



Study of Factors responsible for the transition from feudalism to capitalism

Parveen Kumar , Department of History

Abstract : Feudalism existed in Europe from about 300 to 1400 AD, as the concept of capitalism started to take shape. It's generally believed that feudalism ended with the renaissance in Europe, a time in which there was a great revival of art, science, literature and human freedom. Although the renaissance played a key role in the transition from feudalism to capitalism, several other factors also

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contributed to the transition. These factors include flaws within the feudal system as well as external forces that created a long-lasting impact on the medieval societies.

Factors :

- The increase in long-distance trade Long-distance trade is considered to be one of the prime factors in the transition from feudalism to capitalism by economists like Paul Sweezy. Hunt counter argues that increased agricultural output and productivity provided surplus food and raw materials for handicrafts. It also led to the rapid growth of towns and freed workforce for the manufacturing sector. In due course, while reducing the wage goods constraint, the changes in the agricultural sector, freed the workforce from agriculture. The additional workforce and increased output of raw material provided a growth impetus to the industrial sector. All these were prerequisites for long distance trade.
- In the young feudal states trade was subordinate to the manors and in the mature systems the signs of weakening of the feudal ties started appearing much before trade became an integral part of Western Europe. In the latter states increased agricultural output could not keep pace with the increased size of the aristocratic families which strained the relationship between feudal lords and serfs. In this situation, trade had only expedited the fall of the feudal mode of production.



- Decline of the manorial system Increased agricultural production initially encouraged the growth of trade and commerce. Later it led to the decline of the manorial system. The feudal lords started depending more on cities for their demand of luxury items. They needed money for the purpose. To meet their need for money they started renting their land to peasants in exchange for money rent. In this process they simply became the landlords and in most of the cases absentee landlords.

Creation of the Working Class

The dissolution of the manorial system and changes in the economy in the sixteenth century created a class which owned no means of production and were forced to sell their labour power to the owners of the means of production for wages. Only with these wages could they buy necessities.

The peasants used to collect food, fuel and fodder from the village common land. By the thirteenth century the feudal lord started enclosing this land to meet the increased need for money. They used this land for grazing sheep. As a result the village people were denied access to this land. They moved to cities in search of jobs. Cities became a haven for these rootless people. Guilds in cities have started concentrating on the material well-being of their members. The unemployed started concentrating in the urban centres. There was strict punishment against unlawful farming and begging. These inimical situations created a working class.

The initial phase of capitalism is known as mercantilism. Mercantilism originated simultaneously with scarcity of gold and silver in Europe. Mercantilist policies attempted to keep the gold and silver within the country and discouraged its outflow. Spain which experienced maximum gold and silver flow from Americas imposed various restrictions on its outflow. It even announced death penalty for illegal exporters. But, to meet the requirement of trade, the merchant class managed to smuggle it out by bribing the government officials.

The government adopted various other measures to encourage the inflow of gold and silver. First, the domestic shipping and insurance agencies were promoted both for exports and imports



over the foreign counterparts. Second, the government encouraged domestic monopoly because a single seller could have more control over price in the international market than if there were more than one domestic seller. In order to control foreign competition it even went ahead with the colonization of economic important regions. The export of raw material was also prohibited.

Imports to the European countries, especially England, were restricted. If an industry was unable to withstand the foreign competition then the government provided various types of support and subsidies to overcome the setback.

Another external factor that weakened feudalism was the demographic crisis in the 14th century. The Great Famine (1315-1317) led to a decline in agricultural production, meaning the lords had to come up with new strategies to obtain sustainability. The Black Death (1348-1350) severely decreased Europe's population, thereby making labor a valuable commodity. The lords tracked their tenants as capital pleaded for labor. All provisions to control labor proved futile, as poor men entered into service of their own lords as hired laborers.

Conclusion : The platform that held feudalism in place failed to pass the test of time. The mechanisms put in place weren't stable enough to fend off the concept of capitalism, what came to be termed as economic freedom. The renaissance in Europe also took its toll on feudalism, as the people embraced art, technologies and change, which marked an end of the medieval times and transition into the modern world.

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