

SIGNIFICANT FEATURES OF COMMERCIAL CAPITALISM

BY

Dr. JIJO JAYARAJ

- the intervening period between feudalism and industrial capitalism can be designated as Commercial Capitalism.
- As historians have argued, any historical period reveals the characteristics of both the preceding and succeeding periods. In a similar way, Commercial Capitalism also has certain features of feudalism along with capitalistic traits.
- In fact, according to Sombart, Commercial Capitalism or 'early capitalism' operated within the feudal framework.

The feudal features are as follows:

- 1) Work was generally done in the homes of the producers and not under the factory shades of modern industries.
- 2) Not full-scale machines, but simple tools were used for manufacturing. And many a times these factors of production were owned by the workers themselves.
- 3) Since factors of production were limited, manufacturing was also on a much smaller scale as compared to goods produced in factories.
- 4) One man, i.e., the merchant entrepreneur, controlled the whole process from start to finish.

The capitalist features were as follows:

- 1) Incentive of profit was the main driving force behind the entire process.
- 2) With increasing desire for profit, the demand for labour was rising tremendously with the result that the merchant capitalists were hiring more and more workers.
- 3) Financial advances were provided to the producers by the capitalists. These could be equated to wages under industrial capitalism.
- 4) The final product as well as the entire profit was appropriated by the capitalist.

THANKS...