**Game of Thrones[[1]](#footnote-1), Game of Class Struggle, or Other Games? Revisiting the Demise of Feudalism**

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**Abstract**

In 1947, the Marxist economist Maurice Dobb published a book that attempted to outline and explain how the feudalistic economic system of medieval times gave way to capitalism. Dobb’s *Studies in the Development of Capitalism* (1947) started a debate among economists and historians over the following decades that has continued until this day. One of his most prominent and earliest critics was Paul M. Sweezy who, although he commended Dobb on raising the question of why feudalism gave way to capitalism, disagreed with Dobb’s conclusions on why the transition from feudalism to capitalism occurred. In general, Dobb thought that feudalism went into decline and was replaced by capitalism because of endogenous causes rooted in the class struggles between serfs and noblemen. Sweezy and others, on the other hand, thought that the factors which led to the decline of feudalism and rise of capitalism were exogenous, and these factors included the development and growth of international trade, production for markets and money, the growth and importance of cities, and the need for European monarchies to unite their kingdoms and to finance their wars and overseas empires. Other economists and historians, both mainstream and Marxian, also joined the debate, and a long list of articles and books have been generated on the “transition debate” since the late 1940s. In doing research for this paper, no statistical work on the Dobb-Sweezy debate and its competing hypotheses was found, and so this paper attempts to do some preliminary empirical testing of these hypotheses using data from England and Britain from the middle ages up to the late nineteenth century. The findings of this paper are informative in trying to better understand the transition and provide some food for thought on how capitalism may change in the future.

**Keywords:** Brenner debate**,** capitalism, feudalism, Dobb-Sweezy debate, econometrics, productivity, surplus value, and transition debate

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**Introduction**

Often using the concept and methodology of “historical materialism,” Marxian economists and historians have attempted to explain the evolution of human society and its economic system from that of hunter-gatherers in pre-history; to one of slavery in antiquity; to feudalism in the middle ages; and to capitalism in current times (Marx and Engels 1974 (1845)). Central to historical materialism is the idea that humanity’s material circumstances, not the philosophy of idealism, shape its existence and that a society’s dominant mode of production reflects its material circumstances (Engels 1935 (1880), Marx and Engels 1974 (1845)). As the Cold War between East and West began to heat up after the second world war, a book by the British Marxist economist Maurice Dobb (1947) attempted to address the primary causes of the decline of feudalism and the rise of capitalism. This was considered a timely topic given the struggles between Soviet style socialism and western capitalism going on at that time, and Dobb was especially interested in looking for lessons from the transition from feudalism to capitalism and how these could possibly inform one about a possible transition from capitalism to socialism.[[2]](#footnote-2)

In brief, Dobb’s *Studies in the Development of Capitalism* (1947) generally concluded that most of the factors that caused the eventual fall of feudalism were endogenous to the feudalistic system. According to Dobb, the contradictions of a feudalistic economic system were mostly to be found in the class struggles between a land-owning and wealthy aristocracy and their extremely exploited and repressed serfs. Class struggle is a central concept to Marxian analysis. As serfs began rising up against their feudal lords and tried to gain independence in their production of agricultural goods, there also began a crisis in the mode of production, which was the “prime mover’ in the decline of capitalism. Serfs began to tire of having to pay more and more in taxes to support wars of conquest and lavish aristocratic spending and also began to resent greater and greater pressure to produce more and more agricultural output with outdated technology, limited land space, and little incentive for personal reward. They also noticed how some of their counterparts living in the city had prospered more than them by working as laborers or in crafts and guilds.[[3]](#footnote-3) Hence, according to Marxian analysis, as the middle ages proceeded, serfs began to push back against their lords in various rebellions and in attempts to flee to cities, and these class tensions especially became more prominent in the 14th century thanks to population declines due to the Black Death (which put even greater pressure on the serfs and manors yet allowed some serfs to earn money outside of their manors) and increasing taxes.[[4]](#footnote-4) After a long struggle in which the serfs and their descendants began to win many rights as well as to develop their own agribusinesses in rural areas as well as shops and manufactures in towns and cities did capitalism become the prevalent form of the economic system in England and in other parts of Europe in the late 1600s (Brenner 1976).

Others who would later generally concur with Dobb to one degree or another on the downfall of feudalism being due primarily to the major endogenous factor of a crisis in the mode of production were Rodney Hilton (1976a (1953), 1976b (1952)), Kohachiro Takahashi (1976 (1952)), and Eric Hobsbawm (1976 (1962)). Hobsbawm (1976 (1962)) is mostly credited with writing about how uneven development caused capitalism to develop in Western Europe, especially England, while serfdom and feudalism continued in other parts of the globe (Epstein 2007, Heller 2011). Later, the historian Brenner (1976, 1985) would argue in a somewhat parallel fashion to Dobb that the conflict between serf and lord gave rise to the entrepreneurial peasant farmer who would innovate in order to increase production and earn more money.[[5]](#footnote-5) This, along with the peasant farmer paying for rent with money and gaining greater property rights would give rise to the capitalist peasant farmer who would go on to usurp the feudalistic system (Wood 2002, Heller 2011). Brenner also downplayed the roles of increasing trade, population growth and farm production constraints (the “neo-Malthusian” problem), and the growth of towns as factors causing capitalism’s downfall. Brenner’s ideas would later generate more debate which would become known as the “Brenner Debate” (Aston and Philpin 1985, Heller 2011). The mainstream economists North and Thomas (1971, 1973) also noted the rise of increasing peasant farmer output but credited it to property rights gained by the farmers over time and to their need to address the neo-Malthusian problem of increasing population with less and less arable land to develop as the medieval period continued.[[6]](#footnote-6)

Paul M. Sweezy, a US economist and founder of the socialist publication *Monthly Review,* was the first major critic of Dobb’s book, although he commended Dobb for trying to understand how capitalism arose from feudalism (Sweezy 1976 (1950)). For Sweezy, in general, the prime mover behind the demise of feudalism was the growth of overseas trade thanks to the Silk Road to China being closed in the 15th Century by the Ottoman Empire and the development of large mercantile sailing fleets by rival European powers (Sweezy 1976 (1950), Heller 2011). One could argue that the growth of these fleets paralleled the ascendancy of strong central monarchies in these nations, which in turn fostered a rivalry among the monarchs, or some type of a “game of thrones” (Heller 2011). The ascent of these strong kings and queens at the expense of regional lords and noblemen also enhanced the taxing power and legal jurisdiction of the state so that more and better public and private investment could be made and contracts across different regions would be enforced (Brenner 1976). Also, the production of goods changed from production for subsistence and for payment of land rent to the local lords to one of a production system for markets, whether the markets were foreign or domestic. Currency and tax systems would develop concomitantly with markets. Additionally, the growth of urban population centers was another key factor in that towns and cities, especially those with seaports, facilitated the exchange of goods with other lands. Cities were unfettered by feudal rule, serfdom, and the stagnant innovation that existed in the manors of rural areas. Thanks to international trade, cities would see the rise of producers and manufacturers, distributors, and retailers which would grow in size over time. These were essentially the same arguments made by Engels (1957) who also noted the importance of cities and foreign trade in the demise of feudalism. Finally, Sweezy, as well as his friend and collaborator on other projects, Paul A. Baran (1953 and 1957) saw the feudalistic system as one that was basically static, wasteful in the sense of not reinvesting any of its gains or surplus, and did not have much change in output per capita and standards of living year in and year out. They did not consider the feudalistic system dynamic or growth oriented, although some have noted that the medieval period had periods of innovation, but these did not last long (Snooks 1993). Overseas trade, markets for exchange[[7]](#footnote-7), gains in output, wasteful practices, stronger central governments, and the corresponding growth in cities were exogenous factors that would press upon and eventually bring down feudalism according to Sweezy.

Sweezy cited and relied upon the work of the Belgian historian Henri Pirenne whose *Medieval Cities: Their Origins and the Revival of Trade* (1956 (1925)) basically claimed that capitalism originated in late medieval cities thanks to international trade and the settlement of many wealthy traders and merchants in western European cities. Along similar lines, Nell (1967), like Engels (1957) put forth the idea that feudalism gave way to capitalism thanks to a contest won by urban industrialists against their rivals, noblemen and merchants. Sweezy also believed that Dobb had confused feudalism and serfdom. Serfdom, according to Sweezy, could exist without feudalism, and continued to do so in several regions after capitalism had become dominant in Western Europe.

In general agreement with Sweezy, other scholars would point to cities and/or foreign trade as keys to the development of capitalism over feudalism. Wallerstein (1974) would later write that capitalism would mostly begin to flourish in Western Europe thanks to the development of world trade and the beginnings of an overseas expansion and an exploitative relationship that Europe had with the rest of the world. Wallerstein (1974) and Anderson (2013) did believe that class struggles and a lack of arable land in Europe did spur innovation in agriculture which hurt the feudalistic system, yet they thought world trade was a greater factor in the development of capitalist Europe. Similarly, Heller (2011) would emphasize the rise of strong national governments, colonialism and foreign conquest along with greater foreign trade as a key to the development of capitalism. Finally, Mielants (2007) came to the conclusion that cities and their growing political and economic power were the greatest force in bringing down feudalism.[[8]](#footnote-8)

Other outside forces mentioned regarding the rise of capitalism over feudalism revolve around the topics of religion and/or government. One classic cause has been known as the “Protestant work ethic”, a view expounded by the sociologist Max Weber (1958 (1905)). In fact, Weber’s writings pre-date the Dobb-Sweezy debate, yet his ideas were still popular around the time the debate started. In general, Weber argued that the adoption of Protestant Churches’ (especially those of Calvinists and Puritans) beliefs in Europe over Roman Catholic beliefs encouraged the practices of enterprise, productiveness, and thriftiness. The historian R. H. Tawney also argued that there existed strong connections between Protestantism and capitalism. By teaching that spiritual redemption and salvation can be found through hard work and using worldly assets in a more productive way so as to glorify God, Protestantism instilled stronger work habits and a desire to innovate among a populace which had only known the steady state economy of feudalism and Catholic Church teachings which had focused too much on the afterlife and not worldly affairs.[[9]](#footnote-9)

The formation of nation-states and strong central governments over the lord and manor system of feudalism have also been noted as a cause in the rise of capitalism in that a strong, central monarchy (government) made possible the rise of foreign trade and conquest; a common, national currency system; the end of wars among rival lords and noblemen within nations over land and territory; the rise of property rights and enforceable contracts; and the growth and development of important infrastructure such as seaports and major roads (Epstein 2006, Heller 2011, Anderson 2013). This view has often been called “political Marxism” because it emphasizes the strong role of government in bringing about the ascendancy of capitalism in Western Europe (Heller 2011). Engels (1957) has written that a strong monarchy was needed to bring order to a political system that was fragmented and dysfunctional due to so many rivalries among noblemen who were sporadically at war with one another regardless of whether their monarch was fighting a foreign power. Omrod (1999) and O’Brien and Hunt (1999) note the rise of indirect taxation, increasing tax revenues, and national debt as signs of Western European central governments growing in strength and using the proceeds to fight wars against rival monarchs (again, a “game of thrones”) and to pursue colonialism. Kings and queens could also avoid using the knights who fought for nobles and barons and instead could raise their own armies loyal to them. They also note that as markets develop, indirect taxation becomes more and more important as way of financing government expenditures and debt. Finally, Marx (1990) writes in Chapter 31, page 919, Volume 1 of *Capital*, “The national debt, i.e., the alienation of the state—whether that state is despotic, constitutional, or republican—marked the capitalist era with its stamp. The only part of the so-called national wealth that actually enters into the collective possession of a modern nation is – the national debt.”

In what they call an approach following the thoughts of the philosopher Louis Althusser, Resnick and Wolff (1979) argue that the endogenous class conflicts of capitalism (between serfs and lords as well as among the nobility and church leaders) spawned events and institutions that would later become exogenous factors that would lead to feudalism’s decline and capitalism’s rise. They cite the extreme exploitation of serfs as helping to trigger their migration to towns and cities, which in turn lead to the growth of urban areas, and the growth of petty producers. They also note the nobility’s desire for more and more luxury and exotic goods, which in turn gave rise to greater foreign trade, more markets of exchange, and more materials for petty producers and merchants. The proliferation of cities, petty producers, markets, and foreign trade, in turn, came back against the feudalistic system by giving rise to a mostly urban, independent economic system of producers, merchants, and markets that would eventually supersede the manorial nobility.

This paper proceeds as follow. The next section covers the methods of analysis used in the paper by explaining the variables analyzed and the models developed. Then an outline of the results of the statistical analysis is given, which is then followed by a conclusion section which discusses which side, if either, of the debate had greater merits or arguments and what if any lessons can be learned regarding the future of capitalism.

(Insert Figures 1-4 around here)

**Methods**

Unless otherwise noted, this paper mostly uses data from the book *British Economic Growth, 1270-1870* (BEG) by Broadberry, Campbell, Klein, Overton, and Van Leeuwen (2015) and data compiled by Gregory Clark (2009) with a focus on England up to 1700 and then Britain afterward.[[10]](#footnote-10) Both sources use statistical estimates of medieval English and subsequent time periods through different records that existed during the time period examined in this paper and are probably two of the most thorough and comprehensive compilations of medieval data that were found in doing research for this paper. This paper uses variables that represent the major factors debated by the Marxian economists and historians, although some of these factors have been used and discussed in mainstream analyses of the decline of feudalism.

*Dobb, et al type variables:*

1. Dobb Sequence of Time. Part of the Dobb-Sweezy debate centered around the time periods of a transition from feudalism to capitalism. Dobb basically saw two time periods as important to his studies whereas Sweezy saw three. According to Dobb, capitalism did not fully become dominant as an economic system until around the 1700s in his reasoning, and so this variable codes as 0 those years before 1700 and 1 those years for 1700 and afterward. The hypothesis is that the greatest amount of class struggle between serf and lord mostly took place before the 1700s and then became almost if not totally non-existent afterward with a new type of struggle between capitalist and worker. Also, if feudalism is basically a stagnant or static system, those centuries counted as zero would show lower real GDP per capita than those coded as a one.
2. Surplus per Capita. This is a variable calculated using Clark’s estimates (2009) of capital (e.g., livestock, equipment, infrastructure) and housing income, indirect tax receipts, and land rent summed and then divided by his estimates of England’s and Britain’s population from 1209 to the 1860s. It represents the aggregate surplus value accumulated by the upper strata of England and Britain during this time period. It would be better to have estimates for the labor force during this time period in order estimate a surplus per worker variable since Dobb, Brenner and others emphasized labor exploitation, but the literature on medieval labor force size does not give consistent estimates of participants much less the number of days worked per year. Therefore, surplus per capita is used as a proxy for surplus per worker. Figure 1 shows the pattern of the estimated surplus per capita in England and Britain from 1209 to 1868.[[11]](#footnote-11) In general, surplus per capita falls after being at a high level in the 13th century and then rebounds in the second half of the 14th century and stays relatively high in the 15th century before falling somewhat again in the 16th and 17th centuries. It then begins to climb in the 18th century, although by 1868 it still does not attain the same level as it did in the 13th century.[[12]](#footnote-12)

*Sweezy, et al type variables:*

1. English and British Urban Population Percentage, 1209 to 1870 (based on BEG, English Urban Population, 1086-1700 Table 4.04, page 153, and data from Law (1967), Lee (1973), Wrigley (1985), Bairoch and Goertz (1985), Clark (2009), and Rigby (2010). This is the portion of England’s urban population as a portion of its overall estimated population count. Following Sweezy’s and others’ lines of thinking, the hypothesis is that as the urban population increased relative to the rural and farm population in England, feudalism’s hold on the economic system would begin to weaken and economic activity would begin to accelerate. The growth of cities also captures Sweezy’s notion of growing markets, exchange, and greater port activity and foreign trade since these all occur within cities. Greater economic activity within cities would also yield greater tax revenues for national monarchies. Figure 2 shows the estimated urban population percentage from 1209 to 1870. Some gaps in the data cause the figure to take a stair step pattern.
2. Sweezy Sequence of Time. This is an ordinal variable for the degrees of the development of capitalism where the years for the period 1209 to 1399 are coded as 1s, the years 1400 to 1699 are coded as 2s, and the years 1700 to 1870 are coded as 3s. These codes reflect Sweezy’s thoughts that the first period was mostly feudalistic, the second period was a transition period, and the third period was mostly capitalistic or a period dominated by capitalism.[[13]](#footnote-13) If Sweezy and Baran are correct, then economic activity should gradually increase over time as the economic system changes from feudalism to capitalism over the centuries.
3. Baran Ratio. Xu (2019) has written about Paul Baran’s concept of the economic surplus, a topic covered in Baran’s 1953 and 1957 writings, and has developed a concept he calls the Baran Ratio. The economic surplus is the amount of a society’s income above what is paid to workers under capitalism and/or extracted from slaves or serfs in slavery or feudalism through exploitation. The economic surplus accrues to the ruling or elite class of an economic society. Xu tries to approximate this in capitalism by looking at the income of the top class or the amount of property income in different nations. The Baran Ratio is best estimated by taking the amount of investment in an economy and dividing it by the economic surplus so as to approximate the portion of the surplus going to investment. Clark’s data (2009) has real net national income, real returns to capital (public and private), capital shares of national income, and capital income estimates by decade for England from 1200 to 1699 and Britain from 1700 to 1868. For this paper, linear approximation is used to get annual estimates.

In the economics literature, interest rates, or the returns to capital, are supposed to equal income from capital divided by the value of the capital so that r = Income / Capital. By setting Capital = Income[[14]](#footnote-14) / r , one can estimate the amount of real capital (public and private) in the economy from 1209 to 1868. Next, yearly net real investment per year can be estimated by calculating the change in total real capital from one year to the next.

If Baran’s writings are correct, the economic surplus is mostly wasted under feudalism by spending on extravagant cathedrals, minstrels, and wars of conquest. These expenditures add nothing to economic capacity or help an economy expand. Therefore, a feudalistic economy is mostly static as claimed by him and Sweezy. However, under capitalism, at least a portion of the surplus is spent on items that help to expand the economic system and cause economic growth. And if it is a strong monarchy and central government that make an economic system conducive and safe for private and public investment, then the Baran Ratio should be higher under a system of capitalism rather than under feudalism or under a system in transition. Figure 3 shows estimates of the Baran ratio from 1209 to 1859 for England and Britain and indicates an upsurge in the Baran ratio about the time, that is the 18th century, that Sweezy claims that capitalism has become or is the dominant economic system. This would also correspond to the time of the Acts of Union in 1707 of the Scottish and English Parliaments and the strengthening of a central government presence on the British Isles which had started with the thrones of each nation becoming unified around 100 years beforehand (Macinnes 2011). A game of thrones between Scotland and England that started a road to greater central governance may have gradually allowed capitalism to become stronger and stronger. Figure 3 also shows that disinvestment (negative Baran Ratio values) occurred periodically before capitalism became dominant.

The Dobb and Sweezy sets of variables are each used to predict the BEG estimated real GDP per capita for England and the UK for the 1270 to 1870 period (Broadberry, Campbell, Klein, Overton, and Leeuwer 2015, pages 227-244). Figure 4 illustrates real GDP for England and Britain during this time period. If Dobb, Sweezy and others are correct, then the transition from a feudalistic economy of very slow or virtually no growth should give way to an economy of growth over time thanks to the triumph of capitalism over feudalism. Which of the two sets of explanatory factors has greater explanatory power for economic growth and the change in economic growth over this time period could give a hint as to which indicator of which set of arguments has greater validity.

**Results**

(Insert Tables 1 to 3 around here)

Table 1 shows the results of predicting real GDP per capita using the Dobb Sequence of Time variable and the variable Surplus Per Capita with a one year lag in order to minimize simultaneity bias. The two independent variables are not collinear (variance inflation factors < 5.0), and Newey-West Standard errors are used since the Breusch-Godfrey test indicated that there was autocorrelation. Both variables are statistically significant at α < 0.05. Due to missing values, the number of observations was 597. Both variables explain a great degree (79%) of the variation of real GDP per capita in England and Britain from 1270 to 1870. As exploitation per capita rises by 1unit, real GDP per capita in pounds rises by 7.44, and the era of capitalism is associated with a 54.45 increase in real GDP per capita on average.

Table 2 contains the results of using the Sweezy Sequence of Time, the Baran Ratio lagged one year, and the English Urban Population Percentage lagged one year to predict real GDP per capita. There are no signs of multicollinearity, yet tests of autocorrelation require the use of Newey-West standard errors. Lags are used to minimize simultaneity bias. All three variables are statistically significant, and this model explains around 88% of the variation in in real GDP per capita across 588 years as some values were missing. Sweezy’s sequence of time periods shows that in going from feudalism to the transition period or from the transition period to capitalism adds on average 10.6 to real GDP per capita. Economic activity does appear to pick up from one stage to the next. As the percentage of English (and subsequent British) urban population goes up one percent, real GDP per capita increases by 3.2 whereas as the Baran Ratio goes up by one, the real GDP per capita increases by around 7 pounds on average over time.

Finally, the Resnick-Wolff notion of the endogenous factors such as too much exploitation of serfs triggering exogenous ones such as the growth of cities is considered in Table 3. There, the one year lagged variable of exploitation per capita is used to predict the urban population percent. The adjusted r-square is only around 14%, a weak explanation of variation, although the exploitation variable is statistically significant. A one unit increase in exploitation per capita is associated with a around a 1% increase in the urban population percentage. Next in Table 3, the Baran Ratio is used as the dependent variable in a model where the lagged exploitation per capita variable is the independent variable. It is found that this model only yields an adjusted r-square of 12%, and so it is a weak model, yet the exploitation variable is statistically significant. A 1 unit increase in exploitation per capita increases the Baran Ratio by 0.21 on average. The greater the exploitation, the greater the level of investment as a portion of the economic surplus typically. Therefore, the Resnick-Wolff idea carries some merit, albeit only slightly. Many forces caused English and British cites to grow besides serfs migrating to them because of excessive exploitation and their desire for freedom. Also, despite high rates of exploitation, and if Baran is correct in his analysis, many periods of time saw most if not all of the nation’s economic surplus wasted or squandered despite the level of exploitation, and so exploitation is only part of what can explain the Baran Ratio. Perhaps one must look at the decisions of those in control of the surplus as well as the degree of exploitation.

**Conclusion**

Although the Sweezy set of variables performs slightly better in the first two regression models regarding its adjusted r-square value, the Dobb variables are still statistically significant, and the Dobb model comes close to the Sweezy model in its explanation of the variation of real GDP per capita (79% versus 88%, an 8% difference). Given that most of the data estimated by Clark (2009) and in BEG are based upon the authors’ estimates of piecing together myriad data sources from medieval England and later British history (which compared to all of the economic data available in modern times is still very scant), it is still hard to say which set of reasons is “better” at explaining the demise of capitalism. However, one can still argue that both sets of reasons and their use in the models can offer some indirect yet reasonable validation of previous explanations of the decline of feudalism in England/Britain and elsewhere. Although we are perhaps no better off than the non-statistical arguments given by both sides on the debate in deciding whether internal or external reasons are more important, the models do provide some statistical support for each. In the course of developing this paper, no other statistical evidence has been found.

Despite the limitations of the data and the use of after-the-fact estimates of economic activity from centuries ago, this paper has endeavored to do some type of statistical work and some hypotheses testing while addressing the general arguments of the Dobb-Sweezy debate and other arguments mentioned as exogenous and endogenous factors causing the decline of feudalism. Whereas the results only slightly favor one side, in one sense, the results are not surprising. In history, events and outcomes of different epochs are often shaped by multiple factors, and to try to definitively say that all of the major or most important factors are either endogenous or exogenous can be an over-simplification of history. Therefore, perhaps the Resnick-Wolff thesis is more appropriate in trying to explain the transition from feudalism to capitalism, although the results of this paper hint at the possibility that the internal and external forces perhaps acted mostly on a separate basis since estimated exploitation rates, an internal factor, do not explain most of the variation in the urban population shares or investment rates, assumed prime, external forces.

The same is true perhaps of trying to predict the future of capitalism. Capitalism may continue as is or come to an end for a variety of reasons whether these reasons are exogenous or endogenous or both. Most popular and scholarly writings appear to assume that the capitalistic system is here to stay, although they also assume that fluctuations in economic performance will continue. On the other hand, and while perhaps in a minority, there are probably too many writings to review for this paper that mention a possible or probable demise of capitalism. However, a few recent and prominent ones can be mentioned. O’Connor (1979) writes that the necessity of a capitalistic system to address is contradictions through government programs and spending will eventually lead to a crisis in which tax burdens become too large or the amount of government debt becomes unmanageable. Mason (2015) predicts that capitalism will give way to another economic system thanks to increasing automation, artificial intelligence, and the way that information technology is disrupting markets, principles of ownership, and the workplace. Harvey (2015) criticizes capitalism as a system which lives beyond its means through a banking and finance system that takes on too much debt; a system which pays its workers too little to consume all of the goods it produces; one that is increasingly marked by market concentration and monopolization; one which is ruining the environment; and a system which promotes human and social alienation. All of these are put forth by Harvey as contradictions which can come back to haunt capitalism. Foster and McChesney (2012) write that capitalism is now in a period of chronic stagnation after the Great Recession of 2008-2009 and does not appear to be able to overcome this thanks to excess capacity and overproduction. Xu (2019) points to declining real investment in advanced capitalist nations leading to their stagnant economic performance over the last several decades. Figure 5 illustrates that net private domestic investment as a share of GDP has usually been between 5 and 10% of GDP on annual basis but has not reached 10% since the 1980s and has hovered between 0 and 5% since 2007, the year before the start of the Great Recession of 2008-2009. These figures seem to suggest that US capitalism is coming up short in reinvesting it economic surplus in productive assets and new technology, and this may point to future decline and stagnation.

Meanwhile, Lambert (2019) claims that the growing concentration of US businesses and markets is one of several factors stifling entrepreneurship and job creation in the US. All of these writings mention reasons that are based upon inherent contradictions of the capitalistic system (endogenous factors) but also mention external threats to capitalism as well, such as environmental hazards brought on by some of the contradictions, namely over production. Finally, the Covid-19 virus, similar to although not at the same magnitude as the Black Death was to feudalism, has been an external shock to the capitalistic system in 2020 from which the world economy will struggle to recover. A system based on markets, even concentrated ones, appears to be ill equipped to prepare for pandemics and natural disasters due to a disinterest in public or emergency planning. The latter endeavors yield little if any profits and imply significant taxes and costs for the public sector.

In fact, many endogenous factors/threats or inherent contradictions, such as over production and greater automation can result in greater unemployment and underemployment, and these in turn can yield exogenous factors which can later disturb a capitalistic system. Higher levels of unemployment and underemployment of people can exacerbate the welfare state and create a greater tax burden or greater level of national debt. That is, of course, if governments decide to continue to try to help those who have lost employment. On the other hand, they may decide not to do so under regimes operating under fiscal austerity. The current discussion in public discourse over a “guaranteed income” for all is set against a background of increasing artificial intelligence and automation which threaten to profoundly disturb the future of human work activities with many fearing higher and higher levels of unemployment and underemployment in the future. If capitalism cannot adapt to a possible exogenous and massive displacement of the labor force coming from its internal drive to cut costs and gain greater efficiency, then that could pose a significant problem for its continued advancement. In that way, it is not enough to focus on exogenous versus endogenous factors influencing the capitalistic system but instead perhaps to look at things from a broader perspective.

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Source: Based on Clark’s (2009) data.

Source: Based on data from various authors.

Source: Based on Clark’s (2009) data.

Source: Based on BEG 2015, Figure 5.06, page 206.

**Table 1: Real GDP per Capita as Dependent Variable Predicted by Dobb et al Type Variables**

**Independent Variables b**

**(Newey-West SE)**

Constant 8.23

Dobb Sequence of Time 54.45\*\*\*

(1.65)

Surplus Per Capita, 1 year lag 7.44\*\*\*

(0.692)

Adjusted r-square: 0.79

n = 597

\*\*p<0.05

\*\*\*p<0.01

**Table 2: Real GDP per Capita as Dependent Variable Predicted by Sweezy et al Type Variables**

**Independent Variables b**

**(Newey-West SE)**

Constant 33.70

Sweezy Sequence of Time 10.62\*\*\*

(1.04)

English Urban Population Pct., 1 yr. lag 3.197\*\*\*

(0.148)

Baran Ratio, 1 yr. lag 7.29\*\*\*

(0.886)

Adjusted r-square: 0.88

n = 588

\*\*p<0.05

\*\*\*p<0.01

**Table 3: Predicting Sweezy et al Type Variables using Surplus Per Capita**

**1. Dependent variable is English Urban Population Pct.**

**Independent Variable b**

**(Newey-West SE)**

Constant -3.4

Exploitation per Capita, 1 yr. lag 1.23\*\*\*

(0.162)

Adjusted r-square: 0.14

n = 657

\*\*p<0.05

\*\*\*p<0.01

**2. Dependent variable is Baran Ratio**

**Independent Variable b**

**(Newey-West SE)**

Constant -1.28

Exploitation per Capita, 1 yr. lag 0.21\*\*\*

(0.034)

Adjusted r-square: 0.12

n = 650

\*\*p<0.05

\*\*\*p<0.01

Source: United States Bureau of Economic Analysis. <https://apps.bea.gov/iTable/iTable.cfm?reqid=19&step=2#reqid=19&step=2&isuri=1&1921=survey> .

1. “Game of Thrones” is a registered trademark of Home Box Office, Inc. (HBO) [↑](#footnote-ref-1)
2. In this debate over the demise of feudalism there are probably far too many participants to list or mention. This paper attempts to discuss the major participants within the Marxist school of thought and to summarize their general contributions without any slight to any scholar possibly overlooked. [↑](#footnote-ref-2)
3. Dobb, however, did not think that the growth and proliferation of cities directly caused a decline in feudalism. [↑](#footnote-ref-3)
4. Lispon (1959) notes that after the Black Death had decreased England’s population substantially, many lords tried to repress the wages paid to laborers through higher taxation or creating laws limiting pay. [↑](#footnote-ref-4)
5. Marx in *Capital, Volume 1*, Chapter 30 (1990) was one of the first to note how the English Agricultural Revolution was sparked by farmers innovating and being successful in new agricultural techniques and accumulating greater amounts of capital and more parcels of land thanks to the enclosure movement. [↑](#footnote-ref-5)
6. Many mainstream history textbooks over the last few decades have primarily focused on some type of Malthusian scenario when it comes to explaining the economic stagnation of the late medieval period by focusing on population growth slowly outpacing agricultural production. This stagnation in turn may have caused more wars of conquest and financial difficulties for the aristocracies of different kingdoms. See, for example, Strayer, Gatzke, and Harbison (1974). Clark (2006) finds some merit to this argument, although efficiency increases in production and higher standards of living during periods of low population numbers do not always appear to coincide in the data he examines.  Meanwhile, Broadberry, Campbell, Klein, Overton, and Van Leeuwen (2015) argue that “weak” Malthusian conditions existed during medieval Britain (sexual restraint mitigated strong Malthusian effects on population), and there were “Smithian” effects (in the spirit of Adam Smith) that started to improve the living conditions of the average person toward the end of the middle ages through greater specialization and efficiency in land usage and government investment in public infrastructure.  Smithian effects often existed during some earlier centuries of the middle ages but were often set back by foreign competition and high international trade transaction costs hurting some infant and growing industries and markets.  They also claim that there was an overemphasis on agricultural production during most of the middle ages in England, and that as wages rose, instead of working more, people decided to take more leisure instead (pages 266-278). For these reasons, according to them, English growth rates were anemic up to around the 16th Century. [↑](#footnote-ref-6)
7. Bateman (2011) has conducted research to show that markets evolved and developed unevenly and with many successes yet failures during the late medieval period. Nonetheless, the prevalence of markets is still considered a key distinction between feudalistic and capitalistic times. [↑](#footnote-ref-7)
8. Rigby (2004) summarizes and analyzes the various Marxist interpretations (including those of Marx and Engels) of medieval times and the rise of capitalism over feudalism and concludes that various Marxian analyses mostly differ according to whether feudalism’s decline was due to changes in the dominant mode of production (an agricultural revolution) or due to changes in class relations (e.g., the rise of independent peasant farmers). [↑](#footnote-ref-8)
9. Tawney (1962) noted that it was Puritanism that had a large role in encouraging the elimination of any remaining prohibitions against charging for interest on loans. Marx and Engel (1974), however, believed that the economic system of capitalism influenced religion to change rather than religion influencing the economic system to change. [↑](#footnote-ref-9)
10. The tables and figures of the BEG data are in spreadsheet form at the site <https://www.cambridge.org/us/academic/subjects/history/economic-history/british-economic-growth-12701870?format=PB> (last accessed on October 16, 2019). Those of Clark are at <http://faculty.econ.ucdavis.edu/faculty/gclark/data.html> . [↑](#footnote-ref-10)
11. The Clark data usually starts at 1209 and ends at 1868 whereas the BEG data usually starts at 1270 and ends in the year 1870. [↑](#footnote-ref-11)
12. According to Baran (1953), the amount of exploitation under feudalism was quite small compared to that of capitalism because of the greater use of tools and machinery by labor under capitalism, although Figure 1 shows a high degree of exploitation occurring during the 13th and 14th centuries. [↑](#footnote-ref-12)
13. Another possible exogenous factor is weather. Some have written that a “Little Ice Age” existed from 1300 to 1850 in Europe and Northern America in which average temperatures and crop production fell (Fagan 2000, Blom 2019). These crop failures in turn supposedly triggered repression by feudal nobility who wanted more from their serfs in order to make up for lost production and triggered an increase in overseas trade as a way to make up for lost food production. These have already been mentioned as triggering a demise of feudalism. This ice age time period roughly corresponds to the entire time period considered and data used in this paper, which makes modeling this effect difficult. However, if correct, the presence of a little ice age and corresponding crop failures would explain peasant uprisings in reaction to increasing pressure to produce more food and the impetus to engage in greater amounts of foreign trade/exploration to make up for lost agricultural production. When using data from the website of the National Centers for Environmental Information (NCEI) of the US National Oceanic and Atmospheric Administration that gives estimates for the European mean and spatial summer temperature reconstruction from Roman times until 2002 on an annual basis (Luterbacher, Werner, Smerdon, Fernández-Donado, et al 2016) a modest and statistically significant correlation is found between the temperature means and an agricultural output index given in the BEG book (r = +0.4) from 1270 to 1700. If the ending time is made 1870 rather than 1700, however, the Pearson correlation value is only +0.03 and is not statistically significant. However, by the 1700s many agricultural innovations had come about to offset some of the damaging effects of chilling weather. [↑](#footnote-ref-13)
14. This is capital income adjusted by Clark’s GDP deflator. [↑](#footnote-ref-14)