

1 | Acien Régime

The Old France was economy generally rural + dominated by subsistence farming.

1.1 | Societal Structure

Strict grid of social hierarchy resulted due to birthright => Great Chain of Being

Great Chain of Being The entire "world" was, according to GCB, organized structurally with god at the top, rocks at the bottom.

In the human world, King on the top — God's divine representative ("L'état c'est moi" — the state is me), then the clergy, then aristocracy, and finally commoners.

In practice, this makes a...

1.2 | Estates: "Caste" System

French societies organized into three castes — "estates". Old France very Roman Catholic with the Church owning a large amount of resources => almost 10% w/ the monarchs crowded in cathedrals.

- **First Estate** => clergy; enjoyed high status
- **Second Estate** => aristocracy; provided military and monetary support
 - *Les Grands*: largest landholders w/ large houses
 - *Seigneurs*: provincial nobles who simply owned estates in the countryside
- **Third Estate** => 97% of the population
 - Production!
 - Reproduction!
 - Work!
 - Relatively prosperous, but <40% owned land
 - Most rented land from lords as tenant farmers/sharecroppers

1.3 | Infrastructure Disorganization

- No national currency, nor system of weights and measures, nor a market
- Network of highways existed, but not very efficient

1.4 | Merchantilist Economy

- Economic policy guided by **merchantilist theory**
 - Notion that precious metals holdings is the ultimate goal
 - Encouraged development of manufacturing to provide for global market
 - Development of the new *bourgeoisie* class — small merchants and shopkeepers

1.5 | **Need of Reform**

The established merchantilist theory came under challenge by newer philosophies like the free market theory.

- **Adam Smith's** free market economy/bourseiosie challenged mercantilistic economy