.

Crucially, Portugal's far-flung possessions began offering diminishing returns as the burdens of global defense and administration outpaced the economic benefits. Maintaining control over key trade routes became increasingly costly amid persistent threats from the Ottoman Empire, Persian rivals in the Gulf, and aggressive encroachment by the Dutch and British. The fall of Malacca to the Dutch in 1641 marked a significant turning point; the Dutch East India Company (VOC), backed by a strong naval force and a profit-driven corporate structure, systematically replaced Portuguese dominance across Southeast Asia^{xv}. Likewise, Goa's commercial decline—once a bustling center of the Estado da Índia—reflected Portugal's inability to adapt to shifting geopolitical and economic conditions. Despite its early maritime innovations, Portugal lacked the manpower and financial infrastructure to compete with the centralized resources and rising maritime capabilities of Northern Europe^{xvi}. The result was a slow erosion of imperial authority and a shrinking share in global trade, foreshadowing the broader decline of Portugal's colonial power.

Failure to arrive at Newer Powers

Additionally, Portugal's decline was caused by internal structural weaknesses like its failures to keep pace with emerging powers and arrive at newer technologies or strategies.

Understanding Portugal's rise has proven how ship-making, map drawing, and technological advances has raised the country superior to others in competition. It allowed the occurrence of the once unimaginable – conquering such extensive regions of land, establishing cross-globe trade routes, and dominating as an empire of great power globally.

Now, Portugal's advantage has been unraveled.

In years, The Dutch rapidly advanced its naval architecture, developing ship designs—such as fluyts—that were more efficient, cost-effective, and better suited to long-distance trade. These vessels offered more cargo capacity with smaller crews compared to earlier Portuguese models^{xvii}. Their technical superiority allowed the Dutch East India Company (VOC) to outcompete Portuguese fleets in speed, volume, and strategic deployment, especially after 1600.

Portuguese attempts to militarily counter Dutch advances in Asia in the early 17th century repeatedly failed due to logistical, tactical, and organizational weaknesses^{xviii}.

Portugal failed to emulate the corporate governance, naval innovation, and financial resilience of the VOC and EIC. They also couldn't respond effectively to disruptive tactics like privateering by English and Dutch sea forces. Consequently, Portugal lost key territories—Malacca, Ceylon, the Gold Coast, and parts of Brazil—signaling a direct consequence of its inability to adapt to modern imperial competition^{xix}.

Portugal's early maritime empire was remarkable—but its rigid state-driven model, outdated ship technology, and fiscal limitations left it ill-equipped for the rising wave of corporate European imperialism. In contrast, the Dutch, English, and even resurgent Spanish powers implemented modern ship design, chartered companies, and dedicated naval investment, allowing them to dismantle Portuguese control and

dominate global trade by the mid-17th century. This time, in the battlefield of competition, victory stood on Portugal's opposing side.

Conclusion

Portugal didn't rise by accident. It climbed to global power by acting fast, sailing far, and securing key trading routes before anyone else. Through bold navigation and early investments in maritime dominance, it positioned itself at the center of global trade, building a vast web of coastal outposts that stretched across continents. This early lead made Portugal a giant of its time, and this is how winning the competition of resources brought the country up to its glorious and dominating position.

But the same competitive drive that powered Portugal's ascent eventually led to its decline. Other European powers, watching from the sidelines, learned quickly, because they all have the same ambition to dominate and lead wealth. The Dutch, British, and Spanish very soon surpassed Portugal in technology, manpower and all, using it to push Portugal out of the very spaces it once dominated. They had stronger financial systems, larger populations, and a more flexible approach to empire. Over time, Portugal couldn't keep up.

It will be wrong to blame Portugal's fall on internal issues alone of the overreach, the failure to modernize, etc. Those were symptoms, not the root cause. Plenty of countries have internal flaws. What really tipped Portugal into decline was relentless external pressure. It was being outcompeted on every front—militarily, economically, and politically. This external pressure is competition, a competition that Portugal once won now becomes the sword that cuts Portugal open.

The structure of imperialism encourages competition without end, and all countries at that time had no choice but to compete with one another on those vital resources. But eventually, the system always rewards the fastest, the strongest, and the most adaptable. The glory of one country comes in the cost of another, and the viscous cycle will never end as long as competition triggered by the query on resources never stops.

In the end, competition can build an empire, but it can also tear one down. When a system is built on dominance and extraction, it leaves no room for rest. The race never stops, and those who fall behind rarely recover.

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- ^v Sarah Pruitt, "How Portugal's Seafaring Expertise Launched the Age of Exploration | HISTORY," HISTORY.COM, September 13, 2021, <https://www.history.com/articles/portugal-age-exploration>.
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