New farming methods started a series of changes in medieval Europe. By the 800s, farmers were using iron plows instead of wooden ones, and horses rather than slower oxen. Also, a new crop rotation system improved soil fertility. These changes helped farmers produce more food, and Europe’s population nearly tripled between 1000 and 1300.

In the 1100s, trade improved, too, as warfare declined. Demand for goods increased and trade routes expanded. Trade centers arose along the routes and slowly grew into the first medieval cities. Merchants in such towns would ask the local lord or king for a charter. This was a document establishing rights and privileges for the town in exchange for a large sum of money, a yearly fee, or both.

As trade expanded, new business practices arose. The need for capital, or money for investment, stimulated the growth of banks. In addition, merchants sometimes joined together in partnerships, pooling their money to finance large-scale ventures. Other business changes included development of insurance and use of credit rather than cash, allowing merchants to travel without having to carry gold. Overall, however, the use of money increased. Peasants began selling their goods to townspeople for cash. Also, by 1300, most peasants were hired laborers or tenant farmers, paying rent for their land.

By 1000, merchants, traders, and artisans had become a powerful social class between nobles and peasants, called the middle class. Members of this class formed guilds, associations which controlled and protected specific trades or businesses. To become a guild member, people often began in early childhood as apprentices. After seven years, an apprentice became a journeyman, or salaried worker. Few became guild masters. Unlike in other areas of medieval life, women dominated some trades and even had their own guilds.

Towns and cities expanded rapidly during medieval times. Typical cities were overcrowded, with narrow streets, multistory houses, and no garbage or sewage systems. They were a fire hazard and breeding ground for disease.

Review Questions
1. What advances in agriculture led to greater food production and increased population?

2. What new business practices arose as trade expanded?