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Transformation of European States: From Feudal to Modern

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Abstract

In this paper I discuss the morphological evolution of the European states. In Europe, processes of evolution toward modern states began in the late middle ages and continued throughout the modern times. Different nations may have had different experiences in their processes but they all took the same direction and went through similar stages of evolution, which displayed a distinct characteristic of order. Thus we see the four steps in the evolution: feudalism, absolute monarchy, aristocratic dominance, and the “popular” formula. To me the orderly proceeding is a phenomenon of high importance claiming for serious studies. By looking back to the history of European countries I try to explain the phenomenon and discuss the mechanism in it.

Formation of modern states in Europe demonstrates a conspicuous feature of stage-by-stage development during the transition from feudalism to capitalism. This stage-by-stage development is striking not only in that the political form of every stage represents the need of the then society but also in that almost every state in Europe has experienced the same stage-by-stage development, moving from one stage to the next according to a certain sequence. Despite the different pace and different modes in different countries, the sequence of the stages is almost the same. This propels us to wonder whether there is inevitable logic in this phenomenon. If so, what can we draw from it? The present paper is an attempt to dig into this phenomenon and make some interpretations of its possible implications.

Feudal System

John Roberts, former editor of *The English Historical Review*, once remarked: “Two basic ideas underlie the political structure of the modern world. One is that its land surface should be divided into areas unified under independent authorities with the last word about what goes on inside their well-defined boundaries. The other is that such areas should be lived in when possible by people possessing a sense of community which constitutes nationhood or nationality.”¹ Here mentioned were the two most important factors of modern state, i.e., state sovereignty and national integration. Only when it possessed these two factors could a political entity be viewed as a state in the modern sense. A realm in medieval Europe, however, possessed neither sovereignty nor integration. Medieval Europe was a vast community consisting of not “nations” but “territories” which were loosely connected by the cultural and ideological ties of Christianity. Because of the practice of feoffment, every feudal lord, big or small, treated his fief as private property and exerted on it almost full power of jurisdiction and administration. This circumstance resulted in two consequences. First, a “realm” meant a geographical land, that is to say, it referred only to a specific region and did not mean a “state”. For example, England referred to the region named England, and the France the region named France. There was no overlapping between territory and sovereignty. Therefore, the notion of “state sovereignty” did not exist. In fact, there were many manors within any land, with each manor being a

quasi-independent political unit. A realm may have a monarch as its nominal super-authority (overlord), yet even in this case, he treated the realm as nothing more than his private estate, which was divided into pieces and granted as fiefs. As custom, the monarch usually handed down fiefs to his vassals with all power on it. In this view he was the peer of his vassals with the exception that from him the very process of feoffment was started. As a result, the foremost prominent feature of a medieval realm was the lack of power centralization and the mechanism of central power—in case “capital”, the seat for a central government, was nowhere. As territory and power were indefinitely dispersed in the process of infeudation and subinfeudation, no land in the hierarchical structure were strong enough to form a stable eco-political entity. Political power in medieval Europe was established on the basis of homage and fealty. Allegiance to a “state” was unknown at the time.

As society remained loose, the notion of “nation” was very obscure. This led to the second consequence, i.e., a lack of direct linkage between the right to rule and the national identity. In other words, anyone could be granted a fief theoretically according to the practice of feoffment. This “anyone” could be a member of any national identity, once enfeoffed, he went to the position to share part of the power of the realm. For instance, in medieval Europe, the king of England for one time possessed two thirds of the French territory, which meant that although he was nominally a vassal of the French king, the king of England actually enjoyed two thirds of political power in France, which he distributed in turn among his own vassals. These vassals could be English nobles who followed their king to France or French nobles who swore allegiance to the king of England. So the intersected distribution of power depended not upon national identity but upon fief granting and the corresponding oaths of homage and fealty. Similar cases could be found everywhere in feudal Europe. The Habsburg family of Austria for a long time not only ruled Austria and several small Italian duchies and marquisates but also succeeded to the thrones of Bohemia (Czech) and Hungary. The Electors of Brandenburg acquired part of the Polish territory, became a vassal of Poland, and thus had a share of power in the Kingdom of Poland. To conclude, the Europeans in the Middle Ages cared more about the lord to whom they belonged and the territory where they dwelled than about whether their lord was a member of their own “nation”. It was a time when neither lords nor vassals were identified by nationalities.

The severity of power split in medieval Europe could not be fully comprehended if the temporal power of the Roman Catholic Church in Western Europe was not taken into consideration. The church as an international organization exerted two types of power, the first being the power to levy a tax of one-tenth of the output of all Catholic countries (tithes), the second being the power to exert judicial discretion on things and persons (clergy as a group included) concerning the church. So, the church was not only an international religious organization, but also an international power structure. For a long time the church had even proclaimed its authority supreme.

The whole political history of medieval Europe is summed up in the division of powers between the king and the church, and between the nobility and the monarchy, both of which plunged Europe into a state of division and disintegration for nearly one thousand years when there was no power centralization but power disintegration, thus making impossible economic development and even the impulse of economic development which called for the protection of centralized power. Compared with other civilizations around the world, Europe was comparatively less developed. One of the major reasons was that power was too dispersed in Europe. Germany provided the characteristic sample of feudal division. After about a hundred years prosperity since foundation, the “Holy Roman Empire of the German Nation” dissolved into a loose federation of principalities, where the aristocracy enjoyed almost total authority over territories, exercising power of coining money, enacting laws, executing government, and even declaring wars against each other. Germany was thus plunged into the abyss of suffering and became a politically dark and economically weak region that the European powers finally turned into a cockpit. As a result, Germany lagged behind in its modern developments, always obsessed by the aftereffects of its disintegration from the Middle Ages. This is a grave lesson people can draw from the history. Even in medieval England where power was comparatively centralized, the rivalry between the king and the nobles never ceased. During the two hundred years from the 13th century to the 15th century, England was bogged down in endless wars, wars of internal strife or for obtaining foreign territories.

To sum up, social progress and economic development were hampered to a great extent by the feudal power structure which split the whole society into fragments and failed to act as an integrating force to propel social development. The demand for development calls for a centralization of power. Samuel Huntington once remarked: Rationalization of authority and centralization of power were prerequisites not only of unification but also of social evolution. Centralization of power was demanded to eradicate feudal prerogatives and bondages, and to provide

ground for the rise of new social blocs and for the development of new economic activities.ⁱⁱ The conclusion drawn here is that centralization of power is a prerequisite to social progress.

From Feudalism to Absolutism

In an earlier book I used to write: “A modern country must be unified, because if not unified, it is not possible to mobilize the manpower and material resources of the country to form a unified strength.... In Europe, unification means eradicating feudalism, ending the dominant role of nobility, restricting their influence, and most important of all, depriving them of their ruling power over their own fief. In one word, the political power must be centralized and put into the hands of central government.”ⁱⁱⁱ Therefore, one of the prerequisites of unification is the centralization of power in the name of “nation”. In late Middle Ages the only force that could perform the task of unification was monarchy, the figurehead of the realm.

Though nominal, monarch was at the pinnacle of a pyramid that shaped the feudal hierarchy. This gave him the potential advantage to forge a nation and execute the function of a “state”. Naturally, it was of utmost benefit for him to place the whole domain under his real control. For this reason he would try his best to extinguish any force which might threaten his power. His trimming effort, as it happened, helped to push forward the process of unification. As monarch’s personal interest overlapped with the interest of the nation at this stage, unification was achieved by an alliance between the crown and the nation with monarch swinging the leadership of the movement. Centralization made king’s power absolute while absolute power is a necessity to repress separatist forces. The transition from estate monarchy to absolute monarchy was the first of the progressive stages when a country evolved into its modern transition in Europe.

Monarch spared no efforts to exploit his advantage of being the representative of the land. At a time when national consciousness sprouted it is easy for him to claim that what he did was for the sake of the nation. For example, he could declare that his wrestling with another king was a national fighting against another nation. On the other hand at the time when “nation” was only started to grow it had no choice but to seek protection from monarchy. Thus gradually, the obligation of an overlord to protect his vassals evolved into a king’s responsibility to protect his subjects—the “nation”. In this way the monarchy became absolute.

Absolute monarchy first emerged in the Iberian Peninsular in late 15th century, with Spain as its quintessence. During the reign of Ferdinand and Isabella, “the medieval administration was transformed by a long and gradual process into that of a Renaissance state”, and “the central principle around which all the reforms revolved was the concentration of power in the Crown.”^{iv} Centralization started in England and France almost at the same time, that led Francis Bacon make his famous remark that Henry VII of England, Louis XI of France and Ferdinand II of Spain as “three wises” of modern states. After that, more or less, Austria, Sweden, Denmark, Russia &c began centralized and the tendency of absolutism extended to such territories as Low Land countries, the Sicily and parts of the central and south Europe from 16—18th centuries. As a result, absolute monarchy took over Europe as the main power structure.

As absolute monarchy spread its dominance those that had ended internal disintegration became great powers. Spain and Portugal were the first among those and were the “superpowers” of the time. They partitioned the world into spheres of influence. Later on Britain and France did the same, with one controlling the sea and the other dominating the continent. Other countries such as Austria, Sweden, Denmark and Russia flaunted their superiority one after another, with each holding sway over a region. For instance, the ruling family of Habsburg almost took dominance over half of Western Europe from Maximilian I to Charles V. Even as late as in the 17th century the Habsburg Monarchy was still the only power in Central Europe because of its centralized power structure.

Burgess was important in centralization of power since they overlapped their interests with that of the monarchy. Medieval cities in Western Europe were alien forces to the feudal society. Cities not only provided a unique economic system, but also possessed a unique political structure.

They were out of the enfeoffment system while market economy protected by self-rule civic government called for strong political power. Thus, in his way to centralization the king acted in alliance with cities to fight against the aristocracy. The above-mentioned “three wises” each and all drew help from cities in overwhelming their opponents. For example, by winning the support of the cities Ferdinand of Spain successfully thwarted the resistance of the feudal lords. Karl Marx wrote: “The centralized state power... originates from the days of absolute monarchy, serving nascent middle class society as a mighty weapon in its struggle against feudalism.”^v Yet, though

overlapping, the monarch's interests differed significantly from that of the burghers, which brewed conflicts and struggles within the absolute monarchy.

Ironically, when monarchy justified its claim on the basis of ending war chaos it seemed that it itself was produced and strengthened by wars. The Spanish monarchy came into being in wars to expel the Moors. The English monarchy was born on the ruins of the War of the Roses. The French monarchy was consolidated by numerous wars, each of which tended to strengthen its absolute power. The logic of history seems to be: The more arduous it is in gaining an absolute rule, the more solid an absolute rule tends to be. France provides the best case in point. France was once reduced to the brink of subjugation and faced a national crisis during the Hundred Years' War, yet the French monarchy finally won the fight and consequently obtained unprecedented authority, placing for the first time in history the whole country under its dominance. From then on, the monarchy had been repeatedly challenged by great noblemen who launched one war after another to oppose the Crown, yet each of the wars ended with the strengthening of the monarchy more powerful than before. In the 18th century the French monarchy was the model of absolutism. It may be safely concluded that the more violent the separatist wars were launched, the harder a mission the unification movement had to meet; in turn, it was more necessary to call for an absolute power.

England was lucky because, as the result of the War of the Roses, the old styled military nobility disappeared thus made way for a new monarchy that was absolute. Since absolutism was a relatively easy achievement, it stayed on its basic level, with a minimum power of centralization. Richard Hooker, the famous Tudor jurist, once made a fine expatiation on absolutism, avowing that the royal power was absolute and the duty of subjects was to obey, but at the same time he made it plain that the absolute power was limited and must be refrained from unrestricted expansion. Therefore the absolute monarchy in England left an opening for the survival of "the natural rights from time immemorial".^{vi} From this we can see why England under the absolute monarchy still admitted local autonomy and did not keep a standing army.

France was not so lucky because the nobility was too strong for the monarchy to be restrained. French monarchy turned out to be the most powerful as was in the reign of Louis XIV. It was impossible for a weak crown to realize and stabilize the national unification. So the spokesmen of the French absolutism would not remind their monarchs, as Hooker did mildly, of moderate exercise of power. Surely we know its motto was *l'état c'est moi*.

In Germany tendency of disintegration remained preponderant and centralization was postponed for too long. Relating to the 16th century France Frederick Engels thus remarked: "While in England, as well as in France, the rise of commerce and industry had brought about a linking of interests over the entire country, the political centralization of Germany had succeeded only in the grouping of interests according to provinces and around purely local centres."^{vii} This resulted in a split Germany, which, after experiencing numerous hardships, emerged as a unified state not until the second half of the 19th century. But when an authoritarian Germany (which was out of date) was forged by "blood and iron" other western countries had advanced far ahead in the course of modern political developments. Germany lagged behind for every step, and every step had to pay debts for previous lagging behind.

In Europe, sooner or later, all countries had to be unified before they cross the threshold of modern states and absolutism was the pushing force of the progress. Therefore, absolute monarchy marks the starting point of modern states. If a country fails to replace the feudal system of political structure it cannot enter the modern world, which means a total failure in the first step toward modernization. Poland is a typical case in point. During the Middle Ages, Poland prospered for a time and even became a major power in Eastern Europe after its annexation of Lithuania in 1569. But the separatist nobles became more and more powerful at the same time when the royal power increased. In trying to strengthen its rule the Crown relied heavily on small nobles, ceding to them so many privileges that it could not control them in the end. The small nobles cared nothing but the interests of their small territories, and never bothered to appreciate the interest of the country. What they cared most was how to check the royal power and protect their privileges. From 1572 onward kings of Poland were elected by a nobility council and in 1652 nobles gained *liberum veto* (which made it possible for any member of the Sejm to prevent the passage of a law). As a result the Crown was not able to unite the nation and the natural link of unification was snapped. In Poland there was no absolute government while in Poland there formed no nation-state. In the time when in Europe nation-states competed fiercely, Poland could not keep a safe foothold but became a prey of other powers and was finally partitioned by the end of the 18th century.

There were other parts of Europe that failed to evolve into nation-states, and consequently failed to catch up with the tide of history. As consequence they were annexed by their neighbouring powers. Their failure was due largely

to their inability to achieve the centralization of power to mobilize the national strength and guarantee their national survival. The price was dear: loss of national independence, and enslavement by aliens for decades or even hundreds of years. This was the case in many areas of southeast Europe, which fell into the hands of Habsburg Monarchy, the Ottoman Empire and czarist Russia. Germany and Italy, when succeeded in unifying their nations, narrowly escaped this fate and managed to rank among the world's strong powers. However, late as it was, power transformation of the two countries produced great aftereffects which sowed the seeds of their abnormal experiences since.

From Monarchy to Oligarchy

The historical merits of absolutism were the end of disintegration and the start of a new political formula called "nation-state" though when these being done coercive forces were used. In other words, it coerced (though unconsciously) the nation into modern evolution and did this in the name of *raison d'état*.

Politically, *raison d'état* meant that the absolute government was the crowning authority, which admitted of no challenge. What absolutism cared most was to maintain order and regard order as the paramount principle of the state. So the royal power was regarded as absolute, and the monarch was equated with the state, which could be best displayed in the person of Louis XIV. Whether the monarch was wise or stupid his decision, right or wrong, had to be obeyed by the whole nation. That is to say, there was only one center in the country, and any attempt to deviate from the center was regarded as treason. This was a willy-nilly choice of the nascent nation which had just dragged itself out of the chaos of feudal disintegration and was badly in need of consolidation. As a Venetian observer of early Tudor England put it, "During the last twenty years, three princes of the blood, four Dukes, forty Earls, and more than three hundred other persons have died by violent death." Therefore, the English had no intention to go back to chaos of war and were enthusiastic in standing by the recently established new monarchy. "Take away order from things," said Sir Thomas Elliot in his *Booke Named the Governour*, "what then should remain?" The amazing fact that the book went through ten editions between 1531 and 1600 showed how the English responded sympathetically to its author.^{viii} With popular support, governments found it fully justified to take all measures to maintain order, including building of army and police, policies of atrocious repression and a strong hand overwhelming the whole nation. These measures usually worked and even won wide support, the reason here was that the nation during this period still had a fresh memory of the sufferings inflicted by chaos so it had a strong crave for stability and a wish to avoid new nightmare.

Economically, the greatest achievement absolutism could make was to promote a unified market and to direct national economy in the principle of *raison d'état*, which resulted in state directed policy of mercantilism. Commerce was in the interest of the government, trade thus became the most precious treasure of the state. The French historian Daniel Halevy was typical in remarking that it was the mercantilists who invented the nation and not in the contrary.^{ix} The basic principle of mercantilism was that the wealth of a nation depended primarily on the possession of precious metals. Jean Baptiste Colbert, Louis XIV's chief minister of finance, used to say that the prosperity and magnitude of a nation is definitely measured by the amount of silver it possesses, and the Spanish mercantilist Don Elando Calino once said to Philip III: Everything moved around silver, upon silver his Majesty's strength relied.^x

In order to obtain and retain gold and silver, the state must spare no efforts to expand exports and reduce imports, accumulated metals from trade balance and stored them in treasury. Production thus must be promoted to meet domestic demands on one hand to prevent loss of gold and silver and to provide enough outputs for export on the other hand to secure inflow of the metals. At the same time, tariff barrier was necessary to protect home commerce; colonies were essential to provide both market and raw materials. State played a prominent role in carrying out mercantilist policies, without the support of the state their implementation was impossible. With mercantilism propelled by the absolute governments, England and France (and Spain in one sense) accomplished their primitive accumulation of capital. Therefore, absolutism in its early stage was used to help promoting capitalism.

However, the notion of *raison d'état* also implied an overlapping of monarchy and state, with the monarchy equating itself with the state and treating the state as its possession just as father to his family. The state was thus placed in the hands of one person. Louis XIV's motto *l'état c'est moi* was, with no exception, the portraiture of all absolute monarchs. King Fredrick William I of Prussia even asserted that the king was the only man who knew what was best for his subjects. "The King was justified in using extreme methods to achieve his goals," he said. Later, when the "divine right" of the crown went out of date and was replaced by "enlightened absolutism", the idea *l'état*

c'est moi was still inveterate. Joseph II of Austria, the most “enlightened” of all enlightened monarchs in Europe, regarded absolute power as fundamental to his rule and never wavered a bit over it.^{xi}

Centralization of power demanded the arrangement of equating the crown with the state, with executive, legislative and judiciary powers all put into the hands of the monarchy that became the personified representative of the state. Starting from the reign of Ferdinand and Isabella Spain formulated a governmental system of royal councils responsible only to the crown and established the Inquisition as a nationwide judiciary institution. Philip II of Spain concentrated every bit of power into his own hands and was meticulous over detail, attending to every single state affair, no matter big or small. When he could not preside in person he would superintend his ministers.^{xii} The English Parliament passed in 1533 the *Act in Restraint of Appeals*, proclaiming that the king had “plenary, whole, and entire power”, and that the “body politic, compact of all sorts and degrees of people, divided in terms, and by names of spirituality and temporality” ought to “bear a natural and humble obedience” unto the king. The French Kings proclaimed to “act as the ministers of God and as His lieutenants on earth.”^{xiii} Louis XIV not only worked hard at his “business of being king”, but also served as his own prime minister. Prussian kings, Austrian emperors and the Russian Czars were all omnipresent rulers without exception. King Frederick II, the overwhelmingly praised “enlightened” prince of Prussia, though moderately claiming himself to be “not the absolute master, but only the first servant of the state”, forbade any initiatives from his officials, demanding them “to carry out my orders, not to interfere.”^{xiv} Under these circumstances it was too easy for the monarchy to be sanctified and all monarchs were indeed decorated as perfect. For example, a Spanish proverb went like this: “The King to his subjects, the rain to the land.” Louis XIV was acclaimed as “the Sun King”, which implied that everything on earth could not live without the sun. However, the propaganda of the irrational “divine right” was apparently absurd in the age of enlightenment. For this reason the “enlightened monarch” was varnished as “philosopher king” as if he was the embodiment of philosophy and reason.

Referring to the rule by one man, the Prussian reformist politician Baron Stein once observed: “As long as a great man was at the head of the state, guiding it with spirit, strength and uniformity, the system produced good and brilliant results which hid from view much that was patched up and unfinished.”^{xv} Absolutism was such a regime: When the ruling monarch was energetic, deliberate and far-sighted, he could decorate his state splendidly as if there were no flaws, then he would claim that he was the state and that it was due to his rule that the state prospered. But crisis lay low on the base. The success of absolutism depended entirely on the existence of a “great man” who happened to be there. He must be exceptionally wise, totally immune to error and unconditionally take the interest of the nation as his own. But it was almost impossible for a person to be this. A monarch tended to lead the state astray since to err was human; he could not completely overlap his private interest with that of the nation even if he was the greatest statesman ever since—nobody was immune to self-interest. More often than not, the monarch would replace the national interest with his private interest, and submit the nation to his power. So the basic paradox of absolute monarchy lay in that sooner or later the royal power would run counter to the interest of the nation and when this happened the confrontation against the monarchy took on a national nature—a denial of the monarch’s assumption that he was the “representative” of the nation. The wisdom of the monarch was entirely rested with the extent to which he matched his own interest with that of the nation. When difference arose, he must try his best to cover it up; when it could not be covered up, he must not let it run wide to the extent of fierce confrontation. In Baron Stein’s words, the government must “hide from view much that was patched up and unfinished.” When Stein was in office, Prussia was in crisis. He managed a limited reform and achieved limited achievements. There were similar “patching up” efforts in other absolute states. The results were also similar: a limited reform with a limited success which could not provide a final solution to the problem.

In fact, absolutism had insurmountable internal paradox which could not be resolved by itself. The absolute monarch considered himself to be the representative of the nation, claimed himself to be the state, and hence gripped the power of the state. Yet to what extent did a monarch represent the nation? When he pursued the policy of mercantilism, the monarch wanted no more than to snatch gold and silver to replenish the stocks so as to meet the royal expenditure and to support his unceasing wars. But the nation, disgusted with the extravagance of the court and the whimsical dynastic wars, wanted to check the expenditure of the court and the wars. In order to claw money the monarch would levy new taxes and practice monopoly, otherwise precious metals collected from other countries would not flow into the purse of the monarch. As a result, the state treasury was not national but royal. The wealth accumulated in the name of the state did not belong to the nation but was appropriated by the ruling dynasty. The nation, after having been shaped into a state, was not willing to see this happen forever.

In order to guarantee effective rule, the monarch also had to build a bureaucratic apparatus which turned out to be another malignant parasite exploiting the nation. Bureaucratic apparatus such as the Spanish Royal Councils, the French “Intendants of the Judiciary, the Police and the Treasury”, the Prussian “General Superior Directory for Finance, War, and Domains”, and the Austrian “Supervising Department of Public and Royal Affairs” were organs of power responsible only to the monarch, which easily developed a tendency to deceive their superiors and delude their subordinates, and a tendency of embezzlement and corruption. Embezzlement of public funds and negligence of duty had always been common, and therefore invited popular resentment. The monarch knew perfectly well that these circumstances would do harm to the state and to himself, yet he had to rely on these bureaucrats to exercise his rule and hence turned a blind eye to them. The French absolute government, when plunged into grave financial crises, attempted more than once to rectify the working style of the officials and to eradicate embezzlement, but always came out at the small end of the horn and smothered up. In 1661 Louis XIV set up a court to try those corrupting officials, and had only to drop it eight years later for no other reason than that it aroused too much panic among the officials.

In addition, it was not always the “great man” who steered the course of absolutism. On the contrary, under absolute rule, nonentities were raised to the pinnacle of power, who, together with their ignorance, set their own tastes as the standard and led the state astray. The Austrian emperor Ferdinand I thought that the carriages on the post road were always not loaded to capacity, therefore there was no need to build a railroad—a typical example of how a state was dragged by the ignorance of its ruler. Even if the state was in the hand of a “great man”, there was nothing that could guarantee his always staying on the sound track since he could be easily blinded by his unrestrained power. King Louis XIV was outstanding among absolute monarchs, yet he was over-ambitious and became unrealistic in his later years when he acted willfully and dragged France into endless wars, thus draining the country to the brink of bankruptcy.

Finally, let us consider absolutism in the light of the development of capitalism. Capitalism was such an economic system that prospered on endless expansions. When it developed to a certain stage, capitalism had an intrinsic desire to cross the national boundary and establish an international market. Absolute monarchy was not guarantee for these expansions but tended to control them to meet its own interest. Within the national boundary it always set restrictions on economic activities, favored those sectors beneficial only to the royal family, granted monopoly to favorers, controlled the prices of commodities or set back technological innovations and so on while without the boundary it is not unusual for the monarchy to bargain national interest for dynastic exchange. True that it once tallied with national interest, it now became a barrier to further development of capitalism and must be removed. Fernand Braudel, the famous French historian, once remarked on the relationship between absolute state and capitalism: It was true that the state used to help capitalism, but it was also true that the state could pose as a barrier to the development of capitalism and capitalism in return would do damage to the interest of the state.^{xvi}

Therefore, as soon as it survived its nascent stage, capitalism found itself in acute confrontation with absolutism and could no longer endure the chains of absolute rule. To put it in another way, after sharing the honeymoon with the nation, the absolute state then began to hamper the growth of economy and became a stumbling block to the progress of the nation.

When this happened, European countries found it their major task to break away from the bondage of absolutism. Those that took the lead in walking this step would run the tide and got prepared for modern economic takeoff while those that were slow would suffer a lot of setbacks and those that failed to accomplish this transformation would lag behind the trend and encounter a series of problems.

To be specific, England accomplished this transformation in the 17th century and became the first to overthrow absolute rule. Therefore it mounted on the right track of rapid economic growth in the 18th century. France followed the suit. But absolutism in France was too strong, only to be overcome with greater efforts. In doing so France also had to face the challenges of industrialization posed by England. Lowland countries and the Scandinavian countries experienced a relatively smooth transformation but Spain and Portugal, the two countries which had first established absolute rule, dropped out in this trend and declined rapidly. These two countries were so cast down that they fell behind the ranks up to the 20th century, only to show signs of recovery after the Second World War. Austria was once the strongest among the German states, yet it declined rapidly just because of its failure to cross the threshold of the transformation. Absolute power was also strong in Prussia, but the Junkers, the landed gentry in Prussia, tolerated the absolute power but on the other hand rose to the occasion to lead modernization by not only unifying Germany but also leading Germany on to the road of militarism in its industrialization.

As conclusion, all changes in the transformation led to one result, that is, a shift from monarchical absolutism to aristocratic oligarchy.

From Notables Rule to Popular Rule

Absolutism was usually overcome and replaced by aristocratic government known as oligarchy. Under absolute monarchy power was controlled in the hands of one man; under oligarchic government a small group of people manipulated state power and wielded them by a mutual compliance with certain rules of game. These people checked each other to balance the power; therefore there was no power center of one man. Reasons for this power mechanism might be sought in the following three aspects: first, aristocratic oligarchy and absolutism were both in essence a structure of power upward directed. When absolutism aborted the political inertia kept the direction intact. Second, the economic resources of the country were maintained in the hands of the small group—the nobles, who possessed the economic lifeline that is land. Third, the nobles had the advantage of access to power center under absolute rule. They were the coadjutors of the monarch. Once the diffusion of power began to happen, they became the first beneficiaries. Even when the French Revolution had annihilated the nobles, France was still ruled by a group of bigwigs in the subsequent half a century notwithstanding the fact that they were not “nobles”.

England was one of the first few countries which established modern aristocratic rule. The English aristocracy launched the “Glorious Revolution”, overthrew the absolutism of the restoration and established a new political structure with the parliament as the center of power. With this structure, the monarch lost real power which in fact had been transferred into the hands of scores of nobles and a few dignitaries who could manipulate a parliamentary majority. As H. H. Asquith, the British Prime Minister in early 20th century, put it, Britain had “a well established tradition of 200 years, that, in the last resort, the occupant of the Throne accepts and acts upon the advice of his ministers”^{xvii} Dignitaries controlled the government by manipulating Parliament to form a new system called Constitutional Monarchy.

The English system soon became a model imitated by other European countries because it was accompanied by the rapid economic growth. In the first half of the 18th century, Britain had a stable government, which guaranteed a smooth development of economy. With this prerequisite the Industrial Revolution started in Britain in the second half of the century. Britain had inaugurated a new era of industrialization, and its great economic achievements naturally drew the attention of many other European countries. Many people attributed Britain’s economic success to its system, by which the French Philosophers were particularly attracted. For example, Voltaire’s *Letters on the English* (also known as *The Philosophical Letters*) was written based on his experiences in exile in England. Montesquieu, when conceiving his idealistic monarchy, drew the blueprint from the English one. Locke’s doctrine of “unalienable natural rights” had a great impact not only on France but also on Europe and the whole world. Because of the example of Britain, many European countries strove with unswerving vigor to overcome absolutism and establish constitutional government. France, after going through the test of the French Revolution, finally established a kind of constitutional government by the “July Revolution”, whose success inspired people of other countries with unbounded confidence. From then on to the end of the 19th century and the beginning of the 20th century, struggle for constitutional government became an inevitable trend which swept the world like a storm from the west to the east.

In fact, oligarchy did not necessarily take the form of constitutional monarchy. There were other forms such as the Dutch Republic of the United Provinces which was established after the overthrow of the Spanish rule, and the French Third Republic (the so-called “Republic of the Dukes”). Therefore, it was the common experience in European countries that the overcome of absolute monarchy usually led to an oligarchic rule.

It was during the period of oligarchic rule that modern industry prospered and economic takeoff happened. This is a phenomenon that calls for special attention. The phenomenon is a fact although cannot so far be explained by theory. The Industrial Revolution started in England during the “supremacy of the aristocracy” (in the 18th century) and in France after the “July Revolution”. Even in Prussia, there was no rapid development of industry until (though to a great extent a masquerade of) “constitutional government” had been established. The case was similar in countries in the Lowlands and in Northern Europe, where industrialization started earlier. Conversely, in countries like Spain and Austria which failed to overcome absolutism, industrialization was not launched smoothly.

Industrialization brought about great social changes, the most important of which was the formation of two totally new social classes, namely the industrial middle class and the industrial working class. These two classes

were brought up by the industrial mode of production and controlled the economic lifeline of the industrialized countries. With the formation the old balance within society was broken and it meant no longer possible for a few people to maintain their monopoly of power. Economic growth achieved under the oligarchic system turned out to be the decisive force to deny it. A new stage of political change therefore set in. At this stage, a popular form of government was demanded so that people, as many as possible, could participate in national political life. What really mattered was not whether this popular participation was of any practical significance, or whether the mass were willing to exercise their right, but that the mass had been granted the opportunity to participate at least in theory. In the process those countries, which took the lead in transformation, were to be the first to achieve social integration (that means: to integrate all social classes into the framework of the constitutional system), while those that suffered setbacks would experience a grave discord between economic and political developments which in turn aggravated social confrontation. In this stage, extension of political participation was the only way to maintain a harmonious society and at last became the conclusion of the transformation of European states. Though the way and pace of change varied in various countries the trend to popular politics proved unavoidable.

In conclusion, transition of European states from feudal to modern state underwent several stages which every country has undergone or is still undergoing. Those that have made the smoothest (and usually the timeliest) turn at each of the stages can smoothly reach the present form of a modern state. Failure to make the turn at any of the stages results in not only grave setbacks in the whole process, but also a long delay to cross the threshold of the next stage. It seems impossible for any state to skip a certain stage; at least there seems to be no proof of this kind. It seems more impossible for any country to evade a certain stage since lag at one stage will reduce the state into a passive position in the subsequent stages. Heavy price tend to be paid to make up what has been missed in the previous stage. Germany provides the most typical case in point. Germany suffered so greatly because of its delay in walking the first step to form into a unified nation that it always walked the subsequent steps in a passive position and finally completed the whole process of transformation in a tough way that seems more tragic than comic.

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