

The factors Responsible for transition from Feudalism to Capitalism

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Introduction

Feudalism was the politico-economic system that emerged in Europe in the 5th and 6th centuries. It served the needs of the medieval European society for more than six centuries. A system that existed for such a long period must have been useful and effective in its purpose of maintaining order and fulfilling the socio-economic needs of the people. But basically feudalism created a static system, marked by STRATIFICATION, LOCALISM and EXCLUSIVENESS. The estates of the hundreds of feudal lords existed as virtually independent units each being interested in its local affairs and was exclusive in the sense that it hardly needed to maintain contact with other units. Within itself too it was rigidly stratified into several ranks with the king at the helm, followed by a hierarchy of feudal lords (vassals) in descending order with country knights being at the bottom.



New forces appeared in European society around 12th-13th centuries - the forces which proved dynamic and expanding could not get along with a static and exclusive system like feudalism. These forces grew in strength with the passage of time and eventually demolished the structure of feudalism, which had been obstructing their growth. The Crusades, which had begun in the late 11th century, dealt the first blow to feudalism by unleashing some of these new forces. The beginning of trade and commerce on a European scale and the rise of the East-West trade dealt the severest blow to the feudal system. The rise of nation-states and mercantilism further weakened feudalism. The geographical discoveries proved disastrous to feudalism as they helped the expansion of trade and commerce on a global scale. The Renaissance and Reformation further promoted trade and commerce and best symbolised the transition from feudalism to capitalism.

Causes of Transition from Feudalism to Capitalism

Several factors were responsible for the transition from feudalism to capitalism. It must be noted that the transition was a slow process. It began around the late 11th century with the beginning of Crusades in 1092, which dealt the first serious blow to feudalism and primarily ended with the three crucial happenings of world history, namely, the Geographical Discoveries, the Renaissance and the Reformation all taking place during 15th-16th centuries. In other words, the transition process itself took nearly five centuries to reach a certain point where we can claim that the age of feudalism was over. Of course, we must keep in mind the bitter fact that vestiges of feudalism continued some way or the other in several parts of Europe till the 19th century. It will be convenient for us to understand the process if we deal with the factors in a reasonable chronological manner.

The term 'Crusade' stands for the religious war fought between the Christian Europe and the Muslim powers, led by the Seljuk Turks. There was a total of seven Crusades lasting for two centuries. The first one beginning in 1092 and the seventh one ending in 1291. The Crusades left tremendous political, strategic and economic ramifications. Beginning with the sole objective of freeing the Holy Land, consisting of Jerusalem, Bethlehem and Nazareth, from the invading hordes of Seljuk Turks, the Crusades helped the unruly and disorganized bands of European mercenaries and civilians to make deep inroads into the Middle East and Asia Minor. The Turks were driven out of the Holy Land, but they were able to regain the same by 1280. In that sense the Crusades failed to achieve the desired objective. But that is of little significance. The real significance is that they forced the feudal Europe to shake off its stratification, localism and exclusiveness and to stand united against the Muslim forces. Thus they saved Europe from, what they regarded as the dangers of Islamisation.

Not only that. The Crusades achieved further political and economic gains by freeing both eastern and western parts of the Mediterranean Sea from the Muslim control and gradually turning them into a thriving trade zone. In short, they hit hard at medieval feudal docility and seclusion, marked the rise of towns, promoted trade and commerce based on the guild system and made way for the advent of capitalism.

The period covering 12th and 13th centuries witnessed rise of trading and commercial activities. The growth of trade and commerce on a European level as well as world level occurred on such a scale that money economy was slowly but steadily making its appearance

replacing the old subsistence economy. Exchange of goods or barter system became outdated. Money, coins and bills of exchange came into use for smooth and efficient conduct of business. This marked the primary stage of capitalism.

With the rise of commercial activities, busy and lucrative trade zones came into existence in the 12th and 13th centuries. This topic has been thoroughly discussed in Unit 8. These zones were the NORTHERN TRADE ZONE and the MEDITERRANEAN TRADE ZONE. The former covered a wide area that included the northern and western parts of Europe. It linked up the Baltic Sea region with the North Sea region with a thriving commercial relationship. The Baltic region contained Sweden, Denmark and the German towns of the Hanseatic League, while the North Sea region included England, France and the Flanders. The Mediterranean trade zone was much wider, with more trade routes and activities than the Northern trade zone. It was a trading zone through which European products went to the East and the eastern goods came to Europe. On the one hand, its trade extended to the Baltic and North Sea regions and on the other, it was linked to the Arab world and to Asia as far as India and China. The rise of trade zones heralded the decline of feudalism and dawn of the age of capitalism.

The period from 12th to 15th centuries witnessed the rise of nation-states. The concept and history of nation-states have already been dealt with in Unit 6. What we intend to emphasise here is the fact that the rise of nation-states meant that kings were becoming stronger at the cost of the feudal lords. The feudal estates were losing their identity as isolated and exclusive units and were coming more and more under the control of the monarchs. The rise of absolute national monarchies meant that the hitherto stratified, local and secluded feudal units were merging into the kingdom of the monarch. This was indeed a jolt to feudalism.

Another significant part of the story is that the absolute National Monarchies became great promoters of trade and commerce. The nation-state became a patron and promoter of commercial activities. And in encouraging trade and commerce the king not only thought of increasing state's revenue, but also his personal profit and gains. Thus, the nation-state became a factor for the rise of capitalism and its evolution very well symbolised the transition from feudalism to capitalism.

This follows from the preceding point. Units 8 and 9 have thoroughly dealt with the topic of Mercantilism. This is the first stage of capitalism. It basically meant the state's

control and monopoly of trade and commerce. The state formulated rules and regulations for guiding commercial activities. It also reflected the rise of towns during 11th 13th centuries and of 'town burghers', the community of merchants who accumulated a lot of wealth through commerce. In the rural areas also a capitalist class, the 'country knights' emerged, who made good fortune with agriculture. The kings, feudal lords and bandits all cast their greedy eyes on the wealth of this newly emerging capitalist class. The feudal elements particularly fleeced the merchant community through increasing taxes, tolls and even extortion. The diary of a French merchant around mid-12th century, who was sailing down the Seine River on his way to Paris records that he had to pay tolls to 12 feudal lords for passing through their territories. This was indeed too much and it left very little to merchants. It began a process whereby the merchants shifted their loyalties more and more to kings. They thought of paying more taxes to kings for their protection from feudal elements and bandits, so that they could carry on their trade in full security. The kings too needed more revenues with every passing decade and only the wealthy merchants could provide it, not the declining feudal. Thus it started a process of transition in which the kings and merchants were coming close to each other purely guided by self-interest and the feudal elements got marginalised.

The geographical discoveries as we have seen in Unit 1, was motivated by the insecurity of the East-West trade route after the fall of Constantinople in 1453. The important discoveries of oceanic trade routes took place between 1488 and 1530. It effected unprecedented transformation in European society, economy and polity. The European commerce passed from the thalassic to oceanic stage, and from the regional to global stage. The discoveries symbolised a jolt to feudalism. The geographical discoveries actually symbolised the struggle of explorers, merchants and navigators against the feudal-dominated narrow medieval world. To Europeans of the time it was like leaving the shallow medieval feudal world and venturing into the wide world of global trade and commerce.

The discovery of the Indian and Atlantic Ocean routes and the finding and exploration of the New World all led to incredible expansion of commercial activities. It gave a great impetus to mercantile capitalism. The emperors and kings were further attracted towards trade and commerce. It was the lure of much bigger revenues that inspired the emperors and rulers of Europe to patronise naval expeditions for finding new trade routes. Bullion accumulation became a craze among the Spaniards and Portuguese. The shiploads of gold and silver,

brought from Peru and Mexico to Madrid by the conquistadores, proudly showed the entire world the power and riches of the Spanish Empire. The Portuguese, English and French too carved out big commercial empires for themselves, thanks to the geographical discoveries. The geographical discoveries had a dark side too. That was the infamous slave trade. Black slaves were taken from Africa and were sold in European markets and then taken by the owners to the New World to do then most difficult jobs in most hostile situation. Many perished on the way or within a short period. But the trade was so thriving and widespread that it very much boosted capitalism. From our discussion it appears that the uncontrollable forces of exploration and discovery shattered the barriers of the narrow medieval feudal world and took Europeans to a wide, open, energetic and dynamic world. So, the role of the discoveries was very prominent in the transition from feudalism to capitalism.

The economic and political forces unleashed by the geographical discoveries led to the Commercial Revolution. (It has been exhaustively discussed in Unit 9). It symbolised the zenith of mercantilism. It signified that trade and commerce not only expanded on an unprecedented scale, but their method, technique and management have also improved so much during 16th to 18th centuries as to be called the Commercial Revolution. The Commercial Revolution very well illustrates the transition from feudalism to capitalism. The large business enterprises, the huge capital investment, the banking and Insurance systems and the technological innovations in sea-faring, all point to the fact that commercial activities had reached a sophisticated stage.

Popularising the banking system was a great contribution of the Commercial Revolution. The banks immensely promoted trading activities. The early bankers were Italians hailing from Florence and Lombardy. During the 14th-15th centuries the famous Medici family of Florence and the Fugger family of the German city of Augsburg opened banks at important commercial centers of Europe. But the real breakthrough came with the establishment of the Bank of Amsterdam in 1609. It was a turning point as it made business secure and efficient. It was followed by the setting up 'of the Bank of Sweden in 1661, the Bank of England in 1694 and the Bank of Scotland in 1695. Meanwhile, the marine insurance system helped in capital formation, while giving protection to ships on their long voyages. In addition to these, the scientific and technological developments in sea-faring further boosted commercial activities. Improvements were made in ship-building and in the making of compass, sextant and astrolabe. All these reflected the change from feudal economy to the fast expanding

commercial capitalism.

Both Renaissance and the Reformation stood for struggle against medieval systems. The Renaissance raised its voice against Scholasticism, and regarded the feudal system as docile and backward while the Reformation protested against the Pope-dominated church system. Moreover, the Renaissance glorified wealth in addition to wisdom. It very much promoted the cause of the 'nouveau riche' or the newly emerged rich merchant community. It endeavored endlessly to lead men from the narrow world of ignorance and superstition to the vast world of knowledge and wisdom. The Reformation, like its predecessor the Renaissance, gave the seal of approval to capitalism. Max Weber goes a step ahead. He views that Protestantism, born out of the Reformation, promoted capitalism by preaching thrift, hard work, honest earning, simple living and abstinence from sinful and wasteful indulgences. Moreover, Protestantism did not find anything irreligious in the banking system. The recognition to the banking system by the Protestant faith also helped the rise of commercial activities. Hence, both these great events of history reflected the transition from feudalism to capitalism.

Maurice Dobb in his *STUDIES IN THE DEVELOPMENT OF CAPITALISM* in 1947, elaborated the Marxist debate over the western pattern of transition from feudalism to capitalism and this debate developed in the early 1950s round the journal *SCIENCE AND SOCIETY*. Paul Sweezy, another Marxist economist and Takahashi, a Japanese economist, challenged Dobb's reasoning over several issues. Several British Marxist historians including Rodney Hilton and Christopher Hill, joined the debate. In 1970, the work of Emmanuel Wallerstein, *THE ORIGINS OF MODERN WORLD SYSTEM*, Part 1 (1974) and Part II (1980), and Perry Anderson's two volumes - *PASSAGE FROM ANTIQUITY TO FEUDALISM* 1974, and *LINES OF THE ABSOLUTE STATE* 1974 and later Robert Brenner's three articles in the *PAST AND PRESENT*, 1976 and 1982 and the *NEW LEFT REVIEW*, 1977 renewed the debate.

The debate was mainly about two points - whether the extension of external trade dissolved the feudal mode of production - "The exchange relations perspective; or whether the feudal mode down as a result of an inner contradiction In the feudal relations of production, i.e. the intensification of the extraction of the surplus by the nobility and its expenditure on unproductive activities such as war and luxury consumption - "property relations" perspective. A new dimension related to the relevance of demography was raised,

after the research between 1947 and 1954, and reformulations were made including the demographic determinism perspective; Perry Anderson's perspective is described as "Marxist eclecticism".

Thus, three schools of thought regarding the rise of capitalism and decline of feudalism were based on the Market theory, the Marxists and the Demography.

The Market theorists were Henry Pirenne, Paul Sweezy and Immanuel Wallerstein. According to Pirenne, trade or "grand trade" which was different to the petty local trade, occupied the crucial position. He implied that feudalism, trade and urbanisation were alien to each other and visualised "grand trade" as external to feudalism.

Dobb, Takahashi and Hilton questioned Pirenne's theory. Dobb gives evidence of Eastern Europe where the very development of trade led to the reinforcement of feudal obligations between the 16th and 18th centuries, the period of "second serfdom" in Engel's phrase. Today most historians believe as Witold Kula does, that every feudal enterprise, big or small, had both the "natural" and "monetary" sectors within it. A part of the estate produced for consumption and another for exchange.

Brenner believed class struggle to be the cause rather than developments in the forces of production as being the determinants of various historical developments in the countries of the late medieval and early modern Europe. He concluded that a successful struggle by peasants to protect the integrity of the tenancy of their holdings led to a sort of historical regression, since small scale production by its very nature, is incapable of technological innovation and that it was proto-capitalist land owners and well-to-do yeomen who lay emphasis for a full-fledged capitalist agriculture. For example, England, pioneer of industrial capitalism, did develop an agricultural capitalism based on the destruction of peasantry.

Bois and Kula stressed, though differently, on a structural contradiction within feudalism, between large scale feudal landownership and small-scale peasant unit of production. In medieval feudalism there was a long-term fall in the rate of feudal levy, beginning, according to Bois, during the expansion phase, when increasing numbers of peasant families were forced into sub-class of small holders without adequate substance.

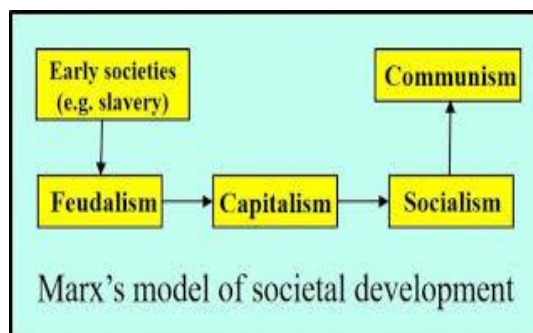
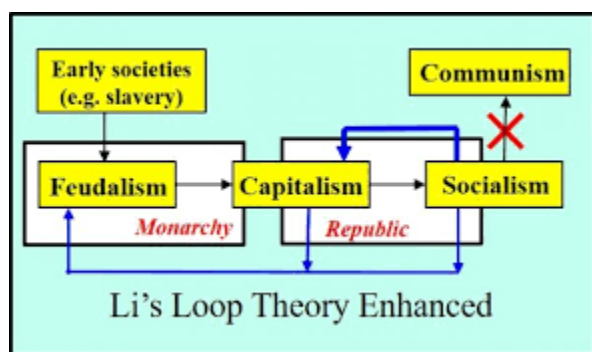
A slightly different view but get incorporating the views of the above historians was that of Perry Anderson, a Marxist, who stressed that changes in social relations must precede development of the productive forces. So far he was conforming the views of Dobb, Hilton and

Brenner, but unlike them, he rejected the view that class struggle plays a decisive role in the germination as well as in the resolution of social crisis. Like Sweezy and Wallerstein, Anderson stressed the importance of towns and international trade to the process of capitalist development. But these forces are seen to proceed from an interaction between classical slave based and feudal social relations, rather than from some unspecified sphere external to the logic of feudalism.

There was also a difference of opinion about the nature of the Absolute State. While some considered the state as a relatively autonomous and partly neutral agent between the feudal and the capitalist class the others believed the state to be more a modified form of feudalism.

The Demographic Determinism Theory was supported by Emmanuel Le Roy Ladurie of the Annales School, Malthusian model or Neo-Malthusian model, Michael Poston and Habakkuk of the Liberal School and Guy Bois, a Marxist. In 1950s, some new dimensions which had been neglected earlier by the Marxist historians, such as the relevance of demography, were added. Ladurie and Poston used the data from the church records to explain the long-term growth and the decline of the population in the middle ages and after. They have drawn attention to nonhuman forces like climatic change, plague and pestilence, which along with social factors like the age of marriage, economic incentive to have large or small families, influence the demographic cycle. Marxists such as Anderson, Hilton, Bois and the non-Marxists have accepted the demographic view as it does not clash with the views of the non-Marxists or the Marxists, the non-Marxist view being man versus nature and the Marxist view being class struggle.

Consequently there was also a reformulation of certain theories such as the relevance of trade; the nature of the internal contradiction within the feudal society and the nature of an Absolute State.



Conclusion

From the above discussion it is clear that the transition from feudalism to capitalism was a slow process. The transformation was an evolutionary process which took several centuries to materialise. Another remarkable point is that it occurred due to the advent and combination of several forces and factors. Various events like the Crusades, geographical discoveries the Renaissance played significant role in tile transition. But the forces like rise of money economy of mercantilism and of nation-states had been crucial in this process of transition.

Suggested Readings:-

1. Meenakshi Phukan : Rise of Modern West
2. G. Clark : Early Modern Europe
3. Raghubir Dayal : A Textbook of Modern European History
4. Jain and Mathur : World History (1500 – 1950)
5. G.M. Trevelyan : Social History of England
6. Parthsarathi Gupta (ed.) : आधुनिक पश्चिम का उदय
7. लाल बहादुर वर्मा : आधुनिक यूरोप का इतिहास
