

## ALTERATIONS IN INDUSTRIAL PRACTICES WERE NOT THE ONLY CONTRIBUTORS TO THE DEVELOPMENT OF CAPITALISM

**Prof. (Dr.) Vinod Kumar Jangir<sup>1</sup>, Ankit Kumar<sup>2</sup> and Bhawana<sup>3</sup>**

<sup>1</sup>Principal, Govt. N.M. College, Hanumangarh, Rajasthan, India

<sup>2</sup>Managing Director, Marudhara College, Hanumangarh, Rajasthan, India

<sup>3</sup>Assistant Professor, Department of History, Govt. N.M. College, Hanumangarh, Rajasthan, India

**ABSTRACT** *In this article, we follow the history of capitalism as it has evolved over time. We discuss the factors that led to the development of capitalism, such as where did money come from, where did capitalists come from, how did they become so powerful, where did the workers come from, and other topics such as trade, non-material factors, and the role that the industrial revolution and technology played in the development of capitalism.*

**Keywords:** Capitalism, Contributors, Alterations.

### I. INTRODUCTION

The term "capitalism" was popularized by Karl Marx, who defined it in terms of the ownership structure of the means of production and the social relations that emerged as a direct consequence of this link. According to Marx, it is a mode of production in which labor power is a commodity that is traded on the labor market. As a result of the ownership of the means of production being concentrated in the hands of a minority, the majority are forced to rely only on their own labor as a source of income because they do not have access to any other means of production (Dobb 1963).

### II. WHO OR WHAT WAS RESPONSIBLE FOR THE MONEY?

Primitive accumulation can only make sense if it is interpreted as the accumulation of capital claims and the accumulation of wealth by the class of people who are able to convert this wealth into actual means of production. According to Dobb, there are two different approaches that a class might take in order to grow the amount of property it owns. To begin, there is the phase of acquisition, which entails the purchase of property directly from its owners for the purpose of immediate consumption. It is possible to earn money by selling off this piece of property. In this scenario, the consumption or money stock of old owners will increase, which will lead to a decrease in the amount of money held by the new class. Using this approach, many different theories attempt to explain the genesis of capitalism by pointing to some windfall gain of revenue that accrued to the bourgeoisie in the time before capitalism. Second,

during the phase of realization, the bourgeoisie may purchase property when prices are low in order to sell it at a later time when its market value has increased in exchange for labor power or industrial equipment whose value would be lower. This may take place in exchange for goods or services whose value would be lower.

They will obtain a large chunk of the total wealth as a result of this transaction. The result of the second technique is dependent on the increase in the value of the property, which is an essential characteristic of this method. However, in order for such an increase to occur, specific conditions are required. It is necessary to have some sort of effect that would lower the value of the object that the bourgeoisie is hoarding while they are in the phase of acquisition and raise the value of the object when they are in the phase of realization. For instance, one effect could drive previous landholders to become wasteful and sell off their land at a low price during the first period, which would then result in the means of production being available at a low cost throughout following periods. In England throughout the 15th and 16th centuries, an unstable economy put feudal landlord proprietors in a precarious situation, which facilitated the easy purchase of land by the bourgeoisie and led to their rise to power. During this time period, mortgages and other forms of debt instruments could be obtained with favorable conditions. There may have been a contribution to accumulation from the rapid increase in the supply of precious metals as well as the inflation of prices.

The phase of realization was also very essential when it came to making investments in the manufacturing process. This was the most important necessity, along with having ample

supplies of labor, as well as simple access to raw materials, tools, and machinery. According to Dobb, the core of primitive accumulation is not merely the transfer of property from one social class to another; rather, it is the concentration of property in a few hands, as well as the transfer of property from small owners to the bourgeoisie, which ultimately results in the pauperization of the former social class. Because of a lack of available labor, regulations imposed by urban guilds, and the predominance of large commercial firms, there was less investment in industrial advancement. A decline in land values occurred in the 14th century, and was followed by a period of crisis for landlord estate farming in the 15th century. During this time, the bourgeoisie was able to acquire wealth and gentility.

The expansion of financial institutions was another factor that contributed to the rise of the bourgeois class. Additionally profitable was the pursuit of English merchants through tax farming. In the 17th century, the practice of openly selling company shares was first put into reality, coinciding with the rise in popularity of joint-stock businesses. The sale of shares resulted in an increase in the amount of money that could be invested, and a decrease in wages led to an increase in profits. Gains derived from commerce functioned as a brake on industrial investment by redirecting capital into this more lucrative domain. This caused the investment market to become less competitive. Some of the gains from there are quite remarkable; for example, Vasco da Gama brought back a cargo that reimbursed the expense of the mission sixty times over. At the tail end of the 16th century, restrictions were placed on those who might participate in commerce, and a focus was placed on favorable terms of trade rather than the volume of trade conducted. These factors worked as a hindrance to the development of industrial investment.

### **III. WHERE DID ALL OF THE EMPLOYEES COME FROM (THE EXPANSION OF THE WORKING CLASS)?**

Primitive accumulation is critical to the development of capitalism for a number of reasons. Primitive accumulation concentrates the means of production into fewer hands than was previously the case, and as a result, it creates a majority class that can only survive by selling its labor and, as a result, is forced to rely on the capitalist, who now possesses the essential component for bringing

about capitalism. The term "proletariat" originally referred to a class of wage earners whose only important material value was their ability to work. It was via the provision of modest numbers of rents at a nominal price or through the provision of easy credit that a society of tiny cultivators came into being. Because land was sold, a society of great proprietors emerged, and a class divide emerged between those who owned land and those who did not. The abundance of property at an affordable price made it possible for anyone who wanted to become a landowner. However, this contributed to a lack of available workers for employment. It became evident to those who wished to establish capitalist relations of production that restrictions needed to be placed on land ownership to a minority (excluding the majority from any share in property), and this was done by limiting land ownership to a minority. An older form of property gave rise to a newer form of property, which in turn gave rise to greater forms of property, which in turn gave rise to the capitalist class as a result of political or economic advantage. According to Marx, in order for capitalism to mature, there must first be owners of money and means of production who are anxious to raise their value by buying the labor power of others, and then there must be free laborers who are sellers of their own labor power. Both of these types of commodity possessors must come into touch with one another. Primitive accumulation is the process of severing ties between producers and the means of production, which is a precondition of the capitalist economic model, which assumes that property and labor are distinct categories. During a time of gradual natural population growth, a large number of proletariat were quickly recruited for service.

Once industrial capitalism had been created, its requirement for labor power was satisfied by the natural rate of rise of the proletariat. This was possible because of the exponential growth of the working class. During the course of three centuries, the population of England increased, and with it came a growth in the number of people living in poverty. Tenants were driven out of the countryside beginning in the 15th century and continuing until the middle of the 18th century as a result of the dissolution of monasteries, the disbanding of feudal retainers, and the enclosure of land for sheep farming. It was an age when men turned to highway robbery, and law enforcement treated thieves and vagabonds harshly because to the severity of the

law. After 1600, the enclosure movement persisted until it reached a new height in the orphanage of enclosure laws that accompanied the industrial revolution in the middle of the 18th century. During this time, the rate of dispossession sped up in the cities, and guilds became increasingly exclusive. They increased the number of conditions for entry and demanded payments in addition to fees as the cost of setting up a master.

Some municipalities placed restrictions on the way newcomers may enter their communities. As the number of craftsmen increased, they were unable to secure sufficient working capital, which resulted in their losing their independence, becoming semi-proletarian, and being bound to a capitalist. The new working class was developed by the uprooted peasants, craftsmen, and other artisans. Work was made mandatory for everyone, and not having a job was considered a criminal violation. A law passed in 1496 required that vagabonds be detained in bars for three days and three nights, with the stipulation that the duration of their confinement should be increased the following time. Sheriff's officers in London would beat vagrants, place a round iron collar around their necks, and beat them with a hot iron. Anyone who provided information regarding whether or not a master may beat his slave, chain his slave, and brand him on the face or forehead in the event that the slave ran away would be sentenced to two years as a slave. In the 16th century, there was severe poverty, an army of labor that was no longer necessary, and a decline in real wages. In England throughout the 16th century, there was an abundance of available labor. The proletariat can also grow through the process of economic differentiation, which is another method. variances in the size and quality of land holdings, as well as variances in the instruments and animals used for tilling the soil, are the primary contributors to this phenomenon.

#### **IV. WHERE DID CAPITALISTS ORIGINATE, AND HOW DID THEY GET TO BE IN SUCH A PROMINENT POSITION (THE EMERGENCE OF THE BOURGEOISIE)?**

In the towns, there were people who had originally owned the property, as well as immigrants from the nations that were nearby who had purchased land from some of the residents of the earlier generations. These founding landowners exercised their feudal powers to secure exclusive rights in

long distance trade and to maintain their control over the urban administration, which they dominated. Because of their presence, the political battle of the burghers against the feudal authority was rendered more difficult, and the struggle was transformed into a conflict between social classes within the society of the town. Inequalities in the towns of England were not particularly pronounced. The Guild was exclusive to a certain subset of townfolk, and membership required the payment of an entry fee in order to participate. There was no distinction in status between a trader, a master, and a journeyman (his position was that of a companion worker) in the early guilds. It was possible for the journeyman to go on to become a master of his own profession, acquire the legal right to own a workshop, and participate in retail business. In the 13th and 14th centuries, one of the most important sources of wealth accumulation was the selling of land by the original proprietors of the land. This occurred as the population of the town increased.

The rise of a privileged class of burghers was another factor in development, which contributed to the accumulation of capital. This new burgher prosperity was built on the back of obligatory serf work, which in turn was built on the back of surplus labor. During that time period, a significant portion of business involved the exploitation of political authority, and as a result, a class of merchants rapidly obtained monopoly powers. The second method is known as exploitation through commerce, and it is characterized by the accumulation of excess for the benefit of merchant capitalists at the expense of urban craftsmen, peasant producers, and aristocratic consumers. In the towns, the beginnings of trade might be broken down into two categories.

First, a particular element of trading severed its ties with production in order to establish a monopoly on wholesale trade. Secondly, new trading groups quickly established themselves as the dominant force in town government and utilized their political authority to exert control over artisans. In the Netherlands, wealthy merchants formed corporations known as guilds, which monopolized commerce and required members to pay an admission fee that was beyond of the reach of more modest business owners. The wealthier burghers, who became known as the "patriciate" throughout time, gained control of the political system in the towns. Additionally, there was a shift from a

democratic type of government to an oligarchy, plutocracy, and finally oligarchy.

By the middle of the 14th century, wealthy Parisian weavers had transitioned into the role of drapers, subordinating fullers and dyers. In the merchant guild, burgesses formed a closed organization, and membership was restricted so that craftsmen could not benefit from the guild's wholesale trade advantages. A division came about over time in a variety of guilds, with crafts guilds gaining monopolies over specific production lines and mercantile guilds gaining exclusive rights to certain commercial domains. Both types of guilds experienced internal strife. As a result of expanding markets and international trade, privileged levels were given the opportunity to advance. The emergence of towns and urban markets as well as an expanded penetration of the monetary economy into the countryside led to an increase in the use of hired labor and the leasing of land for monetary rent, both of which contributed to the expansion of the markets. Opportunities for accelerated commercial development were provided by international trade.

#### **V. CONFLICT INSIDE A NATION, SPECIFICALLY BETWEEN MONARCHISTS AND PARLIAMENTARIANS**

The conflict between the monarchy and the parliamentarians was known as the "civil war." The working artisans, tenants of landlords, merchants, capitalists, and producers were all represented in Parliament alongside the new commercial class. Although the feudal lords and the more established and wealthy merchants were members of the monarchy. The kingdom was partitioned between the parties loyal to the king and those loyal to parliament along economic and social lines. The bulk of the people living in towns supported the parliament, but there was a small group of wealthy merchants who dominated the town administration and were loyal to the crown. The new army led by Cromwell and the independents were the true forces that drove the revolution forward.

The struggle against monarchy charters, protests against patents, and geographical monopoly are the known reasons that led to the civil war. The dispute over land ownership was a significant factor in the conflicts that occurred within the parliamentary cause. By the time the Civil War broke out, considerable land investment had already taken place. In the year 1648, the crown was knocked

from its perch, but it was eventually replaced. Politically, the royal crown was dealt a moral setback, and control of the economy, the military, and the judicial system was given to parliament. In addition, the military was disbanded.

The elimination of the crown's independent executive power resulted in the dissolution of the prerogative courts. The last instance of a feudal tenancy was in 1646, and it was never brought back. The monopoly privileges of foreign commercial corporations, with the exception of the East India Company, were significantly eroded. In their place, the more recent variety of joint stock firms, in which capital was the most important factor, began to gain importance. Even while the bourgeois revolution in England during the 17th century only went a short distance, it was successful enough to speed up the growth of industrial capital, and it laid the groundwork for the industrial revolution that would occur in the next century.

In conclusion, we will discuss the significance of the role that elements such as commerce and other immaterial forces played in the evolution of capitalism. According to Sweezy, the most important factor that contributed to the fall of feudalism and the subsequent rise of capitalism was commerce. Under feudalism, there was no limitless need for surplus. Long-distance trade is exemplified by the creation of goods for the purpose of exchange in the context of capitalism. According to Sweezy, the progress of capitalism is essentially dependent on the expansion of trade; in other words, the expansion of trade would lead to the development of capitalism. He did not declare that as soon as trade developed there would be a new system called capitalism, but he believes that the growth of trade is the primary cause for the growth of capitalism. He did not state that as soon as trade developed there would be a new system called capitalism.

According to Sweezy, the expansion of trade is another factor contributing to the creation of towns. The existence of an intercontinental commerce network made it possible for innovative methods of production to spread quickly from one region to another. The putting-out system, which was an early forerunner of the capitalist mode of production, is supported and encouraged by trade. Moving on to the non-material aspects, Max Weber claimed that the "protestant ethic" was the primary factor that led to the development of capitalism in

western cultures as opposed to eastern cultures. He believed that this was the primary reason why capitalism developed in western cultures and not in eastern cultures. Weber contends that the theological beliefs of organizations like the Calvinists, who practiced a version of Christianity known as reformation, contributed to the development of the capitalistic mentality. Weber draws a connection between being a member of the protestant church and being active in the business world. Weber contends that this new mindset was responsible for the breakdown of the ancient economic system and paved the ground for the development of contemporary capitalism. He is not

saying that the Protestant religion was the cause of the entrepreneurial spirit; rather, he is contending that it was one of the contributing causes. Weber represents the polar opposite of Marx's method of historical materialism, which is known as weberism.

As a result, we can draw the conclusion that the rise of capitalism was due to a combination of variables, not only the production techniques themselves. Primitive accumulation was one of the factors that contributed to the expansion of the proletariat. The emergence of the bourgeoisie class and the civil war are both topics that are investigated in this book.

### REFERENCES

1. Holton RJ. The transition from feudalism to capitalism, London: Macmillan, 1985, 14-15.
2. Frank AG. Capitalism and underdevelopment in Latin America, NYU Press, 1967, 93.
3. Dobb M. Studies in the Development of Capitalism, London: Routledge & Kegan Paul, 1963, 217-19.