

PART I

The Beginnings of Modern Bourgeois Society in Central Europe

The Bourgeois Revolution from the 15th–17th Centuries

A thousand years ago in large areas of Central and Western Europe, the feudal system, feudalism, serfdom, estates and the unfreedom of the peasantry dominated; now in the same region there is modern bourgeois society and the freedom of all citizens. A transformation of the old system occurred in the 15th to the 17th century, which was accomplished so quickly and so fundamentally that one could refer to it as revolution. The concept of a bourgeois revolution in the 15th to the 17th century is related to the introduction of the capitalist system, the expanded market and money economy, the liberation of the peasants, the development of urban industry and the founding of the nation state system of the modern era. The different estates, strata and classes of peasants, of merchants and of the urban working class have taken part in this transformation. Nevertheless, this revolution was in no way unitary; the aristocracy, the royal court and the Church together constituted the leading stratum in the European society of the Middle Ages and at the beginning of the modern era. The dominant role of this stratum in politics was not immediately refashioned.

Five hundred years ago many people were conscious of the fact that in their era it was not about the continuation of the past conditions of life, but rather that it was a new era in which new conditions of life occasionally surfaced not as isolated phenomena in this or that aspect of social relations, but rather everywhere, in the

systems of economy and law, in religion, in the arts and sciences. In the south and in the north of Europe one spoke of a Renaissance.

Feudalism lasted for some time; it differed from antiquity. But in opposition to the transition to the modern era people in the Middle Ages did not delve into their distinction from the previous period of classical antiquity. They were not conscious of the transitional period, as were the painters, thinkers, poets and philologists of the modern era who distinguished their era from the previous one and separated the Middle Ages from classical antiquity. The notions of a succession of periods and of a periodization in human history are not new. Already in antiquity Hesiod sang of an earlier golden and beautiful period and of a later iron and ugly age. Aristotle repeated this idea in an altered form, and in fact did this in connection with his theory of myth, which he brought out in his *Metaphysics*. The period is the hallmark of a demeanour of people in the world; the end of a period is the indicator of the dissolution of that demeanour, of its upheaval and of the demarcation of the present from the past. However, a historical epoch is not a living being; it is not born, and it does not die. It disappears when the conditions which formed it are essentially changed.

What is called bourgeois society came about in several countries of Europe, first in the Mediterranean region, then in Upper Germany, on the Atlantic coast and on the Rhein. Communication of the north with the countries of the Mediterranean was driven by trade, the arts and the sciences. Scientists and artists went to Italy and studied there, and German traders were active in Venice, where they learnt the mercantile experience [*Praxis*] of practical calculation [*Rechenkunst*] and bookkeeping.

The new men were not entirely new, the medieval relations of domination not entirely superseded. These had been reproduced in urban patrician lineages and in the aristocracy of modern times. As one of the resplendent figures of the modern era, the printer Johann Gensfleisch zum Gutenberg, the son of a patrician family in Mainz, made his mark. The 16th century was commonly portrayed as the epoch of new beginnings. We, however, set the origin of capitalist system in Central Europe in the 15th century; it began still earlier in Northern Italy. It depends on what kind of a model is sought out for identifying the beginning. The focal point of this work is the idea and justification of the periodization and of the model which it assumes. If one begins with the Mediterranean region the process of origination appears to have begun earlier, in Central Europe later. The process of trade and production appeared in Northern Italy in the 13th and 14th century, a century later in Upper Germany. Weavers and merchants served as pathfinders of progress in the Mediterranean region. The weavers' guilds were not progressive in Germany; on the contrary, they reacted rather negatively to progress in production. Miners

and merchants were progressive north of the Alps. These assertions are related to urban life. Equally important, perhaps even more important, is the origin of the peasant movement in Central Europe in the 15th and 16th century, somewhat earlier in Northern Italy and in England.

It is essential to know where and when one investigates the beginnings of the capitalist system. If the history of capitalism is set in the Mediterranean region, an entirely different model of the originating process than in Central Europe is obtained. The historical dynamic in the transition to capitalism in Italy and Spain appears bound up with the development of seafaring and shipbuilding more closely than in Germany; the same dynamic in Central Europe, on the other hand, appears to be more closely linked with mining, with the metal industry and printing than in the Mediterranean countries. The difference in the historical dynamic is huge not only regionally but also in terms of time. Transformations in the merchant class and in the practices of trade and banking begin earlier in Italy than in Germany; the Germans went to Venice to appropriate new processes and modes of commerce. One gets a completely different view of the origin of the capitalist system if the beginnings of it are examined in England and Holland, and this in turn changes if the origin of capitalism in France and Spain is the object of research, where mercantilism played an especially important role.

If one begins with the periodization of the capitalist era in Central Europe, the epoch of the 15th and 16th century thus appears to be the most influential in this process. Nevertheless, the capitalist system arises in specific countries under different conditions. The emergence of the capitalist system does not occur simultaneously in all parts of Germany, England, Italy or Holland. In Italy, it appears earlier in the north than in central and southern Italy, in Central Europe earlier in Upper Germany, in the coastal cities of the North and Baltic Sea; it appears on the Rhein and Main sooner than in the districts east of the Elbe. The weavers' guilds were opposed to manufacturing and the establishment of textile factories, although they instituted a putting-out system early in the capitalist historical process; house-building, too, remained medieval in that period.

The systematic development of trade, of capital, of wage labour, of the commodities market, of credit institutes and of the circulation of money occurred in the 15th and 16th century based on a sporadic appearance of the same process in the late Middle Ages. We will attempt to specify the definition of the system more precisely in this work. The capitalist system changed from one epoch to another and from one country to the other, but the system of wage labour and capital remained approximately the same in its economic relations. The transition from the Middle Ages to modern times has been traced back to the discovery of America, to the invention of the printing press and of the hand casting of type,

to the Reformation, to the principles and practices of mechanics, to the establishment of the great trading companies, to the mercantile activities of the Jews, to the liberation of the peasants or the expansion of money circulation at the cost of the natural economy.

Each period has its own particularities and amazements. One talks about inventions and voyages of discovery, because they are palpable and worthy of wonder. Nevertheless, sensations are not the determining moments in the period or in the question of periodization. The purely military-political writings of history dealt with the conquest of Constantinople by the Turks in the year 1453 and its impact on intercourse between Europe and the Near East. We will consider these events not simply as a cause, but rather as an effect of further factors in the history of Eurasia.

Originally the new economic, social and artistic practices were judged positively and negatively. The peasants sought to become wage labourers; of course, not all, but many in Central, Southern and Western Germany took part in the process of transformation. Martin Luther selected and cursed the monopoly companies [*Gesellschaft Monopolia*] and the peasants' revolt, that is the two historical moments which were important in initiating the modern age. The monopoly company [*Gesellschaft Monopolia*] is not to be considered a joint-stock company, but rather the capitalist form of organization originating from medieval monopoly. Adam Smith opposed the organization of guilds, monopolies, slavery, and championed free trade, free labour, and the open market. This has to do with a market monopoly in the late Middle Ages and the beginnings of the modern era, so that the burgesses were only able to buy their cloth from one guild, their knives only from another. Conversely, the domestic workers who created their cloth and knives, needles and thread found the demand for their products only with one merchant, not with any other. This practice is called the monopoly company [*Gesellschaft Monopolia*]. The critique of the monopolistic practices of the 16th century was started by Luther; opinions of this kind had already arisen in the Middle Ages. The merchant class and manufacture in the 18th century attenuated the activities of the guild monopolies; the industrial revolution unfurled a bond with free trade and set itself against the mercantilism of the 17th and 18th century. This referred to the politics of insertion by men of state into the economic system. Adam Smith exercised a sharp critique of the intervention by the men of state into the healthy affairs of the industrialists, of the capitalists and of the private enterprises; the state was supposed to interfere as little as possible in the private sphere. *In hoc signo*, that is in this symbol of Lutheran condemnation of monopolies and of Smith's praise of private enterprise and interests, Marx portrayed modern bourgeois society as

the most developed and complex organization of production in history, as we have seen above.

The peasant war and the Reformation are the great events of the 16th century in the history of Central Europe and it is thus no wonder that according to the theories of Karl Marx and Max Weber, this period is presented as the decisive one in the process of development of the modern bourgeois social formation. What both thinkers have said holds true for some aspects of the history of Central Europe, for others, on the other hand, it does not; nor does it apply in the case of the capitalist economic and social system in general. If the enquiry begins in Italy, then the same process of transition and of the new beginning could be regarded differently. The peasant liberation movements had their beginning at the close of the 14th century in Northern Italy and in England.

So as not to give a complete explanation for the process of transformation but rather to designate it as a problem, let us take as an example the figure of Jacques Coeur, who was a wealthy man in Bourges, a copper king. He was not an aristocrat but rather a man of the common people, who had risen up; then, in 1453, he was charged and arrested by the authorities in France. Jakob Fugger, the wealthy man, was also a copper king; he was not a nobleman but was born in the year 1459 into a guild family in Augsburg. If one situates the new era in the 16th century, then Jacques Coeur and Jakob Fugger would be considered capitalists and the large firm of Thurzo and Fugger as a capitalistic enterprise without capitalism. Marx asserted that modern bourgeois society appeared sporadically before, and systematically in the 16th century. This view can prevail if one highlights the period of the Reformation as the standard for the beginning of the capitalist historical process.

The question of periodization is not a matter of persons or of singular appearances such as inventions, but rather one of social moments and movements, personified in the above-named individuals. During the 15th century peasants in the different countries of Europe had attempted to free themselves. Shipbuilding and the arts of seafaring linked with it were developed in the area of the Mediterranean; the sea passages to America and India were discovered; the printing industry was founded in Mainz and Frankfurt. Trade between Upper Italy, Upper Germany, Brabant, Spain, Flanders, France, England, Holland and Portugal was expanded. Mechanical clocks, paper, cannons and gunpowder were produced in several countries of Western Europe. Mining was transformed and then the mine share certificates for the same were sold. We will relativize the above-mentioned views. What was valued as an innovation namely from the standpoint of Central European practice, is to be considered as an already systematically developed matter from the standpoint of Northern Italy. Nevertheless, taken as a whole, the capitalist

moments of the 16th century were more fully developed than in the 15th in Europe overall.

The history of that epoch is not determined by the military or political events of the 15th century such as the conquest of Byzantium by the Turks and the Reconquista of Spain by the Spanish, but rather only delimited by them. Islam, which had spread over the Iberian Peninsula and Sicily in the early Middle Ages, was pushed back; in Southeast Europe it was propagated in the 15th and 16th century. The Middle Ages as a period and as a historical category, is related to European, not to Islamic peoples. For Islam, the epoch of new beginning and awakening is the 7th century. Finally, the extension of the Russian Empire beyond Siberia took place in the 16th, 17th, and 18th century, the liberation of the peasants in that country only in the 19th.

It was clear to the Europeans during the transition from the Middle Ages to the modern era that they were living in a period of radical transformation, as Petrarca, Alberti, Erasmus and Dürer attested. Further, they were aware of the duration and the extent of the process of transformation, as they were of its depth. Thus, Albrecht Dürer wrote in relation to painting in 1525: "In what honour and worthiness these arts were held by the Greeks and Romans, is demonstrated by the ancient books well enough. Even though they were subsequently lost altogether and even hidden for a thousand years and only two hundred years ago once again brought to light of day by the Italians [*die Wahlen*]." ¹ In his opinion the Italians brought about the renaissance of art in the 14th century. His book relates not only to art but to Euclidean geometry as well. Giorgio Vasari in his book which appeared shortly thereafter held the same view concerning the painters, sculptors and architects. Tizian, according to Vasari's assertion, could be counted among the greatest painters through his mastery of colour, even though, as Fra Bastiano del Piombo declared, Tizian never visited Rome to view the statues there. The creative force of antiquity had an impact on the modern arts through its statues and its architecture. ²

The recognition of change by the Italian scholars Petrarch and Alberti was discussed after them by Dürer and Vasari. The consciousness of the process of transformation was thus given expression, only with them the technical terms were missing such that the abstract *termini technici feudal* and *medieval* came into use only in the 17th century. The history of the concrete expression is other than that of the concrete word. *Feodum*, *fief* in the concrete meaning are both already mentioned in the medieval epoch. The general term and word for the feudal Middle Ages was related to the past in the linguistic usage of the 17th century.

There are multiple moments which led to the transition from the Middle Ages to modern bourgeois society. The contacts of the various parts of Europe to one

another and to the external world in Asia, Africa and America in the 15th and 16th century, further the intercourse which this contact occasioned and the movements of people from the country to the city as well as from one country to another extended this transition or new beginning; in the qualitative sense they deepened and further developed it. This concerns externally free movements and inner compulsion. Copernicus, Dürer, Agricola freely emigrated to Italy and freely returned home. The religious views of that time, too, show the striving for a new beginning, not only out of free choice, but rather out of inner compulsion and necessity, as Luther's well-known expression: *I can do nothing other* declares. The concepts of new beginning and of restauration are not new. In their religions, the Hebrews, the early Christians and the Muslims spoke of a new beginning through the prophets and the Messiah and thereby heralded world renewal.

According to Dürer's understanding, the arts of his period had entered into a process of a new beginning. From our standpoint, the Renaissance is a form, an epoch of completion, an idiographic whole, not a part of something larger but rather the being in-and-for-itself of enormous creative human activity. The economic moments of that epoch, on the contrary, present themselves as a preparation and as a transition. The contemporary consciousness of it is the reverse. We shall concretize this assertion. Petrarch and Dürer believed they lived in a period of dawning, of spiritual *re-awakening*, on the doorstep of further development. Jakob Fugger, on the other hand, was not conscious that this had to do with something new, a new beginning in his time; in his view mercantile activity was in full bloom and he only wanted to continue what he and his fellow merchants had already set in motion, and to continue to drive what had already been undertaken. The scope of our survey ends in the 17th century. The epoch of early capitalism and beginnings of modern bourgeois society have their system which forms the object of the present work. This epoch gave way to the imposition of the free market, of the industrial revolution, of the nation state system and of the Enlightenment of the 18th century. The German Hansa, the Patrician system in Augsburg, Nuremberg, Mainz, and elsewhere, and the Holy Roman Empire of the German Nation did not survive the new moments. Neither the beginning stage nor the later industrial stage were introduced simultaneously everywhere. Thus, Dürer portrayed his historical perspective which appears to us to be so decisive. Capitalism in the 15th and 16th century is part of a larger system. John Winchcombe ("Jack of Newbury") Jacques Coeur, Fugger, Thurzo, Gutenberg, Erasmus, Petrarch, Dürer, Leonardo da Vinci, Fibonacci, Pacioli, Adam Ries, Luther, Calvin, Columbus, Vasco da Gama, Magellan, Agricola and Biringuccio were people and at the same time symbols which pointed to a changed human activity.

From 1347 to 1506 26 universities were established in Central Europe. At that time, students went to Italy for training in medicine, mathematics, arithmetic, astronomy, and classical philology; The universities of Salerno, Bologna, and Padua served as important reference points for higher education. The early universities in Central Europe, England and France were not centres for the natural sciences, but rather for the four disciplines of philosophy, law, medicine and theology as well, as Goethe had enumerated them. The Central European universities were endowed by various means, by papal bulls as well as by imperial or other noble authorization. In the 16th and 17th century 20 additional universities were established; some did not survive for long, 8 of them were abandoned shortly after their establishment. The universities were small in comparison with those of today. In 1588 there were 13 professors and 588 students in Heidelberg; they were for the most part, although not all, registered at the University of Heidelberg.³ On average the number of students in a university at that time amounted to between 300 and 500.

The Italian, Giovanni Botero took a critical position against the universities. He believed it would be better if they had less to do with the conflicts of the tongue and of the dagger. Yet, he took note of the contribution of the university to the *grandezza* of the city.⁴

The establishment of the system of nation states in Central Europe took place at the end of the early period of capitalism. Development did not proceed in a straight line. When the nation state appeared in the 17th and 18th century in Central Europe, it disappeared again straightaway. Hegel complained in 1802 that Germany was no longer a state.⁵ The beginnings of the mercantilist-cameralist system, manufacturing and the establishment of the German nation state signified the end of the early epoch of modern bourgeois society.

Our undertaking in this part of the book is to investigate the theories concerning the beginning and the first stages of the capitalist period in Central Europe. It is therefore a problem of periodization that was repeatedly taken up by historians, philosophers, political scientists, economists, sociologists, and ethnologists. All of these disciplines provided their contribution to our problem. Our task becomes complicated by the fact that the words change their meanings, as can be understood by means of the following examples. Books concerning the democracy of antiquity and of the modern period were published *en masse*. The word is derived from classical Greek; the practice, the theory and the meaning of the word in the present have nevertheless little to do with that of Socrates' times. We speak now only of formal democracy. In antiquity one already had the right to vote, but only a small part of the population—5 or 10%—could exercise it. In the Athens of antiquity slaves, women and foreigners constituted the majority of the population.

They were excluded from the political process of the city. Democracy and freedom in this sense signify political, formal democracy and freedom.

The peasants of Central Europe in the 15th and 16th century were, for the most part, serfs. They were not slaves as in antiquity, but they lacked formal freedom in the political sense. The theory of freedom was traced back to the Jubilee year in the Old Testament according to which the slaves were freed with a cry of jubilation; further expressions concerning human freedom are then to be found in the Institutes of the Roman Emperor Justinian. Hegel linked the concepts of freedom and political practice. In the East only the head of state was free, in his hands alone was political power united. In classical Greece some citizens were free; only they could vote, have a say, decide; slaves, on the contrary, could not. Afterwards, only those who were citizens availed themselves of freedom and the right to vote; the serfs could not.⁶ As we shall see, Hegel brought together 350 years of Central European liberation movements and gave expression to them. *חֲרוּת*, *חֹר* (*Chor*, *Cherut*) in the Old Testament, *liber* in Justinian had at once the same and other meanings than *frei* (free) in modern times. There is a philological relationship between democracy in antiquity and in modern bourgeois society. We will return to this question.

The category of bourgeois society—*société civile*, political and civil society—extends across Antiquity and the modern era, and thus we speak of the difference of modern bourgeois society from the civil society of Antiquity or of the Middle Ages. Democracy is also found outside of civil society, namely among the non-literate peoples or so-called primitives. Finally, we mention the words *natio* and nationality, which played a large role in the 15th and 16th up to the 20th century. Without our getting involved with the question of the nationality of Copernicus, Dürer or Agricola, we take note of the circumstance that in their age students in Italy were registered as members of this or that *natio*. The concept of German nation had a different meaning then than it does today.

The focal point of our investigation will not be the word *natio*, but rather the labour process in the 15th and 16th century in the Central European region, mainly in its German-speaking part.

The events, with which we are dealing, exist in space and in time. The delimitations and designations of the spatial details are not fixed and constant, but rather variable. Central Europe is not seen today the way it was in the 15th and 16th century. Hence, we will take up in a loose way the territorial concept in the sense understood then in that part of the world which lies between the Hansa cities of Hamburg, Lübeck, Danzig as well as Emden, the Calvinist Centre in the north, and Basel, Strasbourg, Vienna and Budapest in the south. Such a delimitation by city is still only partly accurate, because the population was mainly rural. Agrarian

relations in the 15th to the 17th century were, moreover, not unitary. Agriculture in the eastern part of Central Europe was operated fundamentally differently than in the western part.

History can be treated as a continuous or as a discontinuous process. In the first case, the same relations, life conditions and ideas are encountered in the past and in the present, if not entirely, then nevertheless in a variation of the same. In the second case, however, there is an abyss which lies between the past and present in the historical process, or even several such discontinuities are noticeable. In the 17th century Leibniz asserted in relation to the first continuous mode of treatment, nature makes no leap: *natura non facit saltum*.

Another adumbration of the same idea emerges in the myth of the eternal return of the past, as well as in the assertion there is nothing new in the world. Human history is thus conceived as a recurring cycle. In opposition to this idea, we proceed from the notion that there are discontinuities in history, hence, periods in relation to which a discontinuity can be objectively indicated. The indices for this are manifested in two ways: in the idiographies of the fine arts and in the nomotheses of the labour processes. The idiographies are the peculiarities, the nomotheses are the laws, the positing of laws and the lawful aspects of nature and of the process of labour.

To be sure, the creation of a painting or of a poem includes both the objective as well as the subjective moments in itself. The objective moments in art were shown by Leonardo, Michelangelo, Raphael, and Dürer through the mastering of the theory of colour, of Euclidean geometry and through the laws of perspective according to Brunelleschi and Alberti. Dante and Petrarch mastered the objectively existing laws of Latin and Italian grammar. The nomothetic in the labour process constitutes the major theme of the present work. It is therefore true that the labourers and labour in the form of compulsory labour [*Fronddienst*] were unfree and that wage labourers are free in the formal sense.

These research categories will be treated empirically and concretely. Two questions are to be distinguished, empirical research and the quest for universals. The first leads to scientific laws and conceptions, but not to universal, absolute principles. The attempts of the metaphysicians are abstract *sub specie aeternitatis*. Neither they nor Leibniz distinguished the universalisations, which were empirically conceived, from absolute universals. We have considered nature and human history as lawlike, because they display rule-like appearances under concrete conditions. They cannot be regulated under all conditions by the humankind.

The fine arts of poetry and of painting consciously introduced a new epoch in their history. The peasants consciously and deliberately fought for their freedom, and this struggle led to a new historical epoch. These two epoch-making

phenomena are related to the beginning of modern bourgeois society; they determine the transition from the feudal period and delimit it from the modern bourgeois. The artists and the peasants were conscious of their activities. We have cited Dürer not as an embellisher, but rather as a self-conscious interpreter, one of the first, who mastered the concept of the New as a painter in Central Europe and discussed it theoretically as a thinker.

A brisk intercourse arose in the 15th and 16th century between the various parts of Europe, further, across and beyond the Mediterranean among the European, Asiatic and African countries, and finally across the Atlantic, Indian and Pacific oceans with America and the Far East. This intercourse was not only extensively, but rather also qualitatively and intensively developed and, in this way, was driven in peacetime by trade and by education differently than in times of war. In the state of war neither law nor intercourse are silent.⁷ Agricola wrote a book about the war with the Turks; in mining and coinage Turkish coins came to Europe as did *darbhane* [mint, coinage]. In the Middle Ages one seldom had immediate access to the Greek texts of Aristotle, Euclid, Archimedes, among others, but after the Turkish conquest of Constantinople a number of Greek scholars went to Rome. The Italians, the Germans and others took advantage of this opportunity to study the Greek language and the ancient texts. Let's take an example: When the Greek Cardinal Bessarion went to Rome, the German mathematician Regiomontan came to him and studied the Greek language and the texts of Archimedes. After his return, Regiomontan had these texts printed and published.

Transport links became varied and multiplied in this regard: Italy—Byzantium, Upper Germany—Italy; Ancient Greek philology and the interchange between mathematicians and philologists; the connection between Archimedean geometry, book printing and instruction was advanced by Regiomontan in the 15th century. These activities are related to the field of mathematical theory, of book publishing and the book trade, of pedagogy, of linguistics and of the rising class of entrepreneurs. One could also add other fields of activity. The entrepreneurial activities of Regiomontan found favour with the public and the Church as well. His undertakings were crowned with success in mathematics, in the ecclesiastical hierarchy as well as in the book trade. Transportation links between Byzantium and Rome, between Italy and Germany were developed in both directions in the 15th century. In the 16th century Dürer had mastered the theoretical writings of Euclidean geometry and applied them in a practical way in painting, architecture and city planning and, in this way, contributed to pedagogy.⁸

Notes

1. A. Dürer, *Unterweisung der Messung*, Nürnberg, 1525. [In this and in later citations the writing is largely brought closer to current orthography].
2. G. Vasari, *Le Vite de' più Eccelenti Pittori, Scultori e Architettori* (1550), 2nd edition 1568.
3. F. Eulenberg, Städtische Berufs- und Gewerbestatistik (Heidelbergs) im 16. Jahrhundert, *Zeitschrift für die Geschichte des Oberrheins*, N.F. Bd. 11, 1896.
4. G. Botero, *Delle Cause della Grandezza delle Città*, 1596.
5. G. W. F. Hegel, *Die Verfassung Deutschlands*, 1802. Hegel believed the state as well as other human institutions were not eternal things, but rather transient. They would disappear in order to re-appear in a new and almost unthinkable form. Hegel later changed his opinion concerning the state. Hegel's view, that Germany was no longer a state, is related to the year 1801/02. Prior to that, Germany was a state. Frederick the Great was the sole master of his state in the middle of the 18th century [*Vorlesungen über die Philosophie der Weltgeschichte*, J. Hoffmeister (ed.) Bd. 4 Hamburg 1968]. Hegel considered Frederick the Great the philosophical king. Heinrich von Treitschke took up Hegel's idea and saw Frederick the Great as a true head of state. This view was not universally held in the Wilhemine period. Hugo Preuss, *Die Entstehung des deutschen Städtewesens*, Leipzig 1906, wrote: "Germany was stateless for centuries—since the beginnings of the Reformation period."
6. G. W. F. Hegel, *Vorlesungen über die Philosophie der Weltgeschichte*, J. Hoffmeister (Ed.) 2nd edition (1839) Volume 1, Hamburg 1968.
7. The question concerning right and law in the state of war had an important meaning in the early epoch of modern bourgeois society. Hugo Grotius published his book *De Jure Belli ac Pacis* (*Concerning the Law of War and Peace*) in 1625. The laws correspond to right. Entirely to the contrary Thomas Hobbes asserted: *Inter arma silent leges*—in the state of war the laws are silent. He repeated Cicero (*Pro Milone*). Yet the interconnections were not interrupted by the state of war. Agricola composed a book against the Turks: *De Bello adversus Turcam*, Basel 1528 (In German: *Oration, Anrede und Vormanung ... wieder den Türken*. L. Berman translator, Nürnberg 1530) But Turkish coins were described and disseminated in German mining and coinage.
8. Regiomontan: see J. Tropicke, *Geschichte der Elementarmathematik*, 4th edition, Vol. 1, K. Vogel et al. (eds.), Berlin, 1980. Albrecht Dürer, *Unterweisung der Messung*. Id. *Etliche Unterricht zu Befestigung der Städte, Schloss und Flecken*, Nürnberg, 1527.

Theoretical Conceptions of the Transition from Feudalism to the Modern Era in the History of Central Europe

Marx, Weber and Troeltsch, Sombart
and Kulischer, Schumpeter

2.1 General Remarks

Central Europe in the epoch between the 15th and 17th century found itself in the process of configuring a new social formation. The region was not on its own in this process of transition and transformation, but rather stood enmeshed in contact with Italy, the Netherlands, England and the other neighbouring states on the Baltic and Atlantic. From today's standpoint one can consider the peoples of that time as developing, finding themselves in an imminent process which leads to high capitalism. On the other hand, the following should be noted: History has no railroad tracks and does not lead with necessity to contemporary conditions. In the past there were various forms of organization which appeared in the period of early capitalism. However, many of these paths of activity were abolished, such as the guild, the Hansa, the Fugger, and the putting-out [cottage industry] models. We shall see how these commercial organizations were not in keeping with their own time, nor adopted in a later time.

A teleological conception of history would have to assert that the capitalistic path leads with an inner necessity and independent logic from the earlier epoch to the later forms of enterprise. The system of guilds, of the town council, of the patrician lines of kinship, of those who provided the raw materials in the putting-out or domestic system [*Verlage*] in the city economy did not survive the

Reformation, the peasant rebellion and the Thirty Years' War. The English, Dutch, French, Spanish and Portuguese colonial systems, the mercantilist system, the system of free trade and of the Industrial Revolution pointed to other paths than that of capitalist development. The concept of *early capitalism* is in this respect deficient. Nevertheless, there are profound commonalities with the capitalist system in the 15th to the 20th century.

Neither Italy in the 14th nor Germany in the 15th century can be thought of as developing countries like Egypt or India are today. Hence the comparison between the developing countries of the 20th century and the countries in the 14th/15th century which we name here as examples, for short Italy or Germany would be futile, for Italy and Germany did not then exist. The Italians and the Germans were on the level of development of the other parts of Europe, and Europe was at the level of development of other parts of the world. In some cases, Central Europe was not so highly developed, in other cases, more highly so. In mining and metallurgy as well as in metal working, in the production of clocks and books, in commercial practices, in the banking and credit systems Central Europe was perhaps in advance of the other countries of Europe; however, the Germans adopted arithmetic and commercial practices to a large extent from the Italians. Around 1500 the Mediterranean countries were superior in seafaring and in shipbuilding in comparison to Central Europe. The concept of development was already at hand, but it was different than ours. Nicolas of Cusa used the word *explicatio* in the 15th century; *pli* has the meaning of *fold-*, hence, unfolding, development. The process of development was applied to nature, to the economy, to politics and to human beings. Today two developmental models for the Third World are presented; for the world of the 15th and 16th century in Asia and Europe there was no such thing. Thus, the theories and practices of development in the 15th/16th century are not comparable with those of the present. Development is conceivable in relation to the European past, but in another sense than in the present. A developmental model would be applicable in connection with the relations between parts of South Asia or West Africa (like Sri Lanka or Togo) and parts of Western Europe in the present, however, not between Central and Southern Europe in the 16th century and not at all for the Germans of the 16th century in relation to the 19th or 20th.

Economic development did not continue peacefully. Military events in Central Europe during the 16th/17th century constituted a historical, an active and at the same time a passive moment of development. Obstacles to economic growth which the wars of religion and of national states brought in their train, were later transformed into a progressive moment, because the old ruling class was weakened by the continuous warfare. They played a positive role insofar as the peasants were

able to win their freedom under these conditions. The ancient chains of the peasant and proletarian estates were cast off in part in the 15th to the 17th century. But the absolutism of the 18th century was no heavenly kingdom of freedom for the peasants and the urban labourers. Lessing and Schiller portrayed the bondage of their epoch. It took centuries for the bonds of the past to loosen, in part through compulsion, in part through being forcefully removed, in part re-tightened. Historians have with reason separated the events of the year 1848 from previous years.

In the 16th and 17th century the authorities were constantly weakened on economic, political and military grounds. For these reasons the bourgeois class and the peasants could free themselves from the chains of the past.

2.2 The Transition from Feudalism to Modern Bourgeois Society According to Karl Marx

On a number of occasions, Karl Marx wrote about the transformation of European society in the process of transition to the modern era. Perhaps the best-known passage for explaining his view is in his book *Das Kapital* found in the chapter on so-called primitive accumulation, in which the events in Italy and England are paramount. "In England serfdom practically disappeared in the last part of the 14th century. The vast majority of the population then and even more in the 15th century consisted of free peasants engaged in subsistence farming ..." Earlier he noted: "In Italy, where capitalist production was developed earliest, the dissolution of servile relations also occurred earliest. The serf here was emancipated before he had secured any right of limitations on land and soil. His emancipation thus transformed him immediately into a completely free [*vogelfrei*]¹ proletarian condemned to fend for himself as such ..." ² Thereupon the labourers in the cities were driven onto the land as the peasants were previously driven from the farming village into the city.

Elsewhere Marx had assessed the participation of Central Europe in these developments from the technological standpoint. He mentioned Nuremberg as the main seat of craftsman-like and factory-based inventions of tools such as the clock (the *Nuremberg egg*), the jack for the fabrication and placement of the heads of pins; the thimble was also a Nuremberg invention. Manually operated paper mills, later water powered paper mills, were also produced in Nuremberg; further, the wholesale production of paper as well as the self-propelled carriages without a team of horses and with a gear train were products of Nuremberg in the 16th/17th century. The citizens of Nuremberg and Augsburg were at that time excellent cabinetmakers.³

Marx wrote about the transformation of the feudal system to the capitalist in Flanders, Holland, and Barcelona. The treatment of this transition was related to the process of production, trade and commerce: “The original historical forms in which capital appears at first sporadically or locally, beside the old modes of production, but gradually exploding them everywhere, is the actual *manufacture* (not yet the factory), on the one hand; this arises there where exports are mass produced for the foreign market—thus on the basis of large sea and land trade, in their large commercial centres, as in the Italian states, Constantinople, in the Flemish, Dutch cities, some of the Spanish, like Barcelona, etc. Manufacture includes at first not the so-called urban trade—but rather a secondary cottage industry based in the country, spinning and weaving, labour which demands the least genuine skill and artistic training. Outside of those large commercial centres, where they find the foundation of a foreign market, hence production so to speak geared *spontaneously* to exchange value—hence manufactures which belong together with seafaring, shipbuilding itself, etc.—establish their first home not in the cities but rather in the country, in villages without guilds, etc. The secondary trade in the countryside contains the broad basis of manufacture, while city trade requires highly advanced production, in order to be carried out at the factory level. Likewise, such branches of industry as glass factories, metal factories, sawmills, etc. which from the beginning require a greater concentration of manpower; from the start they utilize more natural forces, require mass production, as well as the concentration of means of production, etc. The same is the case with paper factories, etc. On the other hand, there was the rise of tenant farmers and the transformation of the agricultural population into free day labourers. Even though this transformation was achieved most recently in its ultimate consequences and in its purest form in the countryside, its earliest beginnings are also there. The old folks who never got beyond actual urban industrious artistry, could therefore never get to large industry. Its first requirement is the inclusion of the countryside in its entire range into the production not of use values but rather of exchange values. Glass factories, paper mills, iron works, etc. could not be operated in the way of the guilds. They require mass production; sales to a universal market; money wealth on the part of the entrepreneur—it’s not as if he creates either the subjective or objective conditions; but under the old relations of property and production these conditions could not be brought together.”⁴

Cloth as the product of secondary industry in the countryside comes into close connection with the great land and overseas trade of the port cities on the Mediterranean and on the coast of the North Sea. Seafaring and the shipbuilding arts bound up with sea trade require intensification of the labour force; this first happens within the guild organization. Rural enterprises in the countryside in cloth production as well were run by wage labour. Here wage labour was

introduced earliest. The early capitalist putting-out system stands on the one hand in confrontation with medieval procedures in the same system, on the other hand in confrontation with the expanded circulation of money, with the tenant farmers, with manufacture and with the transformation of the peasants into piece and day wage workers linked to it. The guild system appears in this connection as something transitory and disappears in the course of development of the manufacturing process in the capitalist era. The natural forces of water, wind and gravity were applied through mechanisation in the labour process and in the products of the manufacturing period; natural energy itself is concentrated in the process of production and distribution and the products were produced as mass commodities.

The development of the capitalist system according to this conception of Marx was based in coastal cities like Genoa, Pisa, Venice, Antwerp, Constantinople, Barcelona and in their hinterland. Mining and the copper trade in Upper Germany as well as the printing industry were left out. The dynamic factors are manufacturing in the villages and barter trade with its products.

The movement of peasants in Northern Italy and in England were presented by Marx as the driving force in the dissolution of the feudal system. We distinguish the movement of liberation of the peasants from the setting in motion of the Italian and English peasants. The peasants were driven from the land and thereupon transferred back onto the land. In this way they were freed from the feudal burdens, but not as an active factor [*Moment*], but rather as recipients of the elements [*Momente*] of others. We assert to the contrary that in the 15th and 16th century the central European peasants structured their own movement of liberation and present themselves as an active historical moment. The class struggles were not treated by Marx in and for themselves in this context.

Prior to the 16th and 17th century, manufacturing was found in connection with mining, with metal processing and trade, and with money and mercantile capital in Constantinople, Italy, Spain and Flanders. Manufacturing is based on commerce, on the monopoly of mercantile capital, and it points to an artisanal process in the labour of mining. Free wage labour arose in antiquity, in the old Roman Republic—but not so the capitalist mode of production. Without slavery, it could have emerged. One condition among others of the capitalist system is that of wage labour, which is developed freely and systematically. The presence of slavery prevents the development of wage labour and thus the development of capitalism. Overseas trade, in relation to manufacturing, money trading, mercantile capital and the monopolization of it in the coastal cities, for example, in Constantinople in the 15th century, is a moment in the transition to the capitalist system. Barcelona is also mentioned (among others). Pauperization of the wage labourers and the accumulation of capital as well as the refutation of the ideas

concerning so-called primitive accumulation of capital are also treated by Marx in this connection. The development of capital as something dominating the world and the entire economic formation of society first begins in the 16th and 17th century. "This is its childhood". The capitalist mode of production exists "first completely (if also only still sporadically developed) with large-scale industry, which dates therefore in its totality only from the last third of the 18th century."⁵ Here the distinction between the capitalist system and the capitalist mode of production is introduced. Events in the last third of the 18th century are related to the economic formation of society which, according to Marx, constitutes the mode of production of the modern bourgeois period, and are not related to the capitalist system. The capitalist mode of production is developed mediately out of mercantile capitalism and mercantilism, immediately through the effects of the industrial revolution. Overseas trade as a moment in the dissolution of the feudal mode of production and in the transition to the capitalist, if only sporadically in its appearance, plays an important role according to Marx. Because this moment has become a point of contention among some Marxists in the 20th century, we will revisit it.

The historical moments which have led to the formation of modern bourgeois society, Marx considered as a dissolution, as an explosion, like the effect of an explosive. Feudal relations of serfdom in the countryside and the guild system in the towns, were from this point of view, obstacles in the advance of humanity. Thus, Marx said: "In great outline can the Asiatic, antique, feudal and modern bourgeois modes of production be designated as progressive epochs of the economic formation of society."⁶ The succession of epochs from the antique to the feudal formation of society is progressive insofar as medieval serfdom appears progressive in comparison to antique slavery. Marx emphasized other historical moments in the dissolution process of feudalism, such as the transformation of the guild system, the expansion of the money economy and of trade as well as the development of manufacturing enterprises in the transition to modern bourgeois society.

The setting-in-motion of the peasants in the 15th and 16th century is related to Southern, Western and Central Europe. They are active and passive, moving and moved. They are not like smoke in the wind. The class struggles in the towns were not independent of the peasants' movement.

No isolated factor can be named as fundamental in the transition from the feudal to the modern bourgeois period. We call attention to the fact that Marx emphasizes among others the elements [*Momente*] of trade and traffic in money as well as manufacturing. The Marxists are divided into external and internal conflicting camps, the former represented by P. M. Sweezy, the latter by M. Dobb and R.H. Hilton. Sweezy traces the transition from feudalism to capitalism back to the role of external trade and its effect on the internal economy and society of medieval

Europe. The driving force of economic development in Italy during the feudal era was supposed to have been the activity of port cities like Venice, Genoa as well as Constantinople and Barcelona in their trade relationships with the Near East. This thesis points once again back to Henri Pirenne. Pirenne thought not that the invasion of the Germanic peoples or armies had constituted the historical dynamic in feudal Europe but rather events in the region of the Mediterranean, the expansion of Islam, military conflicts and in this connection trade and commerce in the Mediterranean region.⁷ Sweezy had dropped the role of the invasions and emphasized the significance of foreign trade. The inner moments of development and dissolution of the feudal system can be traced back to the distribution of rural surplus in the form of annuities and to the struggle over the distribution of annuities by Dobb and Hilton.⁸ The feudal system and the Middle Ages in general lie outside of our consideration, the question concerning the decline of the medieval system interests us rather for the reason that some authors whose thoughts relate to our matter, have also dealt with this question. The dispute around the assessment of the *inner* and *outer* factors in the development and dissolution appear rather to be a struggle over dogmas. Marx pointed to several historical moments in the decline of feudalism, such as the role of large-scale foreign trade (sea and overland trade) with regard to the Italian, Flemish, Dutch, Spanish and German cities, the mass production of commodities for export, the role of secondary enterprises in the countryside as well as the displacement of the peasants from the land into the city and from the city back onto the land. The discussion was simplified by the Marxists mentioned above insofar as they at times cited only one side of Marx's entire work. Our main task is to examine the Central European world from the 15th to the 17th century in which on the one hand the feudal elements of serfdom, compulsory labour [*Fronddienst*], and the feudal system were continued, in which on the other hand, the new mining and metallurgy, seafaring and shipbuilding arts, mercantile practices, the credit and money system, wage labour and manufacturing were introduced. The peasant movements, the rebellions in the countryside and in the cities of Central Europe led substantially to the dissolution of the old system. Several feudal elements had continued into the new era not only pro forma but in substance, whose final elimination could be carried through only in the 18th/19th century.

The period of transition to modern bourgeois society arose in the countries of Southern, Central and Western Europe, earlier in the south, later in the north. Central European events in this context have their historical dynamic, which is not everywhere the same as in Italy, England, Holland, and so on. Some moments are indigenous, such as the social consciousness of the rebellious peasants, others on the other hand are common to the neighbouring peoples of Europe, such as the

putting-out system, foreign trade and the seafaring arts. The factor of the spirit of capitalism, brought out by Max Weber, to whom we shall turn, appears to be an accompanying moment. It is not a cause of feudal decline or of the transition to capitalism, but rather a category of thought which concerns the capitalists and not the peasants or proletarians. If attention were confined to the spirit of capitalism, the peasants and the working class would disappear from the social stage, which would be difficult to understand. Our task in this connection is for one: to examine the historical dynamic of Central Europe in the transition to the capitalist era, second: to examine the social system within it in the given period. We proceed from the understanding that no people live in a chaotic condition, not even when their world finds itself in upheaval. People have their rules and laws even when it comes to a conflict between two systems, that of the old and the new or of the foreign and the indigenous. The spirit plays a role in the process of transformation, only the change in its orientation [*Verhalten*] is a phenomenologically late phenomenon, not an original one, and its significance can be exaggerated.

Several researchers have sought out a unique historical moment in this radical change at the expense of all others, which is unscientific, dogmatic and unrealistic. Some colleagues have asserted that Central Europe in the 16th century was a world of development, which says too much and too little,—too little, because each country and people develop. The specificity of development under given conditions and at the given time ought to be investigated. That assertion says too much, because development presents a powerful problem for the Third World in the second half of the 20th century. *Development* in relation to Central Europe in the 15th and 16th century appears to have little in common with the contemporary developmental problematic. In considering the specificity and unique character of the Central European historical dynamic it is not possible to simply generalize the process of development. Germany was not a colony; it sent out settlers and colonialists. The country found itself on the level of development which reached the entire continent.

We have treated capital and capitalism separately. Capitalism is a system, which appears in modern times and distinguishes itself from the previous epochs of history. Some character traits of the capitalist system appeared sporadically in the earlier epochs. Wage labour and capital, commodities, the market, exchange, the exchange value of commodities were developed in classical antiquity and in the Middle Ages, appeared, disappeared and resurfaced. Their appearance was not sufficient and not extensive, neither in Imperial Rome nor in the Middle Ages, and in this sense, they were sporadic and did not lead immediately to the development of capitalism. Capitalism concerns the relations of the wage labourers and the business enterprise. We know that the Spanish Queen had sold her jewels to pay the

shipyard workers in Gades (Cádiz) when Columbus' fleet was built. The ships were assembled by wage labourers in 1490. Leonardo da Pisa was the son of a merchant family, whose father Bonacci was Secretary of the Republic of Pisa. Leonardo da Fibonacci or Fi(gli)bonacci, Bonacci's son's name, was sent to Algeria, to head a trading company. In the Algerian city of Bugia he practiced his commercial activity, and from 1192 to 1200 he learned to calculate with Indo-Arabic numerals.⁹ Several of these events, which appear sporadically, can be mentioned, such as the merchant entrepreneurs in the putting-out system [*Verleger*] in Florence and the bankers in Genoa, who exchanged entrepreneurship in the North Italian cities, exchanged capital, credit and other commercial instruments. The merchant entrepreneurs in the putting-out system [*Verleger*] paid their wage labourers with money wages. Similar practices were expanded in the Upper German cities, in the cities on the Rhein and Main, in the Hansa cities, in the Netherlands, England and France. In the 15th century they were transformed into systematic phenomena. The stock exchanges of Barcelona and Naples were extended to Antwerp, Lyon and other places. We will not only deal with the entrepreneurs but with the wage labourers and the relations between the two as well.

Capital appears as the form of commerce of the means of production when and where wage labour appears; we speak here of the money wage and the money economy. Labour in this form and the corresponding exchange relations show themselves sporadically and temporarily, in this sense weakly, in the pre-capitalist epochs of civil society. Wage labour and capital were discovered in late feudalism. It is questionable whether this discovery relates only to the late Middle Ages and not to other epochs. The sporadic appearance of wage labour and of the circulation of money is also found in classical antiquity and in the later epochs of the Asiatic mode of production. Here we are dealing, to be sure, not with a single historical process but rather only with events and conditions, which surface, disappear again, repeat themselves, are strengthened and are made comparable. Capitalism on the contrary is the systematic form of appearance of the relations between capital and wage labour, which arise purely sporadically in an earlier form of society. There is not one single track in history, but rather several. The historical process of capital can be reasonably explained when the earlier appearances are examined in connection with money trade and money wages, not only as an exclusive event of late feudalism, but rather in classical antiquity as well. Both processes are systematized in capitalism and made into the foundation of the political system of the modern era. Marx's main point was the critique of the capitalist system, of political economy and—insofar as possible—of the destruction of this system in the 19th century. For this reason, he wrote little concerning the beginnings of the capitalist

system and of the capitalist mode of production. However, there are a few excerpts concerning these matters in his works.

Manufacture in the early period of the capitalist system emerges from handicraft on a double path:

1. The simple cooperation of many craftsmen with their hand tools in one room, where they all perform the same labour and who introduce the first concentration into production. In the old weaving and cloth preparation manufacture, the division of labour appears hardly at all; there is only the joint use of the general conditions of labour such as buildings, firing; to that is added the ultimate supervision by the factory owners, hence the element which in general belongs specifically to capitalist production.
2. Unification of craftwork divided into many independent branches in a factory. The division of labour is found here, but each part is worked as independent handwork.¹⁰

To point 1: The demand, supply, transportation and import of raw materials such as wool, cotton, linen and so on, as well as the export of processed commodities should be added. Further the infrastructure, for example, the outward and inward bound routes belong to the joint use of the conditions of labour. The watermill is a further part of the process of production in this period.

To point 2: In the domestic system rolled wire is a commodity which is processed in the manufacture of needles; the needle is a second commodity. In the system of manufacture rolled iron is processed in the same workshop as the needle. The entrepreneur buys the rolled wire as a commodity, and it is distributed in the process of needle creation as a means of production. The rolled wire together with the means of heating, coal and so on, is not treated as a commodity within the manufacture of needles. The entrepreneur buys the raw material, the means of production and the labour time and sells the needles created in the commodity form. In this way, the capitalist system was developed from the putting-out workshop [*vom Verlag*] to manufacture; the middle stage of traders, of commercial capital and the buying and selling of commodities is set aside; the process of production is to this extent rationalized.

The putting-out system [*Verlagssystem*] is not the only component part of capitalism in the first centuries of modern civil society. The guild system, mining, agrarian economy, the banking and credit system and trade constituted the further elements of the economic system and economic social formation. The totality did not form a unitary system. Marx said: "As it is not incumbent upon one to believe in sudden sharply differentiated periods in the succession of different geological

formations, so is it also not in the formation of the different economic formations of society. The beginnings of manufacture are developed in the lap of craftwork and are found here and there in individual spheres and for individual processes already with the use of machinery.”¹¹ A social system like other systems, consists in recognizable parts which are ordered among themselves. The system is durable and does not immediately disappear. It consists of parts which are bound together as well as differentiated by inner and external relations of the parts and of those elements of the system in turn to other systems and parts of them. Human social systems are heterogeneous, disparate, but they reveal themselves as systems. The parts, like the agrarian economy, trade, urban trades, are once again systems with parts, non-uniform elements, oppositional. Nevertheless, they are bound up with one another and impact one another such that changes in one part can transform others.

The social system persisted and boasted a certain stability. The intentions of the participants were varied; the aristocrats and the guilds tried to maintain the old elements; the new capitalists and the poor, namely peasants and proletarians, wanted to change the old system. From the standpoint of high capitalism, the earlier periods appeared chaotic. Nevertheless, the main interests of the later system were already present here: The working class was a class of wage labourers or strove to become a class of wage labourers. The capitalists wanted to gain as much money as possible. The labourers demanded a higher wage, shorter work time and better working conditions. The peasants wanted in part to become wage labourers. The money economy was expanded. Some industries and branches of industries were already entirely or mostly organized according to the workshop system [*Verlagswesen*], like weaving or the printing industry; others, like mining, the system of coinage, seafaring and shipping companies, the banks and credit institutes were organized capitalistically in the same sense as is the case in high capitalism. The smelters and hammer mills were in part arranged like mining, in part like domestic workshops [*Verlage*] and guilds. If we give emphasis to mining as the typical or characteristic element for the further development of capitalism in Central Europe and in all of Europe, then we take note of wage labour, the accumulation of capital, the consolidation of the mines, the system of credit, the organization of labour, the rationalization of the labour process, the division of labour and the enhancement of technology in the 15th as in the 18th and 19th century. This branch of industry reveals the same ascending curve over five centuries and more. The same can be said for seafaring, shipbuilding and shipping companies. The development of weaving is viewed differently. Its great ascendancy takes place only in the 18th and 19th century.

The concentration of the work force and of the means of labour in glass and metal, wood and paper manufacture, was introduced in the capitalist system, not

in the pre-capitalist mode of production. The concentration presumed the increase and training of the working class, the increasing role of trade, of the circulation of money, of the market economy and of credit instruments. Mastery of new means of production in mining, in the printing industry and in the branches of the manufacture of paper, of type casting and of the printing press in the branches belonging to it, in shipbuilding and in the glass, wood and metal industries, required the increase in training in the working class, the growth of qualified labour and the expansion of the organization and division of labour. To this end, the development of new technology in the branches of the economy was necessary. The concentration of means of labour was developed in the production as well as in the distribution process. New technology doesn't stand alone; it is rather operated and used by skilled workers. In the sea trade the new arts of shipbuilding and seafaring were introduced in the 15th and 16th century, first in the region of the Mediterranean, then on the coasts of the Baltic and North Sea.

At the same time, parts of the working class lost their skill in the production process. The new manufacture-machinery simplified labour in the process of production to a certain extent. The main developments in this area first arrive in the period of the industrial revolution and of high capitalism, that is, after the initial period, and they will therefore not be treated in our work. On the same grounds, the difference between the capitalist system and of the capitalist mode of production will not be further explored. Here the foundation of the capitalist period of history as an inwardly contradictory system will be treated.

Externally considered, the economic system that Smith, Ricardo and Marx analysed, is without a beginning, unlike a person who has a beginning at a certain point in space and in time. Treating the capitalist system in this way, would be an anthropomorphism. We will not derive this system from the activities of bankers in ancient Babylon, nor from the market in the high mountain valley of Mexico at the time of the Spanish conquest, stories of which conquistadors had described, nor from the speculative dealings of tax farmers in ancient Rome. Internally, the capitalist system of the 19th and 20th century is made up of the moments of the labour process, of industry, finance and credit institutes and of the market. The system was formed in southern, central and western Europe and determined the transition to modern bourgeois society.

Elements of the system, which appear sporadically in different countries, under different conditions, in different historical periods, have another history. They are not only concerns of late feudalism, but rather of ancient Rome, China, Egypt, India and of the Islamic cities of the Mediterranean as well, wherever and whenever wage labour and market relations can be historically established. Under these conditions the unsystematic and sporadic appearance of capital will

be discussed. Capital is not an atom, but rather an object which can be analysed further into parts, and the same will be said here of wage labour. With wage labour time is valued and exchanged against money or money equivalent. Wages, labour, labour time and money will be analysed further later on. Capital is a commodity and has no independent activity; it has an objective presence [*Dasein*] but no self-valorisation, a formal, but not a substantial existence independent of human beings. Capital is analysed in the formal moments of economy and of law. In the capitalist system, as it appeared in the 15th to the 20th century, capital investment was generalized, expanded by credit institutes and formally democratised. Step by step with the expansion, generalization and formal democratisation of capital and of credit instruments, the civil rights of capital and the owners of credit were expanded and generalized. Civil rights were formally secured for human beings in the history of the capitalist era in this way.

The appearance of the capitalist system as a system occurred in the region of the Mediterranean in the 14th, in the Central European and Western European region in the 15th and 16th century. It is a capitalist system but only in the sense of preparing for the high capitalism of a later epoch. Fundamentally, everything that can be observed in the 16th century, can also be discovered in the 14th or 15th century in increasingly more branches of industry. The transition to steam machinery in the 18th and to electricity in the 19th century is a splendid accomplishment of the human spirit. The technology of the steam or electrical industry can be considered as a driving force in history, but only in connection with the adversarial process of labour related to production, distribution and consumption. Technics in the assembly of the mechanical clock is based on the labouring human being who masters metal processing, geometry, arithmetic, time measurement and mechanics. Nevertheless, he does not master time but rather appraises it.

2.3 Max Weber and the Spirit of Capitalism

Weber treated two main problems of capitalism, the place of capitalism in history and the connection between capitalism and its *spirit*. We will take up the first problem here, since the question concerning the position of capitalism in the ancient or modern meaning relates to our periodization problematic. In this connection Weber wrote: “‘Capitalism’ existed in China, India, Babylon, in classical antiquity and in the Middle Ages”, a capitalism, which distinguishes itself from the modern through its lack of spirit. Weber defined capitalist activity in general as follows: “A ‘capitalist’ economic act we understand to be one which is based on the expectation of profit by making use of exchange-opportunities: on

(formally) peaceful opportunities for gain.” This capitalist economic act is found in China, India and Europe in traditional times and in modern capitalism. What distinguishes the investor of antiquity from the modern is supposedly the peaceful use of prospects for profit in the latter. The Occident in the modern era aside from war-oriented capitalism knows an entirely other kind of capitalism developed and nowhere else on earth: “the national-capitalistic [operational] organization of (formally) free labor.”¹² We speak here only of Western European-American capitalism. What distinguishes it from the Babylonian, medieval and Fugger capitalism, is the *spirit* of modern capitalism, a unique ethos, characterized by the *ethically* coloured maxim for a way of life: “The human being is concerned with acquisition as the purpose of his life, no longer with gain as means to the end of satisfying his material wants and needs in life.” The ethos of the capitalists is expressed in gainful employment as does ascetic Protestantism. The Calvinist capitalist feels an internal call to acquire capital and to asceticism. In this way Calvinist Protestants are distinguished from the Lutheran, Protestantism in general from Catholic and Jewish capitalism. Luther’s notion of the calling is other than that of Calvinism. A student of Weber’s demonstrated that there was statistically fewer Catholic than Protestant capitalists.

Weber remarks in his study on the Protestant ethic in the chapter *Confession and Social Stratification*—a look into occupational statistics—shows that the possession of capital and entrepreneurship is predominantly *Protestant* in character. The calling according to Luther was religious in character having nothing to do with capitalist acquisition and was *traditionally* oriented to medieval social practice. It stood in opposition to Calvinist practice. The opposition between the spirit of this capitalist enterprise and that of the Jews applies to a thesis of Werner Sombart’s with which Weber quarrelled; it will be taken up in the following section.

Weber put Central Europe into the centre of the transition from the Middle Ages to the modern era. According to his conception, the transition takes place in the 16th century, not through Luther’s Reformation, but rather through Calvinism. Modern capitalism appears in the Calvinist parts of Switzerland, Germany, the Netherlands, and Great Britain. The contributions of the Italians, of the Huguenots, the Cahorsins [Lombards or users—trans.], the Catalonians, among others, are set aside in this transition. What was missing in them was inner-worldly asceticism. Marx came to the same conclusion, the capitalist system is a phenomenon of the modern era; it appears sporadically in the 14th and 15th century in Northern Italy, then as a system in the 16th century in Central Europe. To follow Weber, capitalism in antiquity in the Far East and in Europe reveals itself but not in its modern form. This assertion leads to a contradiction between Marx and Weber.

Ernst Troeltsch, following Weber's analysis of the relation between Protestantism and capitalism, emphasized the differences of the two confessions, Lutheranism and Calvinism. Lutheranism called forth a type of political passivity and an agrarian-conservative conception of human society (around 1910), which can still be felt in the German-Prussian way of dealing with matters. On the other hand, Calvinism inwardly merged itself with political-liberal-democratic and modern bourgeois capitalist society and thereby provided the Calvinist population down to the present with a religiously sanctioned and well-founded social attitude of an entirely unique kind.¹³ Weber discussed the opposition between the *feeling* of Lutheranism and the *ratio* of Calvinism; Troeltsch expressed the opposition between Lutheran nationalism (German-Prussian) and Calvinist internationalism (Calvinist peoples in Geneva, the Netherlands, England).¹⁴ Otto von Guericke examined Calvinism in Emden.

About Max Weber, Troeltsch said: "Weber brilliantly shed light on the origin of modern capitalism through investigations concerning the origin of the economic disposition necessary to it out of Calvinist Puritanism, without ignoring the fact that this Calvinist Puritanism was overrun by economic class stratification ..." Weber as a neo-Kantian re-thought the ideas of Hegel and Marx.¹⁵ Weber believes the Reformation was revolutionary not in relation to the secular world, but only within church history. The revolution of belief of Calvinist inner-worldly aesthetic rationalism is for Luther a reprobate matter [*eine verworfene Sache*].¹⁶

Concerning the comparison between the doctrines of Luther and Calvin, Troeltsch writes that Lutheranism shuns capitalist development and seeks to maintain economic life at the level of preferably agrarian-handicraft production, because capitalist speculation is against love and against the belief in prophecy. Out of this arises the duty to labour and of the calling, the growth of economic labour, the calling as a mandate from God as the individual-spiritual movement as well as the appraising capitalist spirit of Calvinism that values labour for labour's sake. Troeltsch finds a spiritual movement similar to Calvinism in Pietism and among the sects. Calvinism is politically liberal, economically free, Lutheranism on the contrary anti-democratic, its orientation to the state absolutist.¹⁷ Even when Troeltsch and Weber meld the different historical epochs together, their juxtaposition of Lutheranism and Calvinism remains valid for us.

Marx spoke about the capitalist system, Weber on the contrary about the capitalist act, not the system; the modern system of such acts does not appear in economic relations, but rather—for Weber—in the Calvinist spirit. Neither Marx nor Weber allowed for a system of Italian capitalism in the 14th/15th. Even Fugger the capitalist was not recognized by Weber as such in the modern sense. The system of

capitalism appears in modern times first in England, the Netherlands and Central Europe.

For Marx, there was only *one* system of capitalism, namely that of modern bourgeois society. Theodor Mommsen wrote about capital and annuities from the yield of capital, about the class of capitalists, money and the finance economy and the speculation in money¹⁸; but this conception was rejected by Marx. To be sure there was a different use of the concepts on the continent on the one hand and in England or America on the other. Marx considered the use of the word *capitalist* in relation to antiquity in just the same way as the popular idea, which carries forth an ancient tradition of past conditions.¹⁹ He agreed with the use of the word in English.

Corresponding to these historical categories, Marx divides civil society into a modern period and an epoch which preceded it, while Weber, according to his historical categories, divides capitalism into two epochs, the modern and the antique. Marx describes civil society as flexible, dynamic in history, Weber, on the contrary describes capitalism as flexible and dynamic which in the past was something different than in the present. In Marx's notion capitalism exists as a system, or it doesn't exist at all. Capitalism in Weber's conception exists, on the contrary, in different forms, antique and modern; bourgeois society does not appear as a specific category in history in this connection.

In Max Weber's conception, capitalist enterprises in the money economy, in the systems of trade, finance and credit, in the commodities market as well as in the fabrication of commodities in the town workshops in the Far and Near East and in the region of the Mediterranean from antiquity down to the most recent epochs of European history, are being continued. This historical process is interrupted and divided into periods not through capitalist relations in the commodities market and in the workshop, but rather through the spiritual effect of the Calvinist ethos on the capitalist relationships of production and commerce. Weber's conception of history would be, as Troeltsch asserted, materialistic.²⁰ Weber speaks of social strata and classes.

In relation to the question of periodization, it is different in Marx than in Weber; not capitalist enterprise but rather civil society continues forth from classical times into the capitalist period. What is new is the capitalist system, whose processes transform the civil society of the past into the modern. Marx concerned himself with the capitalist system of the 16th to the 19th century, which determines the system of modern bourgeois society; Weber, on the contrary, occupied himself with the system of the Calvinist ethos, which determined the passage to the modern capitalist economic act. The question of periodization can be treated either in terms of classification, that is as a contribution to the social sciences

[*Geisteswissenschaften*] or as a contribution to the understanding of the moments, which have determined society in its system and history. The treatment of this question varies accordingly.

Weber returned several times to the problem of capitalism and to the problem of the spirit. In his book, *Economy and Society*, he occupied himself with the two-fold nature of that which is called the *capitalist spirit*: first with the spirit which seeks after booty, slaves and stolen goods, and second with the spirit, which seeks after inner-worldly asceticism. This two-fold nature, in the one meaning that of the pirate, and in the other, relating to the character trait of dependability, is also found, as we shall see, in Werner Sombart.

The threads which tie the European economic system of the modern era with that of classical antiquity cannot be simply tied together without further ado. Particularly in the area of law, which regulated economic practices in Roman antiquity, the links or parallels are hard to find. The institutions of modern private law are not derived from the old Roman system of law. An array of commercial practices of the modern era such as debentures, covered bonds and annuity certificates, the mortgage with land registry security can be highlighted. The history of the joint-stock company has no immediate roots in Roman antiquity. The consideration of a hiatus and new establishment of economic practices and of economic law of the modern era is related not only to the history of modern private law, but also to public law. Hence, for example, no precedent case for war debts, war bonds, war credits in antiquity will be found, whereas they are very common in modern times. These comments by Max Weber concern public as well as private economic life. They are apparently systematic, enduring and internally articulated and are closely related to the modern capitalist system. Modern capitalism exploded the old social structure by the decomposition of the economic foundations of the old estates. (The urban system of guilds and patricians could not survive this decomposition, but the landed aristocracy was able to resist, at least until the Wilhelmine period.²¹) According to Weber the inner discipline of the workers and the rationalization of technique are characteristics of capitalist enterprise, which only the Occident knows. The preconditions for modern capitalism are rational capital accounts, the rationalization and predictability and therefore the mechanization of technique. To these rational moments in the appearance of modern capitalism come the libertarian elements which are to be added: free ownership of autonomous private enterprises; the freedom of the market from irrational limits on trade; free labour, since only on the grounds of free labour is rational capital calculation possible. Only through the labourers, who offer themselves formally voluntarily—in fact forced by the whip of hunger—could the production costs of the products be rationally calculated. The liberties are bound up with the available capital and

the rational organization of labour. Modern, specifically occidental capitalism is developed from the 16th to the 18th century in corporative [*ständischen*] Dutch and English political associations. The commercialization of the economy and the possibility of the exclusive focus on covering demand in relation to market opportunities and the return on investment lead to speculation.²² Modern capitalism begins with the rationalization of enterprise, with the calculability of capital and of technique, of the predictability of law, and it ends with speculation, which constitutes an irrational moment in human life.

The contradiction does not lie in Weber's execution, but rather in the object of investigation. The freedom of the person is formed by the freedom of the market, of property and of commerce. The formally free labourers are driven by hunger to offer themselves on the free labour market. Through the offer by free labour the costs of production can be rationally calculated. Freedom according to Weber's conception is the freedom of the labour market, which is derived from the rationalizing moment in production and in commerce. This freedom is purely formal.

The pursuit of profit and of booty and asceticism do not lead to a contradiction. One and the same group or person can at one and the same time be addicted to profit, addicted to booty and behave as an ascetic. There is no struggle between those who are driven by the spirit of Calvinism and the spirit of booty. Thomas Hobbes and G.W.F. Hegel considered bourgeois society as the spiritual animal kingdom of individualities [*das geistige Tierreich der Individualitäten*], as a theatre of war of all against all, which is in and for itself real. But there was nevertheless a struggle between the old landed gentry and landowners on the one side and the new ascetic and frugal capitalists addicted to profit on the other, and this struggle is just as epoch making and characteristic for modern bourgeois society as the struggle for money wages. The struggle of the peasants for their freedom and struggles of all classes against one another are indispensable for the creation of the capitalist era.

2.4 Sombart, Kulischer, von Below, Strieder, Brentano, Janssen, Pareto, Braudel

Sombart was not a systematic thinker like Marx or Weber. Nevertheless, his accomplishments as an economic historian were highly esteemed after the First World War as were those of Josef Kulischer, and those of C. M. Cipolla in this field after the Second World War. When Joseph Schumpeter complains that Sombart had acquired everything second hand, it doesn't ring true, since he, Sombart, cites primary sources from the period of early Italian capitalism. The historical category

early capitalism is used in this work not without hesitation because it is only from the standpoint of a later epoch that the previous one can be designated as *early*. Jakob Fugger certainly didn't consider himself an early capitalist yet this designation of him is widespread. Sombart does not appear to have been conscious of this anachronism.²³ We are going to make use of that designation *passim*, even though we are conscious of the inner anachronism of the term. Early capitalism begins in the modern era and is therefore neither a phenomenon of antiquity nor of the Middle Ages. It specifies the modern era and prefigures it. *Modern* [*neu*] will also be used from the standpoint of the period following it as a historical designation.

Weber and Sombart tried to solve not only the problem of periodization in history through the social concept of modern, that is to say, early capitalism, but also to discover the psychological or spiritual [*geistigen*] motivations of the capitalists. According to Weber, there is an irrational drive for profit, which is maintained through taming, through rational tempering. Capitalism, says Weber, *can* be identical with rational tempering. In any case, capitalism is identical with the pursuit of profit.²⁴ Weber found the same contradictions and moments in economic pursuit in all epochs and parts of the world in the history of capitalism. Sombart had examined capitalist motivations, but only in the context of the economic world of the modern era. Sombart found two features in the early capitalist spirit, one Romantic, and one bourgeois. The Romantic feature is adventurous, used to winning, brutal as with pirates, sea robbers and buccaneers and the crews of ships of discovery. The difference between merchant and adventurer, between warrior and businessman under these conditions is hardly worth noticing. The bourgeois trait in the spirit of capitalism has the cardinal virtues of the sanctity of contract, of honourable acquisition, of economic efficiency, of industriousness, of frugality, of moderation. The chief example of this type of entrepreneur is found first in Italy, then in England, Holland and America. Germany is not mentioned by Sombart in this genealogy of professional business ethics.²⁵ Josef Kulischer begins with the assumption that Sombart was the first to discover and explain the capitalist spirit. The bourgeois [*Bürgergeist*] spirit is rational, purposefully oriented, economic rationality appears in the calculability of all events, in double-entry bookkeeping, which maintains calculable information concerning the success and failure of every single measure, and generally guarantees foremost an orderliness of enterprise.²⁶ Obviously spirit is conceived of in different ways by economic historians and sociologists of religion. Weber examined the spirit in both fields, but in another sense than Sombart.

Weber also wrote about adventurers in the first years of the modern era, but his main point was to contribute something to universal cultural history. According to his conception, the decisive characteristic that distinguishes our period from the

preceding one—hence the *conditio sine qua non* for the transition—is the capitalist economic act which arises in Calvinism. Weber sought for the cause of the transformation and found it in the Calvinist spirit, which appeared to him, literally, as epoch making. Sombart's work is related to economic history, which he divides into the epochs of early and high capitalism, not to universal cultural history and not to its causes.

In a specialized work Sombart gave expression to the role of Jewry in the formation of capitalism; in particular he had pointed to the fact that Jewish law was entirely congenial for the development of the modern forms of securities.²⁷ Sombart's opinion was widely criticized. Weber had noted that Jewish law didn't have much of anything in particular to do with trade in modern securities or with the contemporary system of credit.²⁸ Sombart's thesis was judged deficient by Max Weber: The Jews lacked those actions and legal practices which appeared specifically as modern-capitalistic. He thus limits himself to a negative justification for his assessment. Sombart's thesis is rejected as flawed also on positive grounds, that is, on grounds of what *was* practiced not only what *was not* practiced. The Jews and the Cahorsins [sometimes labelled "Lombards"—trans.], were regarded as usurers in the Middle Ages. The latter were originally businessmen and coiners from Cahors, a city mentioned in Dante's *Inferno* as the Hellish headquarters of usurers.²⁹ About the usurers in the Middle Ages the contemporary sources had said: "In the year 1236 King Louis IX of France wanted to put a stop to the usury of the Jews; but his barons explained that it would be better to tolerate Jewish rather than Christian usurers who would squeeze their debtors to a much greater degree."

And: "One of the best English patriots of that time [middle of the 13th century] the learned Bishop Grosseteste of Lincoln, explained in his last solemn addresses that the usury of the Cahorsins was worse than that of the Jews."³⁰ The social, legal and economic position was not sufficiently strong to introduce or enforce the stricter practices of usury and pawning by the Cahorsins themselves. This situation had not changed at all in the course of the following four centuries, that is down to the early capitalist period; Christian usurers, credit institutes, bankers and gold and copper kings of the 15th, 16th, and 17th century had not suffered under these social, legal and economic deficiencies. Fugger, Imhof, Welser and consorts were rich and powerful men, patricians, aristocrats and so on. If the talk is not about the social, but rather the economic condition of these rich bankers, so in this connection the same can be asserted as was maintained with regard to their social position. Their wealth, their power, and their influence neither caused nor guided the transition to the modern bourgeois and capitalist age, although their economic activities are tightly bound up with this transition.

A notion, which wants to confer a similar economic role to the Jews, appears to be exaggerated and unrealistic.

Kulischer shared Sombart's views that the capitalist mindset first evolved among the Jews, that they are responsible for economic rationality, free trade, and free competition.³¹ But the activity or effectiveness of the Jews in the late Middle Ages and in the era of early capitalism was limited. The advantageous position of the Jews in the economy of Europe during the early Middle Ages was later lost to them. In the first centuries of the modern era, from the 15th to the 17th century, they were not doing well; the Jews represented the *good entrepreneurship*, such as free trade and rationalization, and the market in Central and Western Europe was closed by the monopolies and guild practices, that is by *bad* entrepreneurial practices. Luther had cursed the social monopolies [*Gesellschaft Monopolia*] from the medieval not from the capitalistic standpoint. Weber and Troeltsch already pointed out the difference between Lutheranism and Calvinism in this regard. They started from the point that Calvinism is associated with capitalism to a greater degree than is Lutheranism. We shall see that Luther had profound traits in common with the capitalism of his day. The virtues of the free market, of free trade, of civil rights for all was first championed in the 17th century by the political tolerance of the Great Elector Friedrich Wilhelm and by Oliver Cromwell in England, as well as by the poets and thinkers of the 18th century, G.E. Lessing and Adam Smith. These virtues correspond to the Industrial Revolution and the high capitalism of the 18th and 19th century and are projected back into the situation of the late Middle Ages by Sombart, hence treated anachronistically. He goes further in his work and it appears as if capitalist rationalism, free trade and civil law are purposefully directed from the beginning with necessity and teleologically. Sombart expressed his satisfaction with the state of affairs as he found them. He highlighted the model of social-economic peace in Central Europe during the 14th and 15th century, but he idealized all of it and treated it dogmatically. Sombart's views, which have recently been taken up by O. Brunner, could have been debunked already in his own day. Conflicts and quarrels between apprentices and masters were already well documented in the sources from the 14th and 15th century and earlier.³²

Jakob Strieder gave prominence to the problem of the capitalist spirit; he derived it from the development of the individual, which in turn derives from economic individualism, from the acquisition of money as an end in itself. The spirit of capitalism was spread from Italy over all of Western Europe. Strieder positions the capitalist period earlier than Marx, Weber, Sombart and Kulischer.³³ It is always difficult to exactly delimit a historical epoch but in relation to the fact that in Italy capitalist commerce was taken up earlier than in Central Europe, we assume that capitalism as a system did not yet appear in Italy.

Those who begin with the system or the spirit of capitalism only in the 16th century, have excluded Italy from their consideration. Weber appears to argue, that the establishment of modern capitalism occurs only in Central Europe. Marx certainly named Italy as the birthplace of the capitalist system, but it appears there only sporadically; systematically on the contrary it first appears in Northern Europe; England and Holland are his prime examples.

Those who see the first appearance of capitalism in Southern Europe, do not necessarily begin with the 16th century. Fernand Braudel anchors the early epoch of capitalism in the 15th to the 18th century.³⁴ Now it depends on which standpoint one chooses for determining the beginning of the new era in space and in time and on this basis to delimit and to periodize the transition from one period to the next. Lujo Brentano presented modern capitalism as an event of the 13th to 15th century in Italy.³⁵ If one draws a distinction between the sporadic and systematic appearance of capitalism, it is conceivable that it developed sporadically in the 13th century and systematically only later.

Georg von Below sets the originating process of modern capitalism in Italy in the same epoch and illustrates this with the example of the cloth industry in Florence.³⁶ He grounds the process quantitatively on the expansion of economic activity and on the transition from the natural to the money economy. Production and commerce belong together in this process; commerce doesn't stand alone. Enterprise is led by individuals and not by communities (city, Church, and so on); it strives for profit and for the extension of its scope. Henri See and Henri Pirenne, Richard Ehrenberg and Jakob Strieder all proceeded on the basis that capitalism had been developed in the 15th century. The countries of the Mediterranean are according to them the place of its origin, not Central Europe.

Maurice Dobb specifies the beginning of capitalism in England as his prime example, namely in the second half of the 16th and early in the 17th century. According to his opinion, this process begins with the penetration of capital into production, whereby the quantum and the extent of capitalization constitutes the decisive factor. Capital either appears in the more mature relation between capitalist and wage labourer or else in the putting-out system. Nevertheless, he distinguishes merchant capitalism from production capitalism, which constitutes true capitalism. In this conception of history, peasants and proletarians play no role; the initiative in the transition process lies in the relation of capital and the capitalist to commerce and to production. Whether the transformation occurs in Italy, Flanders or in Central Europe, is unessential. The difference between merchant capital and production capital in the originating process of capitalism is emphasized by Below as well as by Dobb.³⁷ The transformation of peasants into proletarians is a complicated process, to which we shall return. In this connection, not only is the relation

between merchant and production capital important, but also between entrepreneurship and capital and between entrepreneur and wage labourer as well. The role of the working class as the driving force of this process of development in the history of England was singled out by E. P. Thompson (1968).³⁸

Johann Janssen, originating from the Catholic side, had described the transition from the Middle Ages to the modern era as follows: At the end of the Middle Ages agriculture was flourishing, commerce had undergone an extraordinary development, mining had created fabulous wealth. Prosperity in commerce and trade stood higher in Germany than in other Christian states, so that it was the wealthiest state in Europe. Labourers in the countryside and in the town workshops were mostly well off at the beginning of the 16th century. But little by little, the balance in the great branches of labour was disturbed; speculators had begun to smother value producing labour, prices were manipulated, monopolies were set up in spite of all governmental decisions, and the working class was exploited by capital. Large businesspeople and capitalists dominated the politics as well as the life of the people. The rich had openly flaunted their wealth in the face of the poor. Their material prosperity awakened the desire, the hot hunger for increased profits, for possessions and pleasure in all social classes without distinction.³⁹ In the Middle Ages this was not the case; secular and religious rulers had not flaunted their wealth before the poor, on the contrary, they veiled it and there was a difference between rich and poor.

2.5 Schumpeter

Schumpeter was of the opinion that the rise of capitalism in the 13th century destroyed the social world of Europe. There was an already earlier entrepreneurship of a capitalist kind, however, the institutions of capitalism, the great enterprises, the stock market, speculation in commodities and the financial system were developed between the 13th and 15th century. Schumpeter had difficulties with the concept of capitalism, which was vague for him (for Braudel the concept is shaky). Yet Schumpeter was able to discover the majority of capitalist phenomena at the end of the 15th century.⁴⁰ His explanations in this context have a different origin than those which have already been mentioned, thus his way of treating them offers a new perspective, which is just as important as those of the economic historians. He dealt critically with Marx and the sociologists as well. He recognized the close relationship between Central and Southern Europe in the given period; he awarded to Italy the beginning of capitalism not as something sporadic, but as a widely systematic phenomenon. He begins with the upheaval of the

feudal world from the 13th to the 15th century, though on different grounds than L. Brentano. Schumpeter wrote as follows: “As a result of the significance of the expansion of capitalist production and of capitalist commerce through the monetary system, the development of law and of the practice of negotiable securities and of *created* deposits, offer perhaps the best indication of a temporal determination of the rise of capitalism. Both are developed in the course of the 14th century in the Mediterranean region; however, negotiability was definitively introduced only in the 16th century.”⁴¹

Marx said, the beginning of the capitalist system appears sporadically in Italy prior to the 16th century, Schumpeter on the contrary, that capitalism arose in the 13th to the 15th century and that the negotiability of securities was only fully established in the 16th century. Both are agreed on the point that only in the 16th century do we have to do with capitalism as a system. Our object is only related to this system, insofar as it appears as part of a society in the aforementioned historical period. Marx begins with the physical movement of the peasants, Schumpeter with the negotiability of securities. The social relations, the problems, the system and dynamic are related to both historical appearances. Both moments are dynamic; yet there are other moments at that time in Central Europe and Italy, which are likewise systematic and dynamic, like the peasant uprisings and the development of mining, of the book industry and of the seafaring arts. People, like their society and their history, are so complicated that we cannot focus on one single process, no matter how important it might be. Marx and Schumpeter only treat economic processes and this kind of treatment also determines ours. Schumpeter focussed his attention primarily on the capitalists and their activities. In this way, he separated the sociological from the economic theories of Marx and only considered the former as correct.

Schumpeter discussed his theory of transition from feudalism to capitalism further in a critical disputation with Max Weber; although he rejected Weber’s thesis of the capitalist spirit, he recognized his protagonist as an *authority*. Schumpeter had, nevertheless, proposed a distinction between entrepreneur and capitalist. We can conclude from this that the enterprise and not capital had existed in antiquity and that its transformation into a capitalist enterprise occurred only in modern times. The distinction is made on the basis of function. The enterprise is related to functions like profit and monopoly prices and not to the functions in production. Market strategy and acquiring inventions, patents, and so on, are the activities of the entrepreneur, not activities and functions of production.⁴² Weber had asserted, as we have seen, that capitalism was not new; it had already made an appearance in antiquity, in Babylon, China, Rome and was only transformed through the Protestant Ethic (*Geist*) into a modern form. Schumpeter had expressed his basic

rejection of Weber's views in this way: "Sociologists like Max Weber, who champion the method of *Verstehen* [interpretive understanding]—who thus believe our most important work consists in grasping which ideas people of that time link together with specific concepts—can easily come to the position that adducing ideas which were foreign to contemporary thought leads to the mistaken conclusion that their thinking is moved in the same orbit as our own." The danger of this way of thinking, to follow Schumpeter, would be to consider the history of economic science as a history of ideologies. Schumpeter believed that the construction of abstract pictures of social systems which we then equip with characteristics, is the method of (logical) ideal types of Max Weber and belongs to the pseudo-problems of science.⁴³

Schumpeter separates *spirit* from religion: "The development of capitalist entrepreneurship created not only a new economic system and new problems, but also a new orientation to ... all these problems." And: "There was no 'new spirit of capitalism' in the sense that people had to appropriate a new way of thinking, to be able to transform a feudal economic world into a ... new capitalistic one."⁴⁴ Schumpeter asserts further that the categories of pure feudalism and capitalism are unrealistic creations of our minds. The Reformation brought forward no new spirit.

Schumpeter had considered history as continuous as well as discontinuous. According to his view Weber had subjectified the process of transition from feudalism to capitalism; it was related not only to the (logical) ideal types in this transition; Weber simplified the process as well; It had to do not only with the Protestant spirit [*Geist*], which distinguished modern from ancient capitalism. Although Schumpeter examined objective moments in history, he left some of them out. Hence, he simplified the process of transformation from the feudal Middle Ages to modern capitalism, when he says: "The development of capitalistic entrepreneurship created a new economic system." The active moment of this creation, however, does not consist only in the fact that capitalist entrepreneurship, but also that peasants, miners, metal workers, printers and seafarers were active in this transition and contributed to it, as we shall see.

2.6 The Capitalist System and Modern Bourgeois Society

Civil society existed in antiquity and in the modern era in each case in different class societies in the context of the origin of the state. Civil society reaches over the different forms of society which has founded the state, including the Greek polis,

the Roman *civitas* and the city states of the Italian Rinascimento. Bourgeois society is that form of society which founded the national states of the modern world. Civil society is unknown in societies without a state, or social classes. Modern bourgeois society is a particular variant of civil society in general, and is different from it, insofar as economic, juridical and political relations were changed in modern times. The market, exchange of commodities, forces of production, wage labour, commerce are expanded and intensely developed in the modern era. The system of law is generalized within nation states; universal law dominates within a given state. In the political system of the state there are ministries, offices and chancelleries, responsible for the systems of education, of health and care, of the physically dependent; in earlier periods the Church and the family had taken over responsibility for these tasks. The systems of law and the state did not change their essence immediately; they were developed later but arose under the same conditions as the capitalist system of modern times. Productivity in the economy is related to profit, to the capacity of the labourer, to education and to health. This linkage of the various elements of the productive forces, is developed in the history of the modern era, in Europe and America, then in other parts of the world. There is no *causa efficiens* or simple explanation of this transformation of social forms. The different factors work upon one another. The rationalization of the system of labour, the structuration of productive forces, education and with it the spread of writing and arithmetic, of science and technic were expanded and consequently the irrational, opposing forces of modernity, namely, chauvinism, mysticism, anomy and alienation, genocide and ethnocide as well. We recognize these problems as decisive for modern times, however, not specific to them. The changed forms of the legal system in Europe have led to the condition that the administration of justice in the era of high capitalism was universal and in theory was valid for all. Universal equality in legislation as legal idealism had an impact on court proceedings. The evaluation of legal process in this sense was at first favoured by radicals and liberals, but it was validated as decisive in conservative circles in the 19th century as well. In any event, the universal principle in the legal system impacted the local traditional practices of law and went beyond the customary law of peoples. In the theory of the system of the state there should be only *one* legislation and *one* system of law for all and for the whole country. This effort had practical meaning in Central Europe where it was largely actualized, that the differences between the peasants in the east and in the west were abolished in the 19th century. All citizens of the state are legal persons and in this legal and statutory sense were equal before the law. That which was actualized in the period of high capitalism, arises as a potentiality, hence *in nuce* during the era of early capitalism. The regime of Archduke Frederick William had for it its expression: he who has money is recognized as a

legal person. Democracy of those well-off stands in contradiction to the medieval feudal system. This struggle over universalism in the state under law lasted for several centuries, from the 15th to the 19th century, till the victory of the radical and liberal ideas of equality before the law and of legal freedom. What was implicit in the early-modern period, was brought to expression in the later epochs.

Not only in the formal domain of legal personality, of equality before the law and in legislation, but also in the substantial processes of education and further developments in high capitalism could be observed before its advent. Advances in arithmetic, in metallurgy, in the printing press, in mining, in chemistry, in geography and astronomy had led to the fact that more and more people could read, write and do arithmetic. Objectively it can be asserted that large industry required a qualified working class and productive force. However, this rationalization of training constitutes only a part of the entire process. Printed leaflets were distributed in the 16th century and played a large role in the peasant revolt of 1524/26. The movement towards freedom and equality during the 15th and 16th century is associated with the formal actualization of this movement in the 19th century, and both have an inner connection with the abolition of illiteracy in Central Europe. We will not pursue this line further, for it goes beyond our period of concern. It is however important to understand that the achievements in the struggle against illiteracy in the period of high capitalism depends on developments and potentialities of the previous epoch of early capitalism. Oppositions between formal and substantial freedom and formal and substantial equality of people as well reach across the two periods of early and late capitalism. They all relate to the epoch of modern bourgeois society and by means of this problematic unify the same oppositions, the same social legislation, the same system of law and the same social structures.

All these contrasts and structures are not actualized immediately and simultaneously. Only after the First World War were the formal inequalities of the monarchical system abolished in Central Europe. These developments can be traced back to the social and economic movements in the 15th and 16th century. At this time aristocracies of profit and money distinguished themselves, on the one hand, the *Bundschuh* movement, the *Arme Konrad* movement and peasant bands made their appearance, on the other. In the city enterprises it has to be stated as well, that a poor man, when he concludes a contract with a wealthy man, is his equal and both are free, otherwise the contract is invalid. The poor insisted that freedom and equality were to be recognized further, in social spheres outside of contracts, as, for example, in the political right to vote.

Capitalism, structurally considered, is related to the economic, juridical and political processes of the modern era. Capital in connection with the market

system, with commodity exchange, with wage labour and the money economy was present in antiquity, but its scope was developed only sporadically, and its reach limited. The labour process in the countryside was conducted almost entirely or fully by self-sustaining family farms; production in the countryside as well as in the city was taken up to a large degree by the unfree workforce, slaves, serfs, predial labour, etc. The conditions of unfree labour and production were continued in the Middle Ages. In the first century of the modern era these bonds began to tear. Social differences in rank were relativized by the money economy, wage economy, market, trade and commercial politics. Confessional disputes underscored and radicalized these movements. On the one hand, early capitalists on the Upper and Lower Rhein and in the region of Ems found their expression and their spiritual support in Calvinism. On the other hand, rebellious peasants and federations of apprentices found their expression and their spiritual support in the followers of Wycliffism, among the Hussites, Taborites, definitively in the Reformation in general. The rebels joined the Reformation movements of all colours, Zwinglian, Lutheran, Müntzeran. To be sure, Luther rebuffed their efforts. However, the rebellious peasants remained true to their ideas, each belief community having the right to choose their own ministers. The freedom of the belief communities as well as the freedom and equality of people are closely tied to the freedoms of the market, of trade and of the freedom of movement as developments and expression of the modern era.

Capitalism is the expression of the superiority of capital in the economic, societal and thought process. Capital continues in connection with the system of money and credit; it presents itself in connection with the market—and wage labour process. Capital does not make or do anything. It is a form, it has no self-feeling, no existence in and for itself. It does not valorise or self-valorise; it is valorised or devalued by the activity of labour. It is personified in the capitalist. Capitalists have their money; labourers find themselves in the contradictory condition, of behaving like capitalists without money. The property of the working class is their labour quality and labour time, which they sell. Both sides, capitalist and labourer, are seated across from one another at the bargaining table as formally equal partners, for both are equal in the system of law. Both are equally entitled by law to sign a contract. The contract is the labour contract regarding the sale of labour time for a wage. Both sides are free in the formal sense. In the 15th and 16th century this was the case in the mining system, and in the 20th century it applies everywhere. The freedom of movement of the miners was associated with the freedom of the capitalist to dismiss the workers. The feudal-patriarchal behaviour disappeared. These relations and their changes constitute the main differences between the feudal and

the capitalist system. *Nihil ex nihilo*—the capitalist system is not a new-born child in the 15th century. In the new era, processes and features from the past are continued, but to be sure the old characteristics are newly structured and assessed. The transition from the old to the new system is not continued out of necessity. In the head of human beings there is a guiding principle, in history and in nature there isn't one. The economic system of the modern era is not like a mathematical or logical system. The determinations of the system of economy, of law, of politics, are conditioned by many circumstances and coincidences, which for the most part are not capable of being mastered or controlled. Nevertheless, the systematic processes of society and economy are closely linked with one another, hence their effects on other parts of the system either come to light immediately or after a delay, when some relations in the market, in production or in legal contract are developed. Capitalism is a complicated phenomenon, which is to be illuminated from many sides. Sombart, Weber, Ehrenberg, Strieder, Brentano, von Below, Schumpeter, Kulischer began in their considerations with the entrepreneurs, Marx, on the other hand, with the accumulation of capital, sea trade, technics and the physical movement of the peasants. We are sensitive to these points: the physical movement and the liberation movement of the peasants as well as the elements [*Momente*] of wage labour, of the circulation of money, of increasing productivity, of the spirit, of increasing revenue and commerce, of increasing capital accumulation and of the class struggle in the new era. The driving force in the process of development of capitalism is not only the entrepreneurial class or—in Schumpeter's sense—the capitalist class alone.

2.7 Social Form and Substance

Human society has formal and substantial processes within it. The social form is not an abstract, eternal being, but rather is empirical, concrete, changeable and variable in history according to given social conditions. We speak therefore of social forms, which are distinguished from human substance in that the former are external in their origin, the latter are internal. Social forms are expressions of human relations to one another out of which a social system is constructed. The social systems of law, of politics and of the cults are forms of human activity and creativity and of their relations. The human substance is in part formed out of the process of social reproduction in production, distribution and consumption. We will not define the human form and the human substance here, but rather will treat them by means of examples. The human individual has other formal and substantial processes than the society, corporeal and spiritual [*geistig*]. We stay

focussed on social forms and the social substance in the labour process. The forms, which constitute the external side of social life, are the different systems of law under given conditions of civil society and the state. These forms, external in their process of origin, like the rules of social life, do not remain outside of our works but rather are internalized. The laws of normal life in society come from without and are assimilated, imitated, learned, mastered and by these means internalized. The substantial processes of reproduction of human life in society do not exist without a form, the forms do not exist apart from the substance. They can be considered figuratively as basis and superstructure; human being does not exist outside of society; human being is according to his nature a social being, and this has a formal process of regulations which is expressed in law as well as in the other social systems. Humans cannot exist or continue to exist without the social-economic processes of reproduction. The forms and human substance are changed in history; the history of forms is different from that of substance.⁴⁵

Each country, in the course of its history, has suffered much. Gustav Freytag and J.A. Schumpeter, starting from the different viewpoints of belletristic and of economics, have remarked how the Thirty Years' War divided and crippled development in Germany. The invasion of foreign troops and the local bands of robbers had made large parts of Central Europe into a living hell 1618–1648. It was no different in Italy. With Francesco Guicciardini one gets the impression that 15th century Italy was a prosperous and peaceful country. It must be noted that Guicciardini was a wealthy man, highly learned and influential. The Italian peasants had a different fate and would have been able to report it differently. For both the poor and the rich an extended war ensued from 1494 to 1538. During the war, Italy as a battle zone was repeatedly laid waste by Spanish, German and French armies, and one recalls the Sacco di Roma. In the 16th century the Huguenots were driven out of France.

The suffering of the Dutch under the Spanish yoke in the 16th and 17th century was described by Friedrich Schiller. The transition to the modern era was also not peaceful in the other countries of Europe. In Russia, this same period from the end of the 16th century to the beginning of the 17th, was called *Smutnoye Vremya*, that is, the time of unrest. The systems of law and state of the Middle Ages were fragmented in the wake of war. The process of transformation following on its heels, was not accomplished in a simple fashion, but rather through various ways and means and affected several peoples and social classes. This had to do with the revolution of society in the West, which was dominated by clerical-Catholic and secular-aristocratic feudalism. The majority of the population in all parts of Europe were the peasants.

We distinguish the substantial process of the bourgeois revolution from the formal. It can thus be asserted that around 1700 the aristocratic social class in Germany, England and France had the power in their hands in the formal, political sense. The royal court, the noblesse d'épée, the noblesse de robe and the Church together constituted the leading stratum in the politics of France. Nevertheless, the ruling class in France at the same time accomplished the transition to the money economy. Minister Colbert had led the government politics of mercantilism in the second half of the 17th century. These policies and the money and credit institutes along with the creation of the stock markets of Lyon among others closely related to it, show that the bourgeois class of France was substantially victorious in the 16th and 17th century, not, however, *pro forma*.

At the time of the French Revolution the bourgeois class had already substantially won their revolution, but the poor in Paris, Marseille and in other cities and in the countryside had taken part late in this revolution; only at the end of the 18th century could they join with the bourgeois revolution. Through these two processes—with the bourgeois on the one side and the proletarians on the other—the French Republic was established. The formation of this republic is a formal-political process, which followed the substantial-economic and the substantial-societal transformation of France after several centuries. The French peasants had begun their uprising much earlier; the movement of the Jacquerie is an event of the 14th century. Formally the French peasants had gained their civil rights only after the citizen revolution of 1789.

In England the revolution did not occur differently, for peasants were rising in the 14th century as well. Through a drawn-out process a social revolution was ushered in, which occurred and was suppressed several times. It was not about ten days that shook the world.

The transfer or expulsion of the peasants from the land into the city, which Marx emphasized, is related to the substantial relations of the cultivation of the land, of wage labour in the town and of the changes in agricultural enterprises and in the cities in Northern Italy and England. The corresponding transformations of the constitutions of Italy and England were not closely linked with these economic processes; on the contrary, they followed the economic revolutions only after a delay of some centuries. The constitutional changes are formal-political processes of these states. In the English civil war of the 17th century some formal rights for the common people were able to be introduced, others could be asserted only 200 years later in the period of the Chartists.

The contexts and disputes between the substantial and formal historical moments are shown likewise in Central Europe during the transition from medieval to modern bourgeois society. There arose a succession of peasant and

town-proletarian uprisings and wars in the 15th and 16th century in Bohemia, Moravia, Saxony, Thuringia, Alsace, in Swabia, Baden, Frankfurt, Wurttemberg, Bavaria, in the Palatinate, in Westphalia, in Hesse, in Austria and Hungary as well as in many other parts of Central Europe.⁴⁶ The peasants had not immediately won the rights to land ownership, property in land and inheritability, to buying and selling, and later, their political and legal rights as well as personal rights and suffrage, but rather only little by little. In some cases, the formal process took until 1848; the substantial processes had begun in the 15th century. Except for the philosophical and psychological moments of human dignity on the one side and the political-legal process in the formal sense on the other, there is no immediate connection between the substantial process of general social relations, of the traditional culture of the people, of the daily struggle for bread and children's education, of the oppositions between town and countryside and of those between the classes. The confluence of the formal and substantial relations and the systems of the same could endure for centuries and then be destroyed by an opposing social movement.

The comparison of the Chinese with the European economy was undertaken by Leibniz in the 17th and Adam Smith in the 18th century. It was possible to justify a reason favouring the superiority of one as well as of the other. Marco Polo had described the wonders of the Orient, but in the Middle Ages it was believed that he had exaggerated the matter; one did not wish to believe him and had given him the mocking name *Marco Millions*. Yet he had not lied; Europe was not as highly developed then as were some of the countries of the Orient, and it could only overtake China through the expansion of modern bourgeois society.⁴⁷ Paul Kennedy has recently highlighted the following moments as foundational for the predominance of Europe from the 16th to the 20th century; Europe had been politically disunited. The centralized power in China impeded economic progress, which could not have been the case in Europe. In Europe the open market, the modernization of the economy, technological innovation, the *laissez-faire* system, political-military pluralism and intellectual freedom were developed.⁴⁸ This attempt to consider several factors is sensible, but in doing so, too many historical moments are dropped, as though Marx, Weber, Schumpeter, Kulischer and Strieder had never treated the matter.

Peasants in the different countries of Europe were not in communication with one another, the clerics, on the other hand, were. Wycliff had made an impact upon Hus through his teachings, the Reformation further developed this teaching of the individualization of conscience. The peasants in the south and west of Germany adopted and transformed this doctrine in their rebellious declarations.

The Industrial Revolution of the 18th century, which had defined the end of the early capitalist period, was identified as the separation of two civilizations and

as the crossroad of the old to the new by A. Toynbee, T. M. Ashton and C. M. Cipolla. F. Fraudel, J. U. Nef and S. Kurowski tried to concretize these generalizations. It was asserted that iron and the refinement of metal separated two civilizations. Nef added to this that the marriage of bituminous coal and iron heralded the beginning of the industrial age. The historians of technology F.M. Feldhaus and O. Johannsen had imagined that linkage rather as a polygamous marriage: several inventions, discoveries and enterprises and not only iron and its marriage with bituminous coal, but in addition seafaring and shipbuilding as well should also be considered epoch making. Feldhaus and Johannsen speak entirely openly about the exploitation of the labourers and of the class struggles in the systems of mining, hammer and iron works in the 15th and 16th century. These fashion not formal but rather substantial processes of bourgeois society.

Social form in human society is not like a husk, the substance not like the flesh, the nut, the pit or the fruit. Form is the outer side of events, of the institution or of the period in human history, that we see; substance is the system of inner relations of people in society. The political, juridical and ritual systems in society constitute the forms; the objectivity of social education, of labour, of social struggles and the subjectivity of friendly, loving, oppositional and hateful relations constitute the substantial side of human connectivity. The capitalist system appears in Central Europe during the 15th, 16th and 17th century. This is only a code word for the mass of peasant liberation declarations and rebellions, for the increasing number of wage labourers, liberal entrepreneurs, the circulation of money and credit institutes, for the cottage industries [*Verlage*] and manufactures in this period, which comprise all the substantial expansions and changes in social and economic life. The political forms of autarchy and of the aristocracy were easily shaken, but they were able to stabilize themselves and establish the absolute state in Germany during the end of the 17th and in the 18th century. Capitalism in Central Europe continued in the mercantilist-cameralist period of European history, while the feudal powers protected themselves from bourgeois foes. The absolute ruler and the aristocrats had circled the wagons around themselves in the face of the enemy. Subsequently the bourgeois had won the victory over the feudal forms in Germany, but the struggle lasted a long time into the following period from the 1790s to 1848 and even 1871.

The forms were changed or were transformed, while the social substance was changed in another way, by other means and at a different rate. It is clear that modern bourgeois society in Central Europe, in Germany, Austria, Switzerland had already been established at the time of the Reformation. Max Weber and Ernst Troeltsch had emphasized not the cause but rather the expression, that is the change in form in the religiosity of these events. Inner-worldly asceticism is linked

with savings and with the accumulation of capital. We shall speak no further about relations among the Hussites, Tabarites and Anabaptists down to Lutherans and Calvinism. However, the societal forms are internalized by people, assimilated and eventually constitute an essential part of the social substance.

The uprisings of peasants, miners and apprentices as isolated movements did not cause the transition from feudalism to capitalism. Only in connection with the other elements [*Momente*] have they exerted their influence. All elements [*Momente*] affect one another, the Reformation emboldened and shaped the peasants in their uprising, however they were already rebellious in the 15th century and had nothing to do with the Reformation. In the 16th century, the peasants acted as Protestant reformers, but against Luther's will. The conflict between the Reformation and Counter-Reformation appears as an expression of unrest in the transition to the capitalist era; the Thirty Years' War was a further indication and cause of the unrest in the same process of transformation. In opposition to it, the feudal authorities were able to consolidate, they were able to retain the forms of their predominance and temporarily to continue them. The forms did not remain the same, the absolute state of the 18th century was not the Holy Roman Empire of the German Nation with a different name. But the ruling class in the period of absolutism was cobbled together by the same princes and aristocrats, while the bourgeois [*Bürger*] limped behind in their seizure of power. Only in the following century was the victory of the bourgeois Reichstag and of parliamentary democracy achieved. Nevertheless, from the 15th to the 19th century the economic activity of capitalism was extended, and the influence of the bourgeois was steadily rising. The capitalist system in the 15th and 16th century was shown in the economic-substantial and formal sense through the domination of political and juridical institutions in the period of high capitalism as a complete economic and social, as a formal and substantial system.

Form and substance in human history are not separated and later screwed, nailed or glued together in a mechanical system as it were. People developed the difference of form and substance and the relation of both to one another. They internalize the form and make it into an element [*Glied*] and part of the substance; they externalize the substantial relationships and make them into an aspect [*Glied*] of the forms.

The liberals, bourgeois and democrats despised the absolutism of the 18th century. The political and juridical form was not in alignment with their desire and experience. Already in the 18th century enlightened thinkers like C.A. Helvetius and the materialists like P.T. Holbach had taken up the struggle against absolutism. However, compared to the conditions of the Thirty Years' War, the absolutism of the 18th century was a blessing. The people had enough of the unrest; this was

true for the poor as well as for the rich. They concerned themselves with the desire for peace and quiet and therefore transformed feudal forms into absolutism and internalized them. However, the economic substance became more bourgeois still. The state, too, transformed itself into a bourgeois enterprise.

The form is not simple or merely the superstructure; the substance is not only the base in history. The superstructure has a form and a substance, the base as well. The form and substance, the superstructure and base are actually existent. There is no further reality behind this actuality; it is not an appearance, which occludes another actuality. The state is a superstructure, but it has to do with the economic base as well; the form determines the substance and the substance the form. These relations represent a theoretical problem which we will not solve here. We remain with the concrete state in the transition to the period of high capitalism.

The role of the state in the transformation of society and economy is shown with increasing clarity in the 17th century. The state introduces an essential moment in the economic transformation. It organizes the complex [*Anlage*] of capital and its accumulation in the public treasury. Political power was centralized and personified in the figure of the head of state. The system of the national state carries the name of the absolute state. This designation is perhaps an exaggeration. However, the aristocrats, the bourgeois and the Church constituted no essential alternative to it, and the concentration of public power in the hands of the head of state could proceed in the 17th and 18th century. The state in Germany, Russia, England, France, Sweden, Spain, Portugal and the Netherlands played an important role in the development of shipbuilding, then of mining and of the war industry (that is saltpeter, gun powder, small arms, cannons) further of coinage, assaying and other parts of the metal industry. The state is also not only a formal matter but rather to be considered a substantial moment in history as well. Hence, the bourgeois class in the 19th and 20th century had a centralized state power which it had itself not established but rather took over and in part restructured.

Astute people in the 15th and 16th century who had experienced the transition from medieval times already knew that the old times had passed. Concepts like reawakening, antiquity, and in the 17th century the concept Middle Ages were employed for the interrelationship of these processes.

As late as in the 19th and 20th century, researchers published apposite explanations of the events of transition for us, which we present in the following:

1. It's a question of a transformation of an economic system and of human society and of the foundation of a new epoch.
2. There is no single factor which dissolved the old epoch and no single factor which introduced the new one. The historical process cannot be derived

- from only one moment, neither from external trade nor from the struggle over annuities, neither from one invention nor from one discovery. There is no secret to the revolution.
3. It's a question of a social system, that brings with it several traits of the past and transforms them. Even though we shall treat several factors, our investigation however, will not be accomplished eclectically but rather uniformly.
 4. The past is not continued; in historical studies there is a type of treatment which points out the roots of the new from the previous period. Society and its history consist in formal and substantial moments which describe different and opposed tendencies.
 5. Human history is put together out of continuous and discontinuous moments. The history of the formal systems of law, of politics and of culture form traits, signs and delimitations of two periods. The formal systems do not determine the exit of the old and the rise of the new periods in history.
 6. The period of transition to modern bourgeois society and the society from the 15th to the 19th century itself have their system, whose guiding threads, consisting of the opposed relations of the labour process, we shall consider more closely. This process is composed of the organization and division of social labour, of production, distribution and consumption of products and commodities. The labour relations of this period are in part unfree in compulsory labour and military service [*Fron- und Militärdienst*], in part in formally free piecework and daily wage labour. Further categories of labour and the freedom or unfreedom of the same will be presented in the following chapter.⁴⁹
 7. According to Marx it had to do with a dissolution, a demolition of the feudal bonds during the 16th century in large parts of Europe and simultaneously with the formation of a new, modern bourgeois society. Weber shared this view and asserted the spirit of the new age is shown in the Calvinist ethos, which constitutes an active moment in the historical process. The assertion that an ethos forms such a moment, is abhorrent to the Marxists. The moments of dissolution were present in the 16th century; the road to the dissolution of feudal society was prepared by the activities of peasants and merchants in the 14th and 15th century as well. The process of dissolution had lasted hundreds of years, and was formed not only out of the substantial moments of the peasants' movement, of the movement of liberation, of the movement of wage labourers, of the movement of merchants and of the movement of bankers, but rather also out of the formal moments of political disputes of the feudal and bourgeois parties, as well as out of the expression in the system of law and state. The processes of the

feudal past were continued and by means of their internalization during the transitional period they shaped an essential part of the moment of dissolution. Therefore, we speak of continuous as well as discontinuous processes of the period of transition.

8. Those who had taken part in this process of transition were able to internalize and give expression to their attempts at freedom, which they did. Peasants in the 14th to 16th century were rebellious and had externalized with increasing consciousness their program of social revolution, in the 14th century with lesser, in the 16th with greater clarity. In the 19th and 20th century ideological revolutions had begun; first came the thought, then came the deed. In the 14th and 16th century that was reversed. It would be false to project our current orientation in these matters onto the past.
9. The revolutions at the beginning of the modern era had their formal as well as their substantial sides, which encompass the whole of society, including the poor and the rich, those who were conscientious as well as opportunists. Bookkeeping took part in these revolutions, and thus it might have been self-flattery for a writer, a merchant or for a bookkeeper around 1902, when he could read that 400 years ago one of his kind, exactly like Coryphaeus in the ancient Greek dance, introduced the great bourgeois revolution through double-entry bookkeeping. Sombart and the others who shared this theory are not the only ones who simplified history and ascribed to one single historical moment an exaggerated significance.
 - 9.1. The transition from feudalism to the modern era was a complicated process. In relation to this complexity we note that Marx had conceived the model of the decline of the feudal system in his prediction of the end of the capitalist era and a breakthrough of modern bourgeois society. Schumpeter had made the same prediction, but on other grounds. Both views are to be taken seriously and not to be treated ludicrously like that of Sombart. But the matter of decline, rise and decline of the system was complicated by ideology. The treatment of the category of feudalism and capitalism as well as the prediction of a collapse of capitalism is in part an objective, in part an ideological, political and subjective matter, influenced by our wishes and desires.
 - 9.2. We will investigate the period of the 15th to 17th century in relation to the ideological disputes of the 20th century as little as possible. Of course, we cannot completely bracket these disputes; if we see through our own ideologies, we can then understand how they have influenced our conceptions of history. Only then can we grasp the process of origin of modern bourgeois society. Both tasks are important in themselves.

We can liberate ourselves in part from ideological bias if we understand the ideological context between the rise-and-fall analysis of capitalism. We forego a model for the collapse of feudalism which could serve as a paramount example for the collapse of capitalism.

- 9.3. In one sense feudalism and capitalism are not comparable: the one carries within itself the oppositions of unfree labour, the other not. The dream of a serf would be to be a wage labourer. The inner oppositions of the capitalist system are something different.
10. In relation to capitalist development in Central Europe in the period of the 15th to 17th century we can only now assert that at that time some false steps were made. The types of enterprise from Hansa and Fugger, which appeared as practically and theoretically pathbreaking in their time, were abandoned. The guild system and the putting-out system of the early capitalist period were at first expanded and afterwards abolished. All forms of unfree labour such as slavery and serfdom were considered illegal in the period of high capitalism.

The modern factory system in the period of high capitalism developed the production of commodities *en masse*, turnover in a general market and the money assets of the entrepreneurs. Marx (see above) asserted that that was all missing in the guild system with regard to the production of cloth, but it appears nevertheless, in early glass, paper and iron manufacture. To this the following is to be noted: The guild system was primarily related to private consumption; weaving, shoe and hat making, house construction and foodstuff enterprises were plied in guild-like fashion. The guilds and the council kept the monopoly on the creation and sale of commodities for themselves and they controlled it. They dominated the organization and delimitation of production of these commodities first through the regulation of quantity and quality of the products, second through price and market regulations, third through the regulation of the magnitude of undertakings and the number of labourers in them, fourth through the regulation of training, of the qualification and of the wages of the labourer, fifth through the regulation of the means of production and their employment. We will later return to the regulation and prohibitive system of the guilds. Outside of the guild system stood shipbuilding, the war industries, mining, assaying and coinage.

The first centuries of the capitalist period distinguish themselves through the restraint of the medieval corporations, of the guild system, through the blossoming and the delimitation of the putting-out system, the advance and the containment of the production process in Central Europe. Nonetheless, foreign and internal trade and foreign and domestic markets were extended across Europe. In this

period some special areas of capital such as the German Hansa and the Upper German credit institutes were blossoming; they were later lost. The focus of capitalist trade in the 17th century was transferred to England and the Netherlands. Yet everywhere in Central and Western Europe the credit system, stock markets, the international market, joint-stock companies in private hands and state undertakings and capital investments were expanded.

The working class increased through the immigration of peasants and foreigners into the towns of Central Europe. Through the spread of mining, entire districts, which were previously agricultural, were transformed into mining towns in Upper Germany, Bohemia, Tirol and in the Harz. In part, the working class became poorer, wages sank, and especially so through the increasing labour of children and women. In part, the working class was better trained through the spread of literacy and numeracy. As a whole, the level of qualification of the working class increased.

The organization of labour through the increasing articulation and division of labour in the process of production and distribution was continued. Rationalization in manufacture and in distribution was partly and sporadically introduced. Only in the period of high capitalism could it be systematically and greatly utilized. Yet, in some industries, for example, in mining, production could be advanced with increasing rationalization and productivity. Enterprises were enlarged, the value of production rose, yet the number of labourers did not increase. Only later could the clothing industry, house construction, and the like be accomplished with the same degree of rationalization and expansion. The printing industry was hardly changed and remained static until the 17th century. Hard coal, steam machinery, the railroad network, and electricity were developed and employed in a practical way in the 18th, 19th, and 20th century.

The activities, tasks and contributions of the capitalist entrepreneurs were treated and praised by a number of authors and researchers. Some of them highlighted the spirit of entrepreneurship as the most significant moment and as the leading voice for capitalism. This view is accurate, yet one-sided and overly simplified. The liberation of the peasants, their uprisings and struggles essentially contributed to the rise and expansion of modern bourgeois society in southern, western and northern Germany. The spread of the wage system in the city and the circulation of money linked to it contributed just as much to the rise and advancement of the capitalist system.

The activities, tasks and contributions of discoveries and technics were also singled out in the rise of the capitalist system by many writers and researchers. However, the technological view of history is one sided and overly simplified as well. Technics, discoveries and science are elements of the labour process; manual

labour is a further element of it. Discoveries constitute a part of the changes of the means of production. All these historical moments have led to the transition to the capitalist system and to its formation. The rationalization of the production process rests on improved training and the composition of the workforce.

The transition from medieval feudalism to modern bourgeois society can be considered as a revolution, yet in this respect one should free oneself from a model of the French or Russian revolution. Revolution is a radical transformation of the social and economic system of a people, of a state, an empire, etc. The French revolution of 1789 or the Russian revolution of 1917 occurred within a short period of time, during which new political systems came into being. A new social system arises in another sense, which does not occur moment to moment, but rather the conflicts and oppositions between the old and new continued for centuries. Only by looking back can the essence and the significance of what happened be understood. In the Middle Ages the feudal and estate system stalled, the economy was primarily a natural economy, productivity stagnated. In the modern era the feudal system disappeared, estates became outdated, classes are now talked about, the circulation of money and commodities comes to predominate in the economy, and the conflicts among the old aristocrats, Church leaders and wealthy men with regard to political domination increase. The uprisings, oppositions, conflicts between the peasants and their masters began in the 15th century, in fact already at the end of the 14th century in Europe. The very last vestiges of the clashes of the old aristocrats and the new money masters continued into the 19th and even into the first half of the 20th century. Trade and commerce increased, the first signs of the consumer society show themselves, as Janssen and Pareto tell it; wage labour and capital become the determining forms of economic and social life, formal freedom and equality are expanded, new forms in religion arise. The individualism of the modern era is related to the increased profit, to the spirit, to the psychic process, to the guilt and responsibility of the individual and finally to the ways and means of how contracts are concluded and maintained.

Labour in capitalism is not performed by communities, corporations and brotherhoods but rather undertaken individualistically. We say individualistically according to the way contracts are signed, individualistically not in the sense of great figures in history. Apprentices, miners [*Bergknappen*] and manual labourers in the cities of Central Europe found themselves together in guilds [*Zünfte*], mining guilds [*Gilden*], offices [*Ämte*], fraternities, guild halls [*Innungen*] and associations.⁵⁰ The council and authorities prohibited fraternities of apprentices; the guild masters in the 15th, 16th, and 17th century assumed leadership of the organizations, of the guilds, of the societies of share-holders [*Gewerksgesellschaften*] and fraternities. After an interruption of two or three centuries, new trade unions

then began their activities in the 19th century. The means of labour are steam machinery; iron and hard coal dominate the technics of the industrial process. Capital, credit—and the money system arise and control the economic life of the cities in the 15th century and thereafter, but they have no control over the politics and the system of law in Central Europe. In England the bourgeois class shows itself in the 17th century, in the 18th, the American and French class of commercial traders. In Central Europe the bourgeois revolution is slowed, and only four hundred years after the first appearance of the money economy in Upper Germany was the process of transition completed. In the region of the Mediterranean the same process of transition takes just as long. It's also a question of grasping a new process and categories of thought and of a revolution of this sort, which is completed over centuries. Perhaps we can only now understand its scope, since the bourgeois revolution has been carried out over five hundred years. To begin with, it appears complicated and reveals itself differently in the region of the Mediterranean, in England, Germany, the Netherlands and so on. We see its beginning in Central Europe. Marx highlighted several moments in the first appearance of the capitalist system. Schumpeter some others. Now Germany is not the place of the primal beginning, but it was here that an important contribution to the origin of capitalism in the human and inhuman sense was achieved. In the German mining system, the first steps were made towards high capitalist industrialization, which were continued in England. We will neither attempt to simplify this complexity nor to trace a *causa efficiens*. Neither Jacques Coeur nor Jakob Fugger, neither Luther nor Calvin transformed the feudal world. Personality does not play a determining role in history. Literary figures are powerful; François Rabelais or Sebastian Brant, both men of the transition to modernity, both authors, have outlined the period of transition in a convincing fashion. *Der fressend Naar* by Hans Sachs makes its appearance—Hartmann Schopper called it Laemargus—like a figure out of the ship of fools. The fool, money fool, stock fool, appear in Hans Sachs and Hartmann Schopper as a figure of jest, not as a living human being. Such literary figures and forms we leave for the literary historians, who can better treat of them.⁵¹

2.7a. Form and Substance of Freedom: Faust's Last Words

Freedom has form and substance. Goethe brought the substance of freedom to expression in the second part of *Faust* (Scene VI Great Outer Court of the Palace) in the following:

*A swamp lies there below the hill,
Infecting everything I've done:*

*My last and greatest act of will
 Succeeds when that foul pool is gone.
 Let me make room for many a million,
 Not wholly secure, but free to work on ...
 ... He only earns his Freedom and Existence,
 Who's forced to win them freshly every day.
 Childhood, manhood, age's vigorous years,
 Surrounded by dangers, they'll spend here.
 I wish to gaze again on such a land,
 Free earth: where a free race, in freedom, stand.*

(translation by A.S. Kline)

Freedom like labour is objectified and confirmed through the activity not of the single individual, but rather of the people, through the labour of many millions in the mastering of nature; external nature is dangerous and contaminated, the murky pool is sluggish and only through social labour will it be made fruitful. Freedom is not presented as the end result, also not as a unique event, but rather as a continuous process. Here the pure substance of freedom is presented, there is no talk of the form of freedom in the area of law. Freedom is offered as a human potentiality, which will be actualized in the future through the common activity of many. The active moment of this process of actualization is the oppositional relation between man and the external world.

In his *History of Florence*, Machiavelli asserted that Venice had been founded on a swamp, which was according to its nature, unhealthy, and only through the labour of a people was it made whole and fruitful. The founding of the city of Pisa originally situated on a contaminated swamp as well, is derived from the same common and wholesome process of labour. Both men share the view that the cultivation of the earth, the founding of the city and of the human struggle against an adverse nature constitutes one and the same process. In his work *Il Principe* Machiavelli referred to the formal conditions of freedom which lie exclusively in the hands of the people, in opposition to the princes and oligarchs. Goethe took a further step in that he emphasized common labour as the objective and substantial condition of freedom.

Around 1830 Goethe extended and deepened his concept of freedom. In relation to the form of freedom he expressed his disappointment and his pessimism in *Hermann and Dorothea (Sixth Canto, Klio)* 1797. Klio is not the muse of history here, but rather of the age, which lost its hope.

*Nicht kurz sind unsere Leiden!
 Denn wir haben das Bittere der sämtlichen Jahre getrunken,
 Schrecklicher, weil auch uns die schönste Hoffnung zerstört ward.
 Denn wer leugnet es wohl, daß hoch sich das Herz ihm erhaben,
 Ihm die freiere Brust mit reineren Pulsen geschlagen,
 Als sich der erste Glanz der neuen Sonne heranhob,
 Als man hörte vom Rechte der Menschen, das allen gemein sei,
 Von der geisternden Freiheit und von der löblichen Gleichheit!*

*Our suffering is not short!
 For we have drunk the bitterness of poisoned years,
 More frightening, because the most beautiful hope of ours was also destroyed.
 For whosoever truly denies it, that his heart raised him high,
 Beat in him the free breast of a pure pulse,
 When the first light of the new sun raised itself up,*

*When one heard of the rights of men, that all are common,
 Of inspirational freedom and of prized equality!*

Freedom as the right that is common to all, was asserted by the peasant rebellions in the south and west of Central Europe as well as by the North Italian and English peasants at the beginning of the capitalist era and this assertion prevailed over the course of the 15th, 16th, 17th and 18th century. The French peasants won the right to freedom and equality in the revolution of 1789. These rights were confirmed by the miners of Central and Upper Germany as well as the organizations of apprentices and masters in the cities of Europe in the same epoch. In these cases, freedom appears as form. Only Goethe, and after him the people, had successfully asserted their formal freedom in the 15th to 18th century, did the expression of the substance of freedom achieve its expression, which first appeared as poetry and was taken over in the following centuries as the ideology of freedom.

Freedom and equality, which should be common to men by right, appear only as forms. The poor, the peasants, like the urban working class, experience to their disappointment, that they indeed won the right to free movement either in the city or from one city to another as well as the right to contract freely—but the right to freely relocate and of the free contract had no substance, when one looks in vain for a dwelling. All enjoy the same right to vote and are in fact politically and juridically equal, but the mastery of the system of state remains in the hands of the rich. Capital alone can guarantee employment. The poor are, therefore, forced to work for another, through which their substantial freedom disappears. The tone of the 90s of the 18th century follows, which Goethe brings to expression in the sixth canto of *Hermann and Dorothea*.

Goethe appears at the end of the initial period of modern bourgeois society and represents the transition from it to the high capitalist era in the 19th century. The peasants of West Germany, the miners and the working class in the cities of the entire country won the formal freedoms as a right. Big capital, modern trade unions and organizations begin their activity at this point in time.

Faust *in articulo mortis* had foreseen the conditions of substantial freedom, but like Moses, he could not enter the promised land. In other analogues to biblical history the people in *Faust* did not obtain the land, like the ancient Hebrews, as a free gift, but rather made it their own through its cultivation. The substance of freedom is not the result of the labour process, but rather a part of the process itself. Formal freedom, on the contrary, is the precondition of labour under modern social conditions. First comes liberation, then comes productive labour. Goethe grasped this series in the relation of formal freedom to the process of labour. Thus, he wrote in *Torquato Tasso (IV, 5 and IV, 2)*:

*Laßt mich in Freiheit, daß mein Glück sich finde.
Frei will ich sein im Denken und im Dichten.*

*Allow me in freedom my happiness to be found
Free, I want to be in thinking and versifying.*

The fundamental condition for the human spirit is its freedom. Only thereafter can he think and write poetry. It is formal freedom that is meant here, for substantial freedom lies in writing and thinking itself. The poet is not someone in the past. The audience immediately grasped that Goethe was writing about the conditions of their and his present. Our concepts have actualized the poem. The poet represents working modalities of every kind, of the manual as of the intellectual labourer of modern society. Hence the poem is an actual theme for us.

The right to freedom and equality in bourgeois society is a formal one and in the hands of Goethe is conceived of as a formal matter. It is taken up by others as an object of exaltation and a song of praise, otherwise it has no qualities for them. Goethe's great discovery, which we call substantial freedom, follows at the end of a century's long struggle for liberation in broad parts of Europe. Formal freedom in and for itself is empty and without substance. However, with it a new epoch in the struggle for freedom begins, concerned with the substantial liberation of humanity. Goethe stands at the beginning of this new period. The freedom already achieved awakens our hope, yet when it is without substance, it arouses only our disappointment. Formal freedom has no qualities, because it is separated from the substance of freedom. Goethe first appeared as the poet of freedom, but then he was considered as its main ideologue, in this case in relation to its substance.

Nothing is said here about the right of people to freedom. A form, which inherits or can be inherited, comes not into question. Goethe's poetic style in the treatment of the substance of freedom changed. In relation to the form of freedom and equality he remains distant from this object: in 1797 one heard about the rights of man. Freedom and equality become the object of a mediation through hearsay for one, for another through legal action, which proceeds only in a convoluted manner, never straightforwardly. It is written in the Bible: Lord, don't go to court. Freedom and equality appear only as rumours, not in actuality, but rather as something from the distance and out of the past, when one only argues about the right to them. The struggle of the peasants for freedom in the 16th century is forgotten, and only in 1848, in the bourgeois struggle for freedom, is it reawakened. The single object of this struggle is now the form of freedom and equality. The connection between Goethe's struggle for freedom in *Faust* and the struggle of the rebellious peasants consists in the fact that both have freedom as their goal. The peasants did not want to disrupt the state and the Church, only abolish the unfreedom of the feudal system. The third article of the peasants of 1525 reads: "Third, the custom till now has been that we have been kept by them as their own people, which is pitiful ... Therefore, it follows from scripture that we are free and want to be free. Not to be totally free and want to have no authority; God does not teach us that."

In *Faust* Goethe ascribed to substantial freedom some qualities and characteristics. Formal freedom, which the peasants demanded, is limited and relative; they do not demand the abolition of all authority. Goethe wanted humanity to become completely free. The poetry about freedom in *Faust* starts from the premise that people have conquered their formal freedom, now the struggle is about the conquest of external nature, about the winning of substantial freedom. In this case freedom is not empty and without content, rather palpable and objective. It is a matter of the whole of life, from childhood to adulthood and old age; it is the matter of the social whole, of the working people; it disappears when we do not renew it daily; it and we are surrounded by danger. It is beautiful, not like a statue, but rather like living beauty: It belongs not to the past, but rather to the present. The verses in the poem are not cool, embittered, distanced as in *Hermann and Dorothea*, but rather a freeing of the breast and pulsating: "*Eröffn' ich Räume vielen Millionen.*" [I open spaces for many millions]. And: "*Auf freiem Grund mit freiem Volke stehn.*" [To stand on free earth with free people.] Even the earth on which free people stand is free.

The peasants of 1525 are not the same as those of 1848, for the former were unfree in form and in substance and because they fought for their formal liberation and were victorious in that struggle. 1848 was about the expansion of formal bourgeois freedoms, mainly—but not exclusively—in the political sense. Almost all the

peasants of South and West Germany were already nearly completely liberated in the formal sense.

2.8 On the Theory of Labour and Technique as Part of the Labour Process in the Period of Early Capitalism

Since humanity reproduces and sustains itself through labour, labour is defined under all conditions of the human order as self-reproductive activity. The human process of reproduction—in opposition to physiological reproduction—includes production, consumption as well as the mediation between the two sides of that process in itself. Mediation in the process of human reproduction is actualized as distribution in society. Distribution is further concretized in modern bourgeois society in the process of exchange and trade of commodities. The latter includes capital and money circulation as its essential and indispensable component.

Labour is organized and structured according to the organization and structuration of society. If society is organized collectively or communally, according to the principles of kinship and neighbourhoods in tribes, sibs or village communities, then labour is organized accordingly. If society is organized through the structuration of social classes, then labour is organized according to the structuration and division of classes, and labour is structured in classes of society, and thus corresponds to social organization. On the contrary, if labour is organized communally as in village communities, instead social whole is organized on this basis. Central Europe in the period of early capitalism and in the period of modern bourgeois society was a class society, structured into a ruling and a working class. The ruling class was composed of oppositional elements: Sole rulers, courtiers, nobles, patricians, councillors, merchants, bankers, manufacturers and guild masters. The interests of these elements were different and in part internally antagonistic. The organization of the working class was somewhat complicated. The peasants were in part landowners; agricultural labourers were paid daily wages, burdened with compulsory labour and feudal dues. A third element of the peasantry had maintained the communal arrangement from the time prior to written history. The resonance of all these elements and movements can be found in the distributed writings, articles and instructions of the peasant war. The workers in the city and in mining and metallurgy outside the city were basically free. The workers were principally wage labourers and were paid a daily or weekly wage, that is, by the piece or a piece work wage. The guild organization was not universal but yet quite widespread in Central Europe. The guild system was commonly organized into three groupings: into

masters, journeymen, and apprentices. The masters were in part well off, busy in their own enterprises, in part however, they were poor and found themselves in the same condition as the journeymen. The putting-out system was developed in many kinds of enterprises, as secondary operations in the villages, as primary operations in the printing industry. The production of cloth, metallurgy and mining were in part systematically organized as putting-out systems in the villages. The textile, construction and metal-working guilds constituted the basis for the production of commodities in the city.

The individual comported himself practically with his needs in relation to external nature as a part of the external world, just as the external world constituted a part of the individual, namely as an immediate relation between man and nature from the standpoint of man. In nature, this relation is direct, practical and concrete. In order to satisfy his needs and to diminish them and in this way to dispose of them, man goes 'mediatingly' [*vermittelnd*] to work. This process is objective, in part simple, immediate, practical and concrete, in part it is complicated, mediate, theoretical and abstract. The work is the result, the labour by contrast is the means to obtain the result. The objects of labour and the things of nature offer various resistances to the efforts of men. In order to subjugate them, man interpolates other natural things, and turns nature against nature itself thereby, and invents instruments of labour to this purpose⁵² iron against stone and stone against iron. The implements constitute a part of the mediation between body and mind, hand and head, man and nature. Since the use of tools is targeted and the labour has a purpose, teleology arises in the human world and through it in nature.

Man comports himself to external nature in a theoretical and a practical way. Perhaps human behaviour in relation to subjective artwork is practical but in relation to its effect and its creation labour is practical and theoretical, concrete and abstract. It is an ironic chapter in the theory of labour that Hegel, the idealist, emphasized the practical and concrete side of the labour process, whereas Marx, the materialist, the theoretical and abstract side. Marx took up the Hegelian analysis of the labour process and of the relation between man, needs/wants, tools and external nature and developed them. Labour, says Marx, is a process between man and nature, in that man mediates, regulates and controls⁵³ his metabolic interchange with nature through his own deeds. In this process, there is nothing but the material of nature and human labour activity. But suddenly and in a miraculous way mind, consciousness, planning, will, mentality, ideality and teleology appear in this natural process, are created, und introduced into matter. Nature, which till now had no purpose, no telos, no plan, no purposefulness within it and knew neither mind nor spectre [*Spuk*]⁵⁴—now all of these are made its own through human labour. Labour is the means to the elaboration of these new processes in

nature. Humanity is reproduced in a human way through its labour so that labour is defined as human self-reproducing activity. The human process of reproduction is actualized through distribution. The mediating process of labour is the *differentia specifica* of the human being; it arises not only in the relation between man and nature, as Hegel says, but also in relation between production and consumption, distribution and the circulation of money, between labourer, means of labour and raw material. For the comprehension of technics, the understanding of the theory of labour is indispensable. Yet labour is not only a process between labour, means of labour and raw material.

Labour consists of a material element in which humanity processes the inner world and the external world of nature and transforms it, so that we may live and reproduce ourselves. Labour consists in a non-material element, in which humanity organizes its labour and work activity in the imagination. We conduct ourselves in a mediating way to external and internal nature and mediate to it. Labour is, however, more than the ensemble of these relations to nature. We objectify the human animal, subjectify and mediate it and transform it so that it becomes in part human. The organs of the hand and of the head are objects of labour, just as grain and meat, fur and wood. But labour is not only a process between man and animal; it is just as much a process between man and man who goes to work in a mediating way in the organization of labour, the combination of labour and the division of labour.

Man objectifies himself through labour in such a way that labour, tools and the relations of men to one another are transformed in the process of labour and are transfigured in the objects of human labour. When, in this process, man interpolates a natural thing and uses it against another, a complicated process thus arises. Hegel and Marx spoke about the practical and the theoretical process in this connection. The positing of a goal and the purposefulness of labour is not a natural phenomenon.⁵⁴ Man makes his labour activity into an object of his mental and corporeal labour and transforms them in the labour process itself. He selects new bodily movements, pounds stone with the hammer or cuts meat with the knife from the side and not, as before, from above. He makes the tool into an object of his mental and corporeal activity and creates the wedge for the processing of hard stone with the help of the hammer. He makes the process of labour into the object of his activity and develops the collaboration of many men in the hunt and in the damming up of a river. Meanwhile the organization of labour develops through the conjunction and differences of the sexes, of chronological age and of the physiological characteristics of weight, of muscle power, of visual acuity, of hearing and so on. Men develop the structuration of labour, the combination and division of labour in society and make this structuration into the object of the self-developing

process of labour.⁵⁵ The labour process makes men, and man makes his creations through his labour in production, consumption distribution and reproduction into the object of his mental and corporeal labour. Labour is organized, structured, divided, consolidated and individuated. Through the fact that men work on their own labour process, simplify it and complicate, multiply, change, vary, improve, mediate and advance it, they make their labour, the external world and themselves into the object of labour. In this way, the world, labour in relation to the world and labour in relation to men is objectified. In the latter case labour is the self-objectification of man.

The natural thing in the labour process becomes transformed into a human object and with this, ceases to be a natural thing.⁵⁶ Man ceases to be a natural thing through labour. He makes himself into the object and subject of his activity, of his relations and powers.

Labour is not static but develops. It is changed through relations in nature and in society and changes the natural and social relations of men. Labour as a process of mediation between man and external nature becomes increasingly more complicated. The stages between man and nature multiply. The burghers of the towns of modern society do not eat what they have sowed but rather buy bread that is baked. The baker too has not planted the grain for his baked goods but rather bought them, and so on. Labour becomes more complicated through its structuration, organization, combination and division. The structuration of labour through the differences of the sexes, through the processes between adults and children, between the strong, the weak, the quick, the more talented, etc. become transformed. These details of the structuration of labour are on the one hand physiologically determined and on the other reorganized by membership in a tribe, a village or in a sib. An early reformation and restructuring of labour in the history of Central Europe was introduced by the guild system and labour cooperatives. The putting-out system and the rationalization of labour in manufacture are further stages in the history of the structuration of labour in the capitalist era.

Labour in bourgeois society is comprehended as labour time. Under more primitive conditions it is difficult if not impossible to distinguish between labour and labour time and to analyse the two categories independently of one another. Labour time in bourgeois society is apportioned into a preparatory and a working stage. Such a step-like apportionment would be difficult to detect in the more primitive conditions of the labour process. The preparatory stage of the labour process is for one the mediate process of instruction of the school child in which he is taught reading, writing and arithmetic as well as a general knowledge of geography, history among other subjects. The immediate process of learning by apprentices is the concrete and practical advancement of the preparatory stage of

the labour process in society. The amount of time employed in the different stages of preparation can be calculated. These learning processes are to be distinguished from one another in that the preparation time for a schoolteacher takes longer than that of a cabinet maker or a metal worker in a factory; the training time for an electrician or a doctor takes longer than that of a schoolteacher and so on. The preparatory stage or the learning activity for a manual labourer in the metal industry, textile factory, etc. takes about ten to twelve years in modern bourgeois society, that is from the age of six to sixteen or eighteen on average. The preparatory stage for a schoolteacher takes four years longer, that is until the age of twenty or twenty-two on average, the preparatory stage for a doctor, a biochemist, a physicist, an electrician takes in turn three or four years longer still on average. These relations in training vary from country to country and as a tendency they become increasingly long in comparison to the past. The further investigation of the problem of time of training will be more precisely ascertained by those in various countries.

Labour time in the different branches of industry can also be enumerated and mathematically-algebraically evaluated in connection with the preparatory and training time. This mode of treatment is related to labour time in medicine, in chemistry, physics, in engineering, and so on.

Labour time is concretized in the product of labour shown as a means for consumption, for further production and for distribution. The means of labour are abstract in planning and in outlines, in mathematical, chemical and physical formulae for further labour in the process of reproduction (production, distribution, consumption process). The means of labour are concrete in the means of production and distribution, as are the tools of manual and intellectual labour in general. The means of production and distribution encompass an essential component of the means of labour, but not their totality.

Technology consists of material and non-material elements and constitutes a part of the labour process. Technics are in this sense the art of processing the means of production and distribution, of the concrete tools and abstract instruments of labour. Technics in a second sense is the creation of the means of labour, of the concrete and abstract means of production and distribution, of tools and the instruments of labour themselves.

Technics like the organization of labour in general is not static but rather dynamic, and it is carried forward in the opposition between what is handed down and renewing of what is handed down according to different social conditions and in the embedded relations of the given society in different epochs of its historical process. Invention is, as we see, to be considered part of the all-encompassing process of technics, just as technics shows itself as a component of something greater, that of social labour. In practice, invention is a part of the process of innovation,

the innovation is a part of the opposition between what is handed down and its variation, reworking and transformation in the human process of reproduction.⁵⁷

Everything is in a state of flux, nothing remains fixed, as Heraclitus of old said, yet technic is changed and varied, although subordinate to social labour, with a different rate and another historical tempo than in the process of human reproduction and hence does not simply go along with it. Technics and its transformation as material processes are without doubt more apparent than the abstract relations in the course of human history, but to be sure they are in no way the determining factor in this process. The transformations in technics are determined through the transformations and metamorphoses in the relations between men in the organization of labour, irrespective of whether communal or social; and in the latter case oppositional relations between the social classes constitute the determining factor and motor of history. Nonetheless, technics function as the immediate relation of the labourer to the means of labour and participate in the transformation in all the other processes. If the period of transformations of technics in the Palaeolithic period are to be measured in tens of thousands of years, then in the history of Chinese technics and science in antiquity the effective time of innovation, of a material discovery or invention stretches over thousands of years, which awakens the impression of stagnation. On the contrary, it is determined that human life in the archaic, primitive conditions or in the course of the history of the Asiatic mode of production developed in constant change and in no way stagnated, as the history of technics shows, even though these processes advance more slowly in their impact than those that appear in our immediate historical experience.

Those researchers who occupy themselves with the history of technics and of science in ancient China, endeavour to show that this country in practice had an advantage over the West, but these scholars in this area put the question imprecisely and have held appearance and the surface for the deep factor.

The transformations and metamorphoses in social labour are not determined through transformations in technics and science, but rather conversely: the transformations in the labour process determine the effects of a discovery or invention in the areas of technics and of science. In this context two things are to be noticed. First: the social labour process is as a category a complex of determining factors in human history, as signified above. Second: Technics and science are included in this determining process and are not to be overlooked. The ancient Chinese made great progress in science and technics; Aristotle had positively assessed the progress of the ancient Egyptians in mathematics. The greater progress of capitalist society of Europe in technics and science cannot be explained by the fact that the Europeans had overtaken the Chinese, which would be a simple vicious circle; it is rather to be explained by the fact that the Europeans of this period, in spite of a

less progressive technical and scientific starting position, succeeded in actualizing the potentiality through the social development of an intensive as well as extensive linkage and impact of production, distribution and exchange relations, of setting in motion the linkages and impacts of the economic relations of the commodity and exploitation conditions of capital reproduction thereby appropriating the achievements of their Chinese contemporaries in technics and science, and to surpass them. The relatively increased acceleration of the linkages and effects of production and further relations of that time was determined by the changes in the then existing labour and reproduction process so that the philosopher Leibniz, who in the matter of intellectual development tended subjectively rather towards a “Chinese” model than to a European one, had already put into question the so-called Chinese advantage in those areas mentioned according to his objective estimation. At the beginning of the capitalist era and of the corresponding epoch of modern bourgeois society developments in technics and science were carried through with an increasing rate of acceleration, which in no way waned, as was reflected in the war industry (“defence industry”) as well as in the petrochemical and electronics industries. At the time of Hans Sachs, Georg Agricola and Gerhard Mercator the process of innovation was relatively slowly advanced in comparison to our century, so that the impact of an invention or discovery is to be measured in centuries or decades. However, there were exceptions at that time, for example, in the printing industry.

Since technics constitutes a part of the labour process, tools and other means of production belong as parts of the total field of labour, and in fact as the accomplishment of the discoveries and inventions of the human kind over the course of centuries, in the transmission, continuation and variation of what is transmitted, in corporeal and intellectual labour. Tools are material, like the plow, spades and needles and they are ideal or—in another sense—immaterial. Ernst Kapp presented the tool as a projection of an organ and understood the practical, concrete-palpable tool in this way. Yet there are other kinds of tools in the process of production, consumption and distribution. Technics consists of a material and non-material element: hand and fist wedge on the one side, planning and formulas on the other. But not only what is used, say the corporeal organs and the concrete tools, but also the manner in how they are used, applied and practiced is important. Technics is *in abstracto* the total skilfulness of labour and the preparation for it, that is, technics in education, in the power of inventions and discoveries of social labour. In this sense the word technics can be traced back to the Greek *techne*, with the meaning: manual labour, art, industry.⁵⁸ Technology is the science of technics. According to its theoretical side technics is difficult to distinguish from technology, since the science of tools and its employment in the labour process is common to both spheres.

In technology as science the way in which the tool is fabricated and how it is employed, as well as the history of its processing and employment is investigated. This belongs to the theoretical side of technics as well.

In the present much has been written about the history of technics in relation to chimpanzees and other pongidae [pongids which include gorillas, gibbons, chimpanzees, and orangutans]. Thus, the question is posed about monkey tools and their employment. An attempt is made to destroy the equation *homo sapiens* = *homo faber*. Man is not the only being on earth that makes and uses tools. Wolfgang Köhler had already shown at the beginning of the 20th century that chimpanzees could solve puzzles, and that they could use one or two pieces of wood in order to bring food into their cages from the outside. In recent decades Jane Goodall observed that chimpanzees used tools which were prepared: the branch was bent in order to get ants from the sand hill. But these observers were only involved with chimpanzees who live in human society and who are acculturated as a result. The aforementioned experiments and observations are thus lacking scientific precision and control. Perhaps the chimpanzees are capable of bending and reshaping natural things. Today we only confirm that they prepare tools, bend branches, etc. in the human environment.

Monkeys are known for their ability to imitate. We call a person, for example, a child who imitates his parents, a monkey. Folk wisdom understands what scientists have forgotten or have not properly grasped. The labour of the latter is more likely infatuation with the cleverness of the monkey than it is science. Imitation is a component of the learning and teaching process among some animals. It is transformed in the presence of man. Closely bound to this is the imprinting in the case of domesticated animals which is different from that of the feral. We can further ascertain that the appropriation of tools among animals constitutes a component part of its learning process and is transfigured in its acculturation or its domestication. Technics is not only the physical or intellectual tool of man, his invention and discovery, but rather also his preparation, accommodation and organization in the labour process. Technics is then an essential component of the human reproduction process but not an autonomous factor in it or in human history in general. Those who consider technics as a specific and powerful driving force in the societal and historical process have thus exaggerated their cause and torn it out of its context.

Technics and technology are not to be separated from tool and implement of labour. We distinguish between tool and implement of labour in the following way: both take part on the technical side of the production process, however each in a different way. Tools in the process of production are practical, concrete, consumable and they are consumed in this process. The knife loses its edge in cutting

wood or meat, the needle its point in sewing. Brakes and tires are worn down in passenger cars and trucks. Implements of labour on the contrary are practical and theoretical, concrete and abstract. Abstract implements as well as the concrete tools are necessary for production. Nevertheless, the abstract implements do not disappear in the production process but rather are carried forward and are further developed. Geometric formulae are just as important for the construction of a railroad line or a bridge as are shovel and hammer, coal, iron, sand and wood; yet while hammer and nail, coal and iron are used up and disappear in construction, mathematical formulae remain preserved and are even developed further. The process of labour is *in abstracto* uninterrupted and continuous, and the abstract implement of labour, like the formula in chemistry or the plan of a bridge construction is maintained and not consumed. The process of production *in concreto* is continuously interrupted in the tool and in the product; yet it is in both cases sublated [*aufgehoben*], renewed and again and again continued.

Notes

1. *Vogelfrei* in German usage denotes the status of a person on whom a legal penalty of outlawry has been imposed. However, the original meaning of the term referred to independence, being “free as a bird”; the current negative meaning developed only in the 16th century.
2. K. Marx, *Das Kapital*, Vol. 1, 2nd edition, Chapter 24.
3. Marx, Manuscript 1861–1863, *Zur Kritik der politischen Ökonomie*, MEGA II, 3.6, Berlin, 1982. In the course of German history, the corporate and guild organizations fought “with the imperial and feudal power, constantly broken by it, yet constantly asserting itself anew.” “But as soon as the material basis—the technological basis of the organization had ceased being the dominant one, hence as soon as it lost its revolutionary and ascending character, as soon as it ceased being relevant in its time and partly against manufacture, partly coming together with large-scale industry at a later time, it was sponsored as a reactionary element from reactionary governments and with the estates allied with them.” (Marx, loc. cit., p. 1975).
4. Marx, *Grundrisse*, MEGA II, 1.2, Berlin 1981, p. 413.
5. Marx, MEGA II, 6., Berlin 1982, p. 2375f.
6. Marx, *Zur Kritik der politischen Ökonomie*, 1859, Preface.
7. H. Pirenne, *Mahomet et Charlemagne*, Paris, 1910. For an evaluation of it see: P. E. Hübinger (ed.) *Zur Bedeutung und Rolle des Islam*, Darmstadt, 1968.
8. P. M. Sweezy, in: R. H. Hilton (ed.) *The Transition from Feudalism to Capitalism*, 2nd edition, 1976 (German tr.: Frankfurt, 1984). M. Dobb, *Studies in the Development of Capitalism*, London, 1975 (Ger. *Entwicklung des Kapitalismus vom spätmittelalter bis zur Gegenwart*, 1979). R. H. Hilton, op. cit.: L. Kuchenbuch (ed.), *Feudalismus—Materialien zur Theorie und Geschichte*, 1977. Hilton traces the decline of the feudal system back to the struggle over land rent (see below, III § 2). A comparative dispute arose in the 1930s concerning the cause of the new period and its worldview. Then Franz Borkenau ‘Zur Soziologie des mechanistischen Weltbildes,’ *Zeitschrift für Sozialforschung*, Jahrgang I, 1932; idem, *Der Übergang vom feudalen zum bürgerlichen Weltbild*,

1934, Repr. Darmstadt 1971' and Henryk Grossmann 'Die gesellschaftlichen Grundlagen der mechanistischen Philosophie und die Manufaktur,' *Zeitschrift für Sozialforschung*, Jahrgang V, 1935 discussed this question. Borkenau traced the transition back to the period of manufacturing of the 17th century and quotes Marx for the justification of his historical conception. Marx (*Das Kapital*, 2. Edition, chapter 13, § 2) confirmed: "... Descartes with his definition of animals as simply machines sees with the eyes of the manufacturing period in distinction to the Middle Ages, for whom the animal only serves as a helper of men ...". Grossmann mentioned not Descartes but rather Leonardo da Vinci as the first man of the new age and the Renaissance in place of the 17th century as the determining period of the transition, for machinery began with it earlier than Borkenau thought; the period of manufacturing followed it. But Grossmann did not point out that Leonardo was a mechanical thinker, only that he built or sketched machines. The classification and division of labour begin in mining, in the refining of metal, in the printing industry, in shipbuilding, from the 15th century on, that is some 200 years earlier than Borkenau opined. Further, it took some centuries until the mechanical worldview succeeded to predominance. The transformation of the process of labour through its segmentation, mechanization and the continuously repetitive routine begins in the 15th century, perhaps earlier, and is continued in the following centuries. The thinking processes are developed in the mechanical worldview in connection with these transformations in the labour processes. See Kurd Lasswitz, *Geschichte der Atomistik vom Mittelalter bis Newton*, 1890, reprint Olms, 1984. E. T. Dijksterhuis, *Die Mechanisierung des Weltbildes*, Berlin 1983 researched the history of mechanization from antiquity to the modern period. In this he took notice of the completion of the mechanical worldview in the 17th century. Grossmann points to the passage where Marx writes: "Although the first beginnings of capitalist production confront us sporadically already in the 14th and 15th century in some cities on the Mediterranean, the capitalist era first dates from the 16th century. (See Marx, op. cit., *Kapital*, 24, §1; Grossmann, op. cit., page 17). This is not about a conflict over who can cite Marx better. Marx said in the passage cited by Grossmann: "The point of departure of development, which created both the wage laborer as well as the capitalists, was the bondage of the laborer." To this the following is to be noted:

1. The labourers in the 15th century in mining were free, not bound.
2. In this sector and in others, they were already wage labourers.
3. The development here signifies the free development of production and the free exploitation of man by man.
4. This development did not create the wage labourer and the capitalists, but rather conversely, the activity and the contradictions, the bringing together and setting apart the wage labourer and the capitalists created the free development of production and the free exploitation of man by man. In this way, human activity liberated and developed production.
5. Capitalism was first sporadically, and subsequently systematically developed. This difference between the two forms of appearance in the historical sequence according to Marx is important. Segmentation and division of labour in the weaving enterprises were sporadically introduced in early capitalism. Only in the 18th century, at the time of the Industrial Revolution and later in the period of high capitalism, were they systematically driven. The production of woven goods was rationalized at the time, child labour was introduced, labour activities were mechanized and simplified. The ribbon loom and weaving loom were systematically diffused in the 18th century and in fact officially; earlier they were secretly employed in the

manufacture of woven cloth. The rationalization and systematization of production in mining was introduced in the 15th and 16th century.

6. Hence, the course of the historical process is not as simple as Borkenau and Grossmann believed. The imprint of the mechanical system of manufacture in the thought process did not find its immediate expression in the mechanistic worldview of the 17th century; representing the world in this way was already brought out in classical antiquity and in the Middle Ages. The practical and concrete machines and drawings of machinery were built and printed by a line of mechanics in the 16th century. In relation to mining and assaying we pointed to the activities of Rühlein von von Calw, Biringuccio, Agricola, Ercker and Schreitmunn. Guidobaldi dal Mante published his influential work *Mechanicorum liber* in 1577. Above all, we call attention to the book of Capitano Agostino Ramelli, *Le Diverse et Artificiose Machine*, 1588. (See also *Schatzkammer Mechanischer Künste des ... Herrn Augustini de Ramelli*, 1620). In the sub-title it is written: "In it there is to be found ... ingenious machines, which one can use in times of peace and war in and on fortifications ..." Ramelli was a military engineer in the service of the French and the Poles.
9. K. Vogel, Fibonacci. *Dictionary of Scientific Biography*. J. Tropfke, *Geschichte der Elementarmathematik*, 4th edition, Vol. 1, K. Vogel (ed.), Berlin 1980.
10. Marx, MEGA II, 3.6, Berlin 1982, p. 1965, 1972.
11. Marx, op. cit.
12. M. Weber, *Gesammelte Aufsätze zur Religionssoziologie*, Vol. II, 2nd edition, Tübingen 1922.
13. E. Troeltsch, *Die Kulturbedeutung des Calvinismus*, 1910. M. Weber, *Die protestantische Ethik II*, J. Winckelmann (ed.), Hamburg 1972.
14. Id. *Aufsätze zur Geistesgeschichte und Religionssoziologie*, III, §§ 4–5, Tübingen 1925.
15. Id. *Der Historismus und seine Probleme*, 1922, Chapter III, § 6 C, Tübingen 1922.
16. Weber, *Wirtschaft und Gesellschaft*, 5th edition, V, §II, Tübingen 1972. There seems to be a play on words here since the term 'verworfen' or reprobate in Calvinist theology refers to those souls who have been predestined to damnation by God and thus have no hope of salvation—trans.].
17. E. Troeltsch, *Die Kulturbedeutung des Calvinismus*; idem., *Aufsätze zur Geistesgeschichte und Religionssoziologie*, Tübingen 1925.
18. T. Mommsen, *Römische Geschichte*, 6th edition, Vol. 1, 3rd Book, Chapter 12, Berlin, 1874.
19. Marx, *Das Kapital*, Vol. III, Chapters 20 and 47.
20. E. Troeltsch, *Der Historismus und seine Probleme*, Chapter IV, § 3.
21. Weber, *Wirtschaft und Gesellschaft*, 5th edition, Tübingen, 1972, p. 74, 817.
22. Weber, loc. cit., p. 96, 139, 645f. idem., *Wirtschaftsgeschichte*, Berlin 1981, p. 239f.
23. W. Sombart, *Das Europäische Wirtschaftsleben im Zeitalter des Frühkapitalismus, vornehmlich im 16., 17. Und 18. Jahrhundert*, Berlin 1902, p. 1969.
24. Weber, *Religionssoziologie* 1, loc. cit.
25. Sombart, *Der Moderne Kapitalismus*, Vol. 1, 1. Halbd., Chapters 4 and 5.
26. J. Kulischer, *Allgemeine Wirtschaftsgeschichte*, Vol. 2, p. 407.
27. W. Sombart, *Die Juden und das Wirtschaftsleben*, Berlin 1911.
28. M. Weber, *Wirtschaft und Gesellschaft*, loc. cit., p. 721. Weber was right, but he tried to dispose of Sombart's conception on purely technical grounds. But it concerned itself not only with the technical side but with the sociological as well.
29. Accordingly, the usurers from Siena, Bologna, Rome and other places were called Cahorsins, Kawarsens, Kawarzens, Kabartsens, Gawartzens. All these dialectical displacements of the word

- Cahorsins had the meaning of usurer in the Middle Ages and in the early epochs of modern times. They were also identified as “Lombards”.
30. R. Ehrenberg, *Das Zeitalter der Fugger*, Jena 1896, Vol. 1., p. 66. He cites Matthaeus Parisiensis, *De peste caursinorum* (concerning the plague of the Cahorsins). Matthaeus Parisiensis was a chronicler in the middle of the 13th century; according to him, Bishop Robert Grosseteste explained: “If one gives the Cahorsins a promisory note [*Verschreibung*] for 159 Marks for 100 Marks received, even so they take no partial payment, but rather insist on the repayment of the entire sum of the debt, while the Jews benevolently receive [*recipient benigne*] so much money at the given time as is proportionate [commensurate].” Cf. Simon Depping, *Les juifs au moyen age*, Paris 1834.
 31. J. Kulischer, loc. cit., p. 412f.
 32. Sombart, *Der moderne Kapitalismus*, Vol. 1.1. According to Sombart’s view the communal family is the oldest bearer of the economic form of artisanal labour. The members of this community including the apprentices and trainees are the protected and commanded by the master. A similar idea of the “entire house” is found in O. Brunner, *Das “ganze Haus” und die alteuropäische „Ökonomik“*, in idem., *Neue Wege der Vefassungs- und Sozialgeschichte*, 2nd edition, Göttingen 1968. Against this view see Bruno Schoenlank, *Soziale Kämpfe vor 300 Jahren*, 2nd edition, Leipzig 1907. Schoenlank and G. Schanz sharply criticized the patriarchal conception of social conditions. B. Schoenlank, G. Schanz, ‘Gesellenverbände.’ *Handwörterbuch der Staatswissenschaften*, 4th edition 1909. W. Reininghaus ‘Das “ganze Haus” und die Gesellengilden,’ in *Deutsches Handwerk in Spätmittelalter and früher Neuzeit*, Göttingen 1983 (R. S. Elkar, ed.) writes: „Zwischen Meistern und Gesellen kam es zu Zerwürfnissen und Streitigkeiten.” [Quarrels and conflicts arose between masters and journeymen.] See also W. Reininghaus (*Die Entstehung der Gesellengilden im Spätmittelalter*, Wiesbaden 1981) against the concept „Schutz und Schirm” [Protection and Screen] in relation to these forms of society. Karl Bücher, to whom we shall return, had also written about „Schutz und Schirm” in the 15th and 16th century.
 33. J. Strieder, *Studien zur Geschichte kapitalistischer Organisationsformen*, 2nd edition, München 1925, p. 55ff.
 34. F. Braudel, *Civilisation matérielle, économie et capitalisme; XVI–XVIII siècle*, Paris 1979 (Ger.: *Sozialgeschichte des 15–18. Jahrhunderts*, 3 volumes, 1985/86).
 35. L. Brentano, *Die Anfänge des Kapitalismus*, 1913, in: *Der wirtschaftende Mensch in der Geschichte*, Leipzig (1923) 1967.
 36. Georg von Below, *Probleme der Wirtschaftsgeschichte*, Tübingen 1926, p. 39ff.
 37. M. Dobb, *Studies in the Development of Capitalism*, London 1975.
 38. E. P. Thompson, *The Making of the English Working Class*, Pelican 1968.
 39. J. Janssen, *Geschichte des deutschen Volkes seit dem Anfang des Mittelalters*, 19th edition, Vol. 1. Freiburg, p. 594. V. Pareto (*Trattato di sociologia generale*, 2nd edition, Florence, 1923, § 2384) fundamentally agrees with this conception and only adds that Janssen left Italy out of account.
 40. J. A. Schumpeter, *History of Economic Analysis*, 1954 (Ger.: *Geschichte der ökonomischen Analyse*, Göttingen 1965). He investigates the periodization of feudalism and of capitalism in relation to his critique of the theories of Thomas Aquinas, Karl Marx, Max Weber among others. Schumpeter characterized the discussions of Sombart as “brilliance without substance” without “genuine research.”
 41. Schumpeter, loc. cit., p. 121f.
 42. Schumpeter, loc. cit., IV, Chapter 6, § 2.

43. Schumpeter, loc. cit., p. 68 and 124.
44. Id. p. 122, 124; also part IV, Chapter 4, § 2 (d).
45. Aristotle, *Politics* I, wrote that the human is a social animal. Outside of society he is a god or a beast, he is not a man. These discussions of the great thinker are related to the human substance. The forms of society are the human organization of life, as it actualizes itself, as the family, the community or *Koinonia*, the Greek polis, etc. G. W. F. Hegel spoke of the form and the substance in his *Logic*. We can take from this that the form is actualized by the substance, the substance by the form. Karl Marx, *Das Kapital*, Book I, wrote about the value form and value substance. Value and human labour as well and human history have their form and substance in a structured, lasting, non-uniform, oppositional system. But the form is not the eternal form of things but rather the ephemeral, the substance is as well not eternal, but rather ephemeral. The forms of the value of labour and of human society exist in history, the substance of it likewise. History is grasped only empirically-concretely and in this way taken up so that it is not only unitary but multiple. The unitary and universal history of humanity is a utopia of the future. The history of social forms is other than that of the social substance. The form, the substance and the history are each related to a concrete society. Concerning the theory of forms and substance of labour, value and freedom relations and systems, see L. Krader, *Treatise of Social Labor*, Assen 1979; id. *Labor and Value*, Peter Lang New York 2003.
46. The movements of peasant liberation were presented through the investigations of Carl Grünberg, G. F. Knapp and G. Franz.
47. L. Krader, *Asiatic Mode of Production*, Assen 1975.
48. P. Kennedy, *Rise and Fall of the Great Powers. Economic Change and Military Conflict from 1500 to 2000*, New York 1988. R. S. Elkar, Umriss einer Geschichte der Gesellenwanderungen, in: R. S. Elkar (ed.), *Neuzeit*, Göttingen 1983. The early-modern period is basically related to the period from the 16th to the 18th century; modernity is the epoch of industrialization. The apprentice guilds arose in the late Middle Ages. Cf. W. Reininghaus, *Die Entstehung der Gilden im Spätmittelalter*, 1981. Idem. *Die Migration der Handwerker-gesellen in der Zeit der Entstehung ihrer Gilden (14. bis 15. Jahrhundert)*, 1981. Accordingly, the late Middle Ages continued in Central Europe until the 15th century. Brentano, Schumpeter, von Below among others highlight Italy as the country in which modernity begins, namely earlier than in Central Europe. It depends on which country or which part of Europe one chooses to identify as the beginning of modernity. It also depends on which class or estate one has chosen. Friedrich Lütge, *Deutsche Sozial- und Wirtschaftsgeschichte*, 3rd edition, Berlin 1966, concerns himself with a structural change of the social and economic culture of Germany in the 14th to 15th century, which continued to develop until the Thirty Years' War. The colonization of the East ended in the 14th century. On technical grounds he avoided the word 'capitalism,' which was done to death in common parlance. We don't find this common parlance so frightful that we must avoid it. What is meant here is not the talking of it to death, but rather a more-or-less ideological overuse. 'Capital' and 'capitalism' are good words, even if they are used under certain conditions as curse words. So too are the words 'Protestant' and 'Catholic' among others, used as epithets (as in Ireland). Without finally deciding the question of periodization, we call attention to the fact that opinions in this connection vary and are dependent on the sources, the raw material and the area of investigation. The economists have a different view, and the historians of Italy a third. As soon as one poses the question of periodization, one is inclined or determined scientifically-theoretically and scientifically-historically to assume an interruption in human history.

49. On the system of social labour and the abstract categories of freedom, see Lawrence Krader, *Treatise of Social Labor*, chapters 1 and 3. On labour form and substance and the relations of social labour, see Lawrence Krader, *Labor and Value*, Part I, pp. 23–71.
50. On the complexity of these terms in the 15th and 16th century in Central Europe See: F. Irsigler: 'Zur Problematik der Gilde und Zunftterminologie.' <https://doi.org/10.11588/vuf.1985.0.15772>; R. Schmidt-Wiegand: 'Die Bezeichnungen Zunft und Gilde in ihrem historischen und wortgeographischen Zusammenhang.' <https://doi.org/10.11588/vuf.1985.0.15771>.
51. The monk was no gorging fool, Jakob Fugger no money fool. The first was mentioned in Gerald Strauss, *Nürnberg in the Sixteenth Century*, 1966; however, he existed only in the imagination, not in actuality. Such a way of treatment is not our concern, for we have nothing to do with literary figures or species. Sebastian Brant lived in Straßburg around 1457–1521, Hans Sachs and Hartmann Schopper lived in Nuremberg in the 16th century.
52. In G. W. F. Hegel it reads differently: "Der Mensch verhält sich mit seinen Bedürfnissen zur äußerlichen Natur auf praktische Weise, und geht dabei, indem er sich durch dieselbe befriedigt und sie aufreißt, vermittelnd zu Werke. Die Naturgegenstände nämlich sind mächtig und leisten mannigfachen Widerstand. Um sie zu bezwingen schiebt der Mensch andere Naturdinge ein, kehrt somit die Natur gegen die Natur selbst und erfindet Werkzeuge zu diesem Zwecke. Diese menschlichen Erfindungen gehören dem Geiste an, und solches Werkzeug ist höher zu achten, als der Naturgegenstand." (*Vorlesungen über die Philosophie der Geschichte*, Sämtliche Werke, 11. Band, Stuttgart 1949, S. 316) ["Man comports himself with his needs/wants to external nature in a practical way and thus goes mediatingly to work in that he satisfies them and diminishes them. The natural objects are namely powerful and offer various resistance. In order to force them man inserts other natural things turning nature in this way against itself and invents tools to this end. These human inventions belong to the mind [*Geist*] and such an implement is to be regarded more highly than the natural object."] The bases of the labour theory as well as the theory of technics is found in this passage. We distinguish between natural things and objects of human activity. We make our world into objects of our labour and objectify nature. Through this objectivation subjectification is made possible. Man goes mediatingly to labour and thereby to work. Hegel left out these two processes, the distinction between thing and object and the step from labour to work. Yet he made possible the basis for these two processes. L. Feuerbach did not grasp the difference between thing and object and thought that the planets, the sun like man objectify the human world; thus, he anthropomorphized the solar system or natural things. (*Das Wesen des Christenthums*, 1841). Through labors' mediation and activity of objectification humanity develops itself. Mammals have also treated natural things instrumentally but such treatment is not a mediating and objective activity. They do not make what they interpose into an object of their work activity. Man learns and teaches how to bring forth this mediating activity, to develop and to vary it further. Finally, he has learned to systematically carry forward everything so that his further development will be unfolded. Mediation and their development transform natural things into objects of labour. (See L. Krader, *A Treatise of Social Labor*, Assen 1979, pp. 187–200). Through labour we objectify the world (See K. Marx, *Grundrisse der Kritik der politischen Ökonomie*, Berlin 1953, pp. 354–374). Labour, mediation and objectification are three aspects of the same process of development of humanity. But Hegel errs when he believes, that the tool is to be more highly regarded than natural objects. To be sure, the invention of tools belongs to the mind, but mind is a part of the labour process which is as physical as it is mental. The mind is thus a part of a greater. Since invention constitutes a part of technic Hegel's theory of invention is correct to this point; but to consider mind higher than natural things is an

anthropocentrism. Mind is a natural object and subject. Man does not stand in the centre of the world as the earthly-divine. As we see, Hegel proceeds from technics to the theory of labour. We begin conversely with the process of reproduction, and thereby with labour, and only then do we take up technics and technology.

53. K. Marx, *Das Kapital*, Vol. I op. cit., chapter 5.
54. In his last, posthumously published book, *Noetics: The Science of Thinking and Knowing*, 2010, Krader outlined a new science of nature in which he distinguished three natural orders according to different configurations of space-time in which they are constituted: the material, the quantum and the human orders of nature. In the first two of the aforementioned series there is no teleology but causality in the first, probability in the second. In the third, the human order of nature, there is teleology—human purpose and design. Marx explicitly rejected teleology in nature in his paean to Darwin's *Origin of Species*, implied it in a subtle way in his comparison of the human architect and the bee in *Capital* and then fudged it again in his appreciation of Milton's poetry in the first volume of his *Theories of Surplus Value*. For Krader, only in the human order is time abstracted from space and space from time. Nature is a manifold of three orders: material, quantum and human. Teleology thus exists in nature but only in the human order thereof. See also the relevant material in: C. Levitt and S. Sander (eds.), *Beyond the Juxtaposition of Nature and Culture. Lawrence Krader, Interdisciplinarity, and the Concept of the Human Being*. New York 2018, pp. 219–279.
55. The great theoreticians of the 18th century, like Bernard Mandeville, Joseph Harris and Adam Smith have highlighted the process of the division of labour. But labour must be organized, combined and then apportioned or divided.
56. According to Krader's thinking in *Noetics*, the natural thing continues to be a material thing but in the human field it becomes a human object—trans.
57. F. M. Feldhaus, *Der Weg in die Technik*, Leipzig 1935. Idem. *Die Technik der Antike und des Mittelalters*. Repr. Olms 1971. R. J. Forbes, *Man the Maker*, London 1958. Technics will be treated in this work mainly as a series of inventions and discoveries.
58. Aristotle, *Politik*, 1253 a-b. Idem. *Nikomachische Ethik*, Book V passim. Techne according to Aristotle signifies art, *ars*; further it means the: artifice, artificial, the achievement of the adept, of practice, of self-mastery and thereby the mastery of external nature. There are two kinds of arts through which we master and know the matter: 1. The arts by which we use things; 2. The architectonic or those who direct the production of materials (Aristotle, *Poetics*, 47a. Idem. *Physics*, 194b).

C. Darwin, *Der Ursprung der Arten (The Origin of Species)*, London 1859. K. Marx (in relation to Darwin's theory of evolution): Correspondence with F. Lassalle, 16 January 1861); with F. Engels, 18 June 1862. Cf. L. Krader, *The Ethnological Notebooks of Karl Marx*, Assen 1972 pp. 82–85, 354f and 392f. (Ger.: *Die ethnologischen Excerpthefte von Karl Marx*, Suhrkamp 1976). E. P. Thompson, *The Poverty of Theory*, London 1978, p. 256, 355, 389, 396. The presentation of technics as a projection of the hand and other organs was discussed in the 19th century. See E. Christian Kapp, *Grundrisse einer Philosophie der Technik. Zur Entstehungsgeschichte der Kultur* (Braunschweig 1877), Düsseldorf 1978, Introduction: H.-M. Sass. M. Daumas, *Histoire générale des techniques* ; Volume 1, *Introduction*, Paris 1962. J. Ellul, *La technique ou l'enjeu du siècle*, Paris 1954. Idem. *Le système technicien*, Paris 1977. L. Mumford, *Technics and Civilization*, New York 1934. Idem. *The Culture of Cities*, New York 1970. H. Schelsky, *Der Mensch in der wissenschaftlichen Zivilisation*, Köln-Opladen 1961. J. Habermas, *Technik und Wissenschaft als „Ideologie“*, Frankfurt 1968. Daumas treats technics in part as did Kapp, as a projection of

organization. According to Habermas labour comes from technics and not vice-versa. Thus, technics is abstracted from the other parts of the economic process, like distribution, exchange and consumption. Habermas repeated this abstraction. These authors in their critique of civilization or ideology considered technics as something specific, torn loose from the labour process and from economic life, hence as something simple and primitive, like the *materia prima* of the philosophers of antiquity and the Middle Ages. R. Sonnemann, *Geschichte der Technik, Preface*, Leipzig 1978. Here the conception of Jane Goodall is treated uncritically—further concerning domestication, see L. Krader, 'Ecology of Central Asian Pastoralism' in: *Southwestern Journal of Anthropology*, Volume 11, 1955, and idem. on the keyword 'Pastoralism,' in: *International Encyclopedia of the Social Sciences*. David Sills (ed.) New York 1968. Further concerning technics and labour see the sources cited above.

