



*Journal of Advances and
Scholarly Researches in
Allied Education*

*Vol. XI, Issue No. XXI,
April-2016, ISSN 2230-7540,
ISSN 2230-7540*

THE GROWTH OF CAPITALIST ENTERPRISE IN FRANCE (1700-1800)

AN
INTERNATIONALLY
INDEXED PEER
REVIEWED &
REFEREED JOURNAL

The Growth of Capitalist Enterprise in France (1700-1800)

Dr. Sanjay Kumar*

Associate Professor, PGDAV(E) College, University of Delhi, India

Abstract – Eighteenth century France was predominantly agrarian in structure in spite of the fact that this was an age of economic and intellectual progress. An age in which through development of capitalist enterprise, industry, trade and commerce, the bourgeoisie became economically as well as politically important. All the economic development took place in the background of old regime, decadent feudal system, order of Estates, impoverished peasant class, backward agrarian system. The article aims to look at the economic development before and after the French revolution of 1789 especially at the impediments in the way of Capitalist development.

Key Words – Capitalist Enterprise, Bourgeoisie, Guild System, Manufactures Royales, Revolution of 1789.

----- X -----

The eighteenth-century French economy showed its predominantly agrarian nature. The national economy of France had not undergone any basic structural change during this period. But undoubtedly eighteenth century in France witnessed a period of great economic and intellectual progress. This transformation of economic and intellectual arenas was closely linked. The enlightenment movement created such an intellectual climate in which the bourgeois class played a very important role in the development of the nation with getting the hold of political power through the development of capitalistic enterprises, trade, commerce and industry.

France shared the characteristics of an 'underdeveloped' or pre-industrial society during this period. Labrousse regards eighteenth century France a fundamental phenomenon of the pre-capitalist economy.[1] There was a preponderance of agriculture which is illustrated in the theories of the Physiocrats and economists. They maintained that the land was the ultimate source of all wealth and income and they relegated to a secondary position trade and industry which merely transformed the produce of the soil.

The actual conduct of agriculture was in the hands of a peasantry which lacked the will or the means to effect important changes in productivity. The general characteristics of the old regime limited the possibilities of economic transformation. The French agrarian system before the French Revolution may be said to be overwhelmingly kind of decadent feudal order.[2] At a slower pace, parts of nobility, important among them being *noblesse de robe* started to put an attack on the agrarian question with the happening of quite a few changes in the eighteenth century. Some urban capital started to be invested in the rural lands with the

extension of estates. This led to the improvement in the position of the landlords and side by side either the Government or the Provincial Estates moved towards facilitating enclosures.[3] Gradually new crops and new methods were adopted. But this did not lead towards more investment into agriculture rather it was either the state, the church or the nobility which usurped most of this agrarian surplus and very less returned back to agriculture or into productive investment.[4] From 1730 onwards we find slow but steady rise in the prices. But this did not result in any beneficiary prospect for the peasants despite the fact that all the other parts of the economy gained a lot from it. The rise in prices did not lead to any significant rise in wages both in rural as well as urban areas. Yet, the half century from about 1730 onwards was a period of rapid economic advance. Moreover, severe general and periodic famines during the sixteenth to eighteenth centuries were a part of the rhythm of France's economic life during the same era.[5] Therefore, the agricultural productivity of France lagged far behind that of England.

According to Robert Brenner, the long-term consequence of the distinct systems of social-property relations in England and France only led to intensification of sharp disparity in their respective agricultural performances.[6] But for Cooper what explains the relative weakness of French to the English agriculture is not these structural changes rather it was the effects of devastations of the warfare in the sixteenth and seventeenth centuries.[7] P.K. O'Brien and R. Roehl considers that it was only from the early eighteenth century onwards and especially with the decline of the absolutism that the French agriculture showed an impressive growth in comparison to that of England.[8] Le Roy Ladurie

considers that Robert Brenner needed to be a bit liberal for gauging the French agricultural progress but Brenner quotes perfectly: "On the whole, from the fourteenth century to the first part of the eighteenth century, the agricultural product was without doubt agitated by fluctuation... A true growth takes form only after 1750, and then often in a hesitant fashion."

One does not encounter any signs of either mass production or mass consumption in the eighteenth century. The existing industries at most met only the small purchasing capacity and customary needs of small scale peasants and artisans, to the luxury expenditure of the wealthy and to the strategic and administrative demands of the state. What industrial expansion took place in the eighteenth century was thus, in large measures along the old lines. Large scale industries, although not unknown, were fairly rare. The industries were still organized on the guild system.[9] But the guilds were encountering much hostile criticism as they were opposed to all technical improvements and wanted to preserve the existing methods of manufacture despite the fact that innovations will only be led to cutting of costs. For John Lough, in the north of France, there existed an intermediate stage between the old guild system and the modern factory system.

The contribution of large-scale enterprises to industrial production in France remained small, although there are signs that it grew in the latter half of the century. The most important were the expansion of metal industry, iron industry, coal industry, cotton textile industry, silk manufacturing and ship-building. At the same time, there existed the traditional policy of subsidizing and encouraging large scale manufacture by the state. These were strictly 'artificial' creations set-up to serve the needs of the state, to reduce dependence on foreign imports or for reasons of a non-economic kind. They were not intended to initiate a process of industrialization. More numerous were the *manufacturers royales* which were privately owned concerns, encouraged and assisted by government grants, loans, contracts and privileges of various kinds.[10]

Between 1750 and 1775, the values of industrial production doubled, that of trade increased threefold and colonial trade fivefold. However, it is not to say that there were no impediments to the development of capitalist enterprise. The expansion of trade inside the country and overseas still had many obstacles to overcome. In the pre-railway age, the transport of both persons and goods was naturally slow and expensive. Besides this, there was illegally levied toll for the use of roads, bridges and rivers, which added to the heavy cost of transporting goods. Still worse were the customs barriers not only at frontiers of France, but inside the kingdom itself, which were set up by the government to levy the so-called *traits*. The relative weakening of France as a maritime and colonial power during the 18th century must be accounted as a further factor holding back capitalist development. The internal trade paved the way for growth in the

prosperous ports and market towns. It provided a basis for the growth of local fortunes which went into urban buildings and into land purchase.[11] Some capital accumulated in local trade found its way into extending commercial control over the over the crafts or establishing industry of the putting-out type. The period from the sixteenth to the eighteenth century is regarded as an era of merchant capitalism. According to contemporary sources. France's trade with other countries almost quadrupled between 1716 and 1788. Exports and imports combined in this period, formed a total of some 171 m. Livres to 565 m. Livres.[12] France's main exports were agricultural products and luxury goods among which silk was particularly important. Her imports consisted largely of raw materials and manufactured goods. Trade with Spain and Holland declined and with England, Germany and other countries of North America expanded. Outside Europe, France had trade with the Levant and West Indies sugar islands.

Before the Revolution, industrial capitalism was still in its infancy in France. In the eighteenth century there were capitalist undertakings, capitalist-type dealings and capitalist relations of production in some sectors of the economy but there had not as yet been a fundamental change in the way in which the economic surplus was produced and appropriated. The institution and social structure of the Old regime held back the development of capitalism. Successive attempts at reform from within failed and only after the Revolution had run its course did an environment conducive to the full flowering of capitalist relations come into being.

Calonne, the controller-general of France in November 1786, presented far-reaching plans for restoring solvency of the government which included the abolition of internal customs barriers, the commutation of the corvée and the reduction of the gabelle (salt tax).[13] The implication of Calonne's policy was the substitution of a bourgeois for an aristocratic conception of society. The National Assembly took the profound step of abolishing the guilds (1791) and internal tariffs and tolls, which had formerly restricted the domestic market. The Revolutionary government and subsequently Napoleon made further contribution to the creation of an environment for capitalist enterprise.

Thus, from the standpoint of economic evolution, the eighteenth century represents a period of pause rather than retreat.[14] Cobban says that at least in some fundamental respects, it may not have been a step forward at all but rather one backward, that instead of accelerating the growth of modern capitalist economy in France, the Revolution may have retarded it.[15] But historians like Jaures and Mathiez felt that on a long term view the Revolution of 1789 was indeed *Une révolution de la prospérité*. Undoubtedly, both trade and industry shared in the prosperity which agriculture enjoyed for a great part of the eighteenth century. The half-century from about 1730 to 1778 was on balance a period of economic advance. Among the capitalist

enterprises, which developed in France in the second half of the eighteenth century was the expansion of metal and coal mining industry.

In conclusion, the French Revolution was a major watershed in modern European economic history. Even if, as seems likely, the immediate consequences of the Revolution and wars were harmful, they played a vital role in the acceleration of institutional change and in the growth of capitalist enterprise in France. Indirectly, they gave a firmer shape to the business community which was to create the 'Industrial Revolution'.

NOTES AND REFERENCES

1. Witold Kula (1988). *An Economic Theory of the Feudal System*, London, 1988, p. 156-7.
2. Tom Kemp, *Economic Forces in French History*, Dennis Dobson, London, 1971, p. 27; also see David S. Landes (1969). *The Unbound Prometheus: Technological Changes and Industrial Development in Western Europe from 1750 to the Present*, Cambridge.
3. Ibid., p. 15.
4. Ibid., p. 26.
5. Witold Kula, op. cit., p. 163.
6. R. Brenner (1982). "The Agrarian Roots of European Capitalism", *Past and Present*, no. 97, p. 105.
7. Cooper (1982) "In search of Agrarian Capitalism", p. 59 cited in Brenner, "Agrarian Class Structure and Economic Development in Pre-Industrial Europe", *Past and Present*, No. 97.
8. P.K. O'Brien (1977). "Agriculture and the Industrial Revolution", *Economic History Review*, 2nd ser., Vol. 30, pp. 166-81; also see R. Roehl (1975). "French Industrialization: A reconsideration", *Explorations in Economic History*, Vol. 13, p. 260.
9. John Lough (1961). *An Introduction to the Eighteenth Century France*, London.
10. Tom Kemp, op. cit., p. 37
11. Ibid., p. 52.
12. John Lough, op. cit., p. 72.
13. N. Hampson (1966). *A Social History of French Revolution*, Toronto.
14. X. M. Cipolla (1977). *Fontana Economic History of Europe*, Vol. II, Hassocks, pp. 470-71.
15. A Cobban (1964). *Social Interpretation of the French Revolution*, Cambridge, p. 78.

Corresponding Author

Dr. Sanjay Kumar*

Associate Professor, PGDAV(E) College, University of Delhi, India

sanjaypgdave@gmail.com