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Chapter 1 : A Short History of American Capitalism: CAPITALISM DOMINANT,

Ronald Aminzade provides an original analysis of how the development of early industrial capitalism transformed the political landscape in mid-nineteenth-century France and gave rise to the revolutionary political upheavals of and

Another motive for the mergers was to create large promotional profits for those persons who initiated and managed the merger. In general, the mergers did not result in improved efficiency in producing any commodities since the mergers were "horizontal", that is, they involved companies producing more or less the same products at more or less the same technical efficiency. Robert Grosse has written that "monopolistic agreements among pig iron producers were unknown until the depression of , and even these were ineffective. These high costs put a premium on the elimination of competition in the industry; monopolistic agreements gained prominence during the s. By they led to creation of the U. Steel did not attempt to create a complete monopoly in the industry. It "set prices at a level that would earn profits for its weaker competitors, but not so high as to antagonize customers. Steel a competitive edge and which it refused to share with any other firm in the industry. Another mechanism was the holding of so-called "Gary dinners" during , which involved steel industry leaders. A participant in the dinners, named after Elbert H. Gary, chairman of the board of directors of the U. Steel Corporation, noted that the guests were summoned in order to discuss problems arising out of the depression of these years. Gary was said to stress that industry policy should be based "on a disposition to help one another, instead of trying to get business at the expense of one another and at prices below actual cost. One historian writes that "the Gary dinners were remarkably successful in preventing price cutting. In the s, notes Josef Steindl, the rate began a very long-term drop which was uninterrupted even as late as the s. Another approach to this same area is to study the rate of output of fixed capital per worker. Referring to the years after the Civil War, Robert Gallman reports that "in the postwar period [until] the rate does not rise above the rate for The rate of increase of fixed capital output was subject to sharp retardation and this is especially evident for the period after By that time, as just noted, the rate of growth of business capital was being checked. Indeed, the advance of monopoly led to that checking process by raising profit margins of the larger firms, expanding excess capacity, and thereby restricting investment. In , by contrast, nearly a hundred industrial corporations had attained that size. In incorporated companies made up only It was particularly through control of the financial system that this class succeeded in establishing its rule. The merger movement consisted not of an assortment of specialists in producing manufactured commodities but of financial experts who commanded either the capital itself or the avenues for gathering the capital. Thorstein Veblen described the essentials of the system: Five firms owned two-thirds of the assets of all life insurance companies: The last three owned fully one-half the assets of all life insurance companies. In less than three percent of these assets were stocks and bonds; by , that figure had risen to nearly 38 percent. Five years later, securities held by New York Life constituted 74 percent of its total assets; of Equitable, 57 percent; and of Mutual, 54 percent. Primarily, those sold i. Such securities were issued by industrial corporations and others which had close relations with the dominant investment banks. According to Douglass North, "it was clearly a one-sided arrangement in which the great bulk of the advantages accrued to the investment banker rather than to the insurance company. This was accomplished by deep company involvement in political and governmental affairs. Formally the department was supposed to regulate insurance companies in the public interest. Actually the department was intimately related to the dominant political machine and responsive to the long-run functional requirements of the major companies. The net effects of the actual policies of the regulatory body were 1 to enable the large companies to easily evade regulations when it was important for them to do so and 2 to insure continuous dominance by the large companies. The Big Three insurance companies ruled their industry in a manner closely reminiscent of that of U. Steel, a Morgan firm. Vast amounts of capital were needed to finance the installation of expensive heavy equipment and buildings to house the rapidly expanding industrialization. In addition, capital was required to develop various natural resources, especially in minerals.

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Accessibility by the new giant firms to adequate capital permitted them to drive their costs of production downward. The highest labor costs were incurred in shops or operations where skilled labor predominated. Whenever possible, machinery was substituted. In addition, craft union work rules were outlawed throughout industry after industry. Nevertheless, as James Livingston notes, "output per industrial worker calculated in dollar amounts declined 5 percent from 1870 to 1880, as earnings per industrial worker increased about 4 percent. This was accomplished during the transition from the production of wrought iron to steel. David Jardini reports that in one firm "by 1880, only 3. The lowest value was applied to jobs requiring less than six months of training unskilled workers, the highest value to jobs needing 60 months of training or more. During 1870-1880, the average skill-level range of wrought-iron workers was 3. During a longer period, 1840-1870, the mean skill-level range of steel workers was 1. Almost three-quarters of the jobs in the steel department were in skill ranges 0 and 1, which represent occupations requiring less than twelve months of training. While the mean skill level of workers in the [iron] plant hovered around 3. Technological change and a drive for greater profit per worker laid the basis for a lengthening of the workday in the steel industry. Very rapidly thereafter, the twelve-hour workday and seven day workweek became norms in the entire industry. Steelworkers in England and France, whose production methods were highly modern, worked fewer hours than their American counterparts. A high official of the U. S. Steel Corporation claimed in 1880 before a Congressional committee that electrification of steel operations had greatly lightened the physical burden of steelmaking and thus presumably made it less laborious. Nine years later, the number had risen to 85, Capitalism advanced in the South, both in industry and agriculture, but without any special technological feature. See the next chapter for a discussion of developments in agriculture. During the 1850s, railroad-building in the South took on a new urgency. In a number of cases, African-Americans were employed in construction as well as operating and service capacities. It was, however, the cotton-textile industry that became the principal industrial engine of capitalist growth. By the 1850s, New England textile mills began to close shop and move to the South. Vital to continuation of that control was command over the labor of the emancipated enslaved workers. To have staffed the textile mills with these workers would have created a competition between farm and cotton mill; wages would surely have risen. Thus, poor whites were employed: They were told the new jobs were exclusively designed for them; blacks were not permitted to work in the mills. In return, the poor whites were expected to remain content with the slenderest of rewards. And textile owners did not need to fear the development of any radical sentiments of class conflict among the grateful workers. Douglas Dowd points to the result: In 1850 the average wage rate for males in North Carolina was 60 percent that of females and 40 percent that of children. By 1860 these figures became 80 percent and 60 percent, respectively, largely as a result of the fall in the average rate for males. Toward the end of the 19th century, politically organized employers were able to deprive both white and black workers of political power in the state, thereby strengthening the rule of capital. By 1850, child-labor laws forbidding work before the age of 12 had been passed throughout the South. Cash notes, however, "Not a single Southern state made any serious provision for enforcement; not one set up more than the shadow of an inspection service. Extensive child labor helped significantly in yielding profit rates ranging from ten to 30 percent in North Carolina textile mills. It originated in science-sensitive industries, that is, industries whose fund of theoretical knowledge was clearly inadequate to make further progress, whose problems were not being solved in universities, and yet whose entire fortunes could be upset by a major technical breakthrough. Such, for example, was the situation in the electric lighting and the telephone industries around 1850. In part, the effort was successful; important technical advances came from these industrial laboratories. Nevertheless, even in the electric lighting field crucial technical advances continued to be purchased or leased from European sources. And many fundamental technical advances came from independent inventors or from gifted enterprisers who lacked genuine laboratories. Corporate interest in research extended beyond technical advance for its own sake: A company often established an industrial research laboratory for market protection as well as for innovation, and as a result the work there was aimed at maintaining corporate market position through broad-ranging patent-gathering activity as well as at achieving particular scientific or technical goals. More than one large firm closed down their laboratory because quick

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profits were not resulting from investments in scientific personnel and equipment. Lloyd in , "science is but a never-ending repertoire of investments stored up by nature for [investment] syndicates. Most professional scientists came from professional or upper-middle-class families. Three-fifths of the scientists listed in the Dictionary of American Biography were sons of professionals, as against one in seventy-five of the general population. Nearly another fifth were sons of entrepreneurs. This came in handy, at the least, when scientists were making their way into economic and political affairs, as they necessarily did. Government employed nearly a third of the leading antebellum scientists. By , twenty-nine of the thirty-three states had sponsored [geological] surveys at one time or another. Twice as many leading scientists worked for the federal government, , as worked for the states. Geologists, declares Bruce, "ran a greater risk than other scientists of contracting the itch to be rich. The market for geological knowledge expanded rapidly and numerous geologists became investors. Many early engineers, who came from social circumstances similar to those of scientists, commonly had "a proprietary interest in the projects in which they were engaged. In he wrote: In truth, America has become a nation of science. There is no industry, from agriculture to architecture, that is not shaped by research and its results.

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Chapter 2 : Unit 1: The Origins of Capitalism | Solidarity Federation

Class, Politics, and Early Industrial Capitalism: a Study of Mid-Nineteenth-Century Toulouse, France. By Ronald Aminzade. By Ronald Aminzade. Albany, State University of New York Press,

BIBLIOGRAPHY The best way to approach the concept of industrial capitalism would seem to be through a definition of capitalism that existed prior to industrialization as well as through a debate that historians of industrialization have been having among themselves for many decades on whether and in what ways the appearance of industry on the historical stage amounted to a revolution. According to the edition of the Oxford English Dictionary, capitalism is a "system which favours the existence of capitalists," and a capitalist is "one who has accumulated capital; one who has capital available for employment in financial or industrial enterprises. Its foundations were in the trading links and routes that had been built up in different parts of the globe, often over thousands of years. With the proliferation of money as a means of exchange, this merchant capitalism became more and more sophisticated in its methods of handling payments for material goods that were increasingly transported over very long distances across Africa, Asia, and Europe and, after the discovery of the Americas, also across the Atlantic. Men like Claude-Henri de Saint-Simon felt that something remarkable was happening in their time in the early nineteenth century and turned their attention to what they perceived as a toiling and laboring industrial society. Subsequently, Karl Marx began to analyze the phenomenon more systematically, viewing it as a distinct stage in the long evolution of human society. To him industrial capitalism based on factory work and wage labor was preceded by feudalism—a system in which the owners of the large landed estates had established their domination over the mass of dependent peasants. According to Marx, this feudal system suffered increasingly from its inner contradictions and the conflicts it had been generating between the exploitative landlords and the exploited peasants. In it the bourgeois industrial entrepreneur had replaced the feudal lord and exploited proletarianized factory workers through wage labor. In the long run these proletarians were destined to challenge industrial capitalism and stage a further revolution that would abolish capitalist exploitation and lead to an egalitarian and democratic communist society characterized by perpetual peace and harmony. In it he viewed the emergence of industrial capitalism as a convulsive phenomenon and a major divide in the history of humankind. Indeed, "by any reckoning," he wrote, "this was probably the most important event in world history, at any rate since the invention of agriculture and the cities" p. Rostow in his *Stages of Economic Growth*. Rostow saw the rise of industrial capitalism as an evolutionary process, perhaps best captured by the image of an airplane sitting at the end of a runway. If, according to Rostow, the socioeconomic and political conditions were right for the plane to start and accelerate down the metaphorical runway, it would reach a takeoff point and once airborne would eventually achieve a steady equilibrium in self-sustained growth and a mass consumption society. His subtitle was quite blunt about this: Both camps were implying, when writing in this Cold War period, that the competition of East and West was also a struggle for the hearts and minds of the still predominantly agricultural societies of the "Third World," of the millions in Asia, Latin America, and Africa who were wavering between the two systems. Marxists argued on the one hand that industrialization could not be achieved without revolutionary upheavals of the kind that Europe had once seen; the Rostowians, on the other, held out the evolutionary solution that they believed had been experienced by the Europeans before the advent of prosperous mass consumer societies in Europe and North America. While the argument over origins and fundamentals was going on, some scholars turned to more specific topics. There was the intriguing question of what had in fact triggered the shift from an agricultural-feudal to a capitalist-industrial society. Here the demographers asserted that it was changes in marriage patterns and birthrates that unleashed a population explosion. This in turn promoted a revolution in agricultural production in which the farming community, instead of merely growing enough food for its own subsistence, expanded the arable land and turned to more intensive agriculture that yielded a surplus for sale to a growing population in the towns and cities. Other

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scholars postulated a reverse chain of events where improvements in agriculture and a proliferating interest to produce for a larger market led to changes in marriage patterns and demographics. If these controversies had subsided by the end of the twentieth century, it was perhaps also from a growing sense that a unique combination of factors had been at work and that it may never be possible to identify one as the *prima causa*. The other controversy that occupied social and economic historians in the early postwar period, and in which Eric Hobsbawm was also engaged, concerned the question of whether standards of living rose or declined as industrial capitalism unfolded in the nineteenth century. The results of this debate are more clear-cut than those about the original trigger of industrialization. In the early twenty-first century it is generally agreed that the immediate impact in the eighteenth and early nineteenth centuries was quite disastrous for millions of Europeans who experienced the shift from agriculture to industry as an enormous upheaval, materially and psychologically. Impoverishment and starvation were widespread in those decades and contributed ultimately to the outbreak of the revolutions of in western and central Europe. However, if the standard-of-living problem is looked at over the longer term, a broadly based improvement of the situation of the mass of the population is discernible until the two world wars of the first half of the twentieth century destroyed most of these gains, and it took until the postwar decades before the upward trend in living standards was resumed. They tended to agree with the liberals that industrial capitalism did not come as a sudden rupture. The transition from agriculture to industry was, they believed, gradual and indeed passed through an intermediate phase that they termed protoindustrialization. At the same time the group disagreed with the Rostowians that, once takeoff had been achieved, industrialization and the reaching of self-sustained growth were unstoppable. The empirical base of the protoindustrial argument was provided by the methodological refinements that demography had meanwhile created. For a long time demographers had been struggling to develop at least some broad national data on population change in Europe in the early modern period. Along came Franklin Mendels and others in the 1950s, who began to evaluate local church records and birth registers in an effort to obtain more specific information on population size in certain localities. Focusing on Flanders in what is now southern Belgium and on northern France, Mendels found concentrations of families who were landless and, according to earlier theories, should have moved to the urban centers in search of jobs in the factory system. The raw materials and tools—“as the “protoindustrializers” also discovered—were provided by merchant capitalists in the nearby towns who, motivated by the prospect of profit, were in search of cheap labor to escape the restrictions of the craft guilds in the towns and cities. They were also linked to a system of trade that enabled them to channel the finished products into transregional markets. In this way a so-called putting-out system was forged, by which the landless cottagers collected the raw materials from the merchant capitalist and turned them into cloth and other textiles, which they returned to the putters-out for a cash payment to cover their daily subsistence. As research into the protoindustrialization phenomenon grew, other predominantly agricultural regions with similar employment structures were discovered. The northwest of England was one of the first regions of this type, where the factory system with its textile mills unfolded but slowly. Another proto-industrial region that attracted a good deal of attention was along the Belgian border with the German Rhineland south of Aachen and to the north around Krefeld. Putting-out networks that often comprised thousands of households also emerged in northern Italy and in Sweden. All these results of painstaking demographic research explain why these historians challenged not only the Marxists with their revolutionary perspective on the process of capitalist industrialization but also the Rostowians and their takeoff theory. For some of the regions that had once sustained flourishing putting-out networks lapsed back into a rural state, and factory systems arose elsewhere. In other words, protoindustries were always in a precarious balance, as was most strikingly demonstrated by the work of the British industrial archaeologist Robin Chaplin on Tern Hall in Shropshire, England. Going through the records of a legal dispute, Chaplin found that the estate had once housed one of the largest iron forges in Europe at the bottom of a hill on which the mansion had been built. Today no traces can be seen of this development. It is covered up by grass, shrubs, and trees. It is also agreed that protoindustries run by merchant capitalists were not simply displaced by the

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advent of the factory system. Rather there was a period of overlap, even if the cottage industries proved less efficient in the long run and disappeared. The reasons for this decline are not too difficult to discern. It was forever laborious, especially in the winter, to get the raw materials to the cottages and to return the finished products to the town. The decentralization of the system also hampered supervision and control. Here the factory that united all workers under one roof offered the entrepreneur considerable advantages. The surviving factory codes show how discipline was imposed and workers were held to a strict routine with fixed work hours, breaks, and penalties for "loafing," tardiness, and other infractions of the codes. Protoindustrial research also stimulated work on daily life within the cottages, on gender relations and child rearing within the families. This in turn influenced work that had begun earlier relating to the role of women in the emergent factory system, changing work patterns, and the structures of the industrial working-class family. The principle of competition in the marketplace meant that many who had owned a small workshop went under or barely survived on the margins of the new factory system, while others were more successful, founding further factories, developing new product lines, and coming into wealth. Growth also confronted the successful enterprises with fresh problems. It became more and more difficult for the owners to maintain an oversight over all parts of the operation from the acquisition of raw materials and the processes of manufacturing to sales and marketing and the keeping of the accounts. With the expansion of the workforce came the need for supervisors on the shop floor and for experts and managers securing production and a steady flow of orders, for shrewd accountants and circumspect dispatchers. Expansion also required additional capital. Initially, many entrepreneurs relied on members of their family to provide capital. But with the growth of the banking system financial institutions also became involved in giving loans on a short-term and increasingly on a more long-term basis. Finally, there was the development of the joint-stock company designed to attract investors interested in buying shares that carried higher returns than could be achieved through a savings account. In tandem with financial institutions and manufacturing, industry workers also became more organized. In the ironworks of Friedrich Krupp in the industrial Ruhr region had some workers; by there were 77, Werner Siemens had been in charge of a small workshop producing railroad signals and other electrical equipment, where he himself worked as an inventor and innovator. By the firm had 44, blue-collar workers and some 12, engineers and other white-collar employees, and once quite personal relationships had inevitably become more distant and anonymous. Research and development had vastly expanded. The polytechnical schools and science departments of universities had been drawn into the training of specialists. By the late nineteenth century technological innovation and the applied sciences had tangibly changed industrial capitalism. While the older branches of manufacturing textiles, iron and steel making, coal mining continued, the new and much more dynamic branches of electrical engineering, chemicals, and machine building had initiated a second phase in the industrialization process. These branches created much of the prosperity that Europe witnessed before and that was disrupted by two world wars before it resumed after, until it was, from the s, challenged by another shift into computers and the Internet. However, it would be mistaken to see technology as the sole or even as the main driving force behind the transformations that industrial capitalism underwent from the late nineteenth century. Rather, technological change is inseparable from changes in the organization of capitalism. Whether technology is developed indigenously or imported from abroad, it is never adopted and adapted locally as such. What comes with it are ideas and processes of work that are compatible with the new machinery. During most of the nineteenth century, manufacturing practices tended to evolve from preexisting regional traditions of workshop organization or were adapted from those developed in Britain, "the first industrial nation" as Peter Mathias called it, in his book of that title and political hegemon of the age. Continental European businessmen traveled across the Channel to inspect the factories of the English Midlands and north, just as the American Samuel Slater did before he rebuilt the textile machinery he had seen there at his mill in Pawtucket, Rhode Island. Other entrepreneurs in the German Rhineland and elsewhere hired British engineers to help them with the organization of their shop floors. The rise of electrical engineering, machine building, and chemicals by the late nineteenth century triggered further shifts in

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production methods and work organization. The need was now for highly skilled workers who were trained to deal with more complex processes of assembling automotive engines or testing dyestuffs and who were able to work with engineers and university-trained chemists. The working conditions became less disciplinarian and patriarchal and more rational-bureaucratic. Loyalty and expertise became important values that gave employees a voice within the enterprise. While heavy industry remained hostile to the idea of worker representation, the "new industries" began to negotiate with union representatives. It seemed better to secure cooperation in the interest of uninterrupted production than to have a disgruntled workforce that staged a sudden strike. In short, a movement toward a more flexible handling of labor relations on the part of some employers coincided with a politically more conservative unionization that preferred gradual reform and an improvement of material conditions to the push of more radical Marxist politicians and intellectuals who wanted to prepare the overthrow of the existing capitalist system. Instead of journeying to England, continental European entrepreneurs could now be seen to board one of the fast luxury liners to take them across the Atlantic so as to visit the centers of American manufacturing in Pennsylvania, New York, Ohio, and Michigan. Overall, the connections that were forged must be seen as part of a slow globalization process that had been going on for several centuries and that the European "scramble for colonies" in the late nineteenth century had accelerated, in the course of which Africa and parts of Asia were carved up between the great powers. This is where many of the raw materials for European industry came from, extracted under exploitative and often brutal conditions and under very unfavorable terms of trade. European interest in the United States was furthermore stimulated by the rise there of the scientific management movement and the fame of one of its apostles, Frederick Taylor. He had been in the forefront of developing time-and-motion studies and of thinking more systematically about factory rationalization. A tireless propagandist of his ideas, he was convinced that their adoption by industry would benefit both employers and workers. Increased productivity, he argued, brought higher profits as well as wages. Another American, Henry Ford, preached rationalization as a means of producing a benefit in addition to higher productivity, profits, and wages. Next to the entrepreneur and worker to whom Taylorism was appealing, he introduced a third beneficiary of Fordism: By passing some of the gains from rationalized production on to the buyer of goods in the form of lower prices, Ford hitched mass production to the provision of cheap consumer durables for a mass market.

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Chapter 3 : Social and Political Impact of the First Phase of the Industrial Revolution | racedaydvl.com

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The Origins of Capitalism Unit 1: Relating to landed property. Introduction Anarcho-syndicalism originated as a response to capitalism. The Feudal Economy From the 12th to the 15th Centuries, medieval feudal society was based on a series of regionally based, largely self-supporting economic systems, each composed of a town and its surrounding agricultural district. Within these mini-economies, peasants were forced to work the land for a feudal lord in exchange for the right to build shelter on, and work a small strip of land. Although they were allowed to cultivate this strip of land and, if they could afford to, keep animals on it, they still had to hand over part of their produce as rent. Any surplus was traded for locally produced goods, or for imported goods, although the latter were limited luxuries. In the towns, industries were organised into powerful guilds, and production was carried out by master craftsmen and their families. Only men could enter the guilds to become skilled workers, and this direct structural sexism was a severe limitation on the economic and social power of women. Each craftsman owned his tools and worked in a single shop, with his family and assistants. Only guild members could produce and sell goods in the region. They could not expand their output beyond a given point, nor could they hire more than the agreed number of assistants. Guilds set exact quality standards to which goods had to be produced, as well as the prices they must be sold at. Thus they maintained monopoly production, ensuring a decent standard of living for craftsmen and their families. The feudal economy persisted in this form up to around the end of the 15th Century. Thus, social and economic life continued to be characterised by the dominance of agriculture, and by production geared to meet immediate local needs including those of the feudal landlords. There were numerous restrictions to ensure that the regional economies remained relatively closed. For example, the sale of goods from outside the economic regions was severely restricted. Through such restrictions, the feudal lord ensured the continuation of the economic region on which his authority and economic survival depended. Trade was limited and so the amount of money in circulation was very small. Rise of the Merchant Class The relatively static feudal way of life, which had endured for centuries, began to break down at the beginning of the 16th Century. A primary cause of the shift away from feudalism was increased foreign trade, which led to the emergence of a new class of merchant capitalist. This boom led to many European countries growing rich from taxes and attempting to boost their share of trade by establishing colonial empires. Once a country established a colony, it would try to impose a trading monopoly by banning foreign merchants and ships. For example, the riches of Spanish colonies in the Americas could only be exported to Spain, where they were traded on to other European countries at a tremendous mark up, enriching both Spanish merchants and the Spanish state. The race for new colonies inevitably led to conflict. England, being a relative latecomer to the international trade race, found that many of the prime sources of wealth had already been snapped up, so it embarked on nearly three centuries of war to establish its own colonial empire. Thus, it defeated Spain in the 16th Century, Holland in the 17th Century, and France in the late 18th and early 19th centuries. Indeed, it was to engage in bloody wars right up to the second world war in an attempt to maintain economic power ironically, after centuries of war, Britain finally lost her superpower economic status to a former colony and a close friend – the USA. The growth in trade both outside and within Europe led to increased money exchange. This in turn led to inflation being injected into the feudal economies for the first time, so that the 16th Century witnessed a price revolution. For instance, in Britain, wheat prices, which had been static for centuries, more than trebled between and Increased use of money and inflation began to undermine the feudal order. The gentry wanted money to buy the new luxury goods that flooded Europe. Meanwhile, spiralling prices meant they could make money either by producing and trading agricultural goods directly, or by renting the land to a growing class of large-scale farmers. Thus,

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capitalism was quick to penetrate into English agriculture, where part of the land-owning class formed a bloc with the new capitalist farmer. These changes in the economy led to a dramatic change in social relations. Evictions gathered pace as trade increased, especially as the growth of the textile industry raised the demand for high quality English wool. The landed gentry enclosed more and more common land, to raise sheep. Such land was owned collectively by the peasantry and was forcibly taken over - stolen - by the aristocracy. Some measure of the pace of evictions can be gauged from contemporary writers. On the contrary, they insist that the land belongs to them and throw the poor out of their shelter, like curs. In England at the moment, thousands of people, previously decent householders, now go begging, staggering from door to door. Evictions were to carry on in Britain for the next three centuries. As a result, today, it still has the smallest rural population in the industrialised world, and even amongst these, the majority neither own nor work on the land. It is interesting to note that the transition from feudalism to capitalism took a different route in France due to the French revolution. The land, which under feudalism was jointly owned by the lord and the peasant, was taken from the defeated aristocracy and handed to the peasantry, making France a country of small-scale peasant holdings the opposite of what occurred in Britain. It was not just in the countryside that the feudal order was breaking down. In the towns throughout the 16th Century, the guild system also suffered due to the increased trade. The new merchant capitalists now bought goods locally for export. Hence, these were no longer produced for sale locally, but were instead sold to merchants. As merchants could travel the country to buy the cheapest goods, craftsmen soon found themselves competing with each other in a national market. This undermined the guild system, which could only operate through control of regional economies, maintaining monopoly production, and keeping market forces at bay. However, with the establishment of a national market, the regional monopolies were broken. Henceforth, market forces began to dictate patterns of trade, fundamentally affecting all aspects of production, consumption and pricing of goods. The emergence of Capitalism Capitalism started to emerge during the 17th Century. However, gradually, they began to dominate the latter, first by placing orders and paying in advance, then by supplying the raw materials, and paying a wage for the work done in producing finished goods. The concept of a waged worker signalled a crucial stage in the development of capitalism. The first stage of capitalism had come into being. This stage saw one new class, the primitive capitalists, exerting power over another new class, the waged workers. Early capitalism also engendered new methods of production. The cottage industry model became so widespread in the woollen textile industry that it became a method of mass production. Importantly, the hundred-year transition from feudalism to primitive capitalism had strong state support. The regionally based feudal economies and the power of the aristocracy ran counter to the interests of this alliance between capitalism and the increasingly centralised state. The state gained the wealth it desperately needed to maintain its growing bureaucracy and standing army, by tapping into capitalism through taxes, customs, duties and state loans. Such measures included bans on the import of manufactured goods, restrictions on the export of raw materials destined for competitors, and tax concessions on the import of raw materials. Restrictions on exporting raw materials hit the aristocracy particularly hard as agricultural produce is, by its very nature, raw materials. Thus, bureaucrats and capitalists defeated the aristocracy - though a section did survive the transition from feudalism by forming an alliance with the new capitalists. It is worth noting here that the alliance between the state and capitalism occurred across Europe, though in different forms. This was an early indication of the development of the social market in Germany under which the state has much more power. In Britain, capitalism was much more developed and so was able to exert much more influence, leading to the development of the free market system, under which the state has far less influence. Social impact of capitalism The establishment of capitalism was a time of upheaval and bitter struggles between new and old power-brokers. At the same time, the mass of the population were dragged unwillingly into an increasingly violent conditioning process. The new capitalists needed to be able to exert ever more pressure on their producers to produce more for less, so that the capitalists could maintain trading prices and increase profits. They looked to the state to ensure pressure was brought to bear on workers who, for the first time, were being forced to sell their labour in an

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increasingly competitive work environment, which was itself aggravated by the swollen ranks of the new landless and unemployed. Laws were passed setting a rate for the maximum wage payable to peasants. The aim of all this brutal legislation was to turn the dispossessed into a disciplined obedient class of wage workers who, for a pittance, would offer up their labour to the new capitalism. The state also clamped down on beggars, whose ranks were swollen by dispossessed peasants and ruined craftsmen. Able-bodied vagabonds were lashed or branded with red-hot irons, while persistent vagrants were liable to execution. The problem of creating a disciplined and regimented workforce should not be underestimated. Viewed from our advanced modern industrial perspective, submitting to the routine of going to work daily, for a set number of hours, usually inside a building, appears the norm. From the perspective of 16th and 17th Century peasants, however, this routine would have been alien. The working day under a pre-capitalist agrarian system would have been shaped by hours of light and hours of darkness, as most work took place out of doors. The intensity and length of labour was dictated by seasonal considerations, such as planting or harvest periods. Similarly, holiday periods, even those marked by the Church, were seasonally derived and often based on ancient pagan festivals. The number and extent of these holidays helped define and shape the working year; up until the Reformation during the 16th Century, it is estimated that around 300 days a year, excluding Sundays, were given over to celebrations and festivals. The Rise of Manufacturing The spread of capitalism meant that the feudal economic system and the power of the aristocracy was in terminal decline by the late 17th Century. The establishment of mass production, based on the cottage industry, meant England was well on the way to becoming a capitalist and industrially-based society. As the 18th Century progressed, this transition was completed. During the 18th Century, a primitive form of manufacturing developed, which differed from cottage production in that workers did not work from home, but rather from single premises, or factory, owned by the capitalist. However, this early manufacturing differed from its later form in that it still depended on human physical power with little use of machinery. As such, early 18th Century manufacturing can be seen as a link between domestic production, based on cottage industry, and capitalist production, based on the mechanised factory system. At first, the move towards factory production was driven by cost. Centralised production spared capitalists the cost of distributing raw materials to individual workers. Further, as the factory system developed, it soon became clear that it gave capitalism much greater control over the workforce, establishing tighter organisation of work and workers and thus higher productivity. Keeping production under one roof also meant the possibility of speeding it up by breaking the process down into planned stages. This entailed workers specialising in one particular component of the production process. This led to gains by the capitalist because of the greater speed of the production process and the better quality of the goods. Importantly, this division of labour into separate tasks significantly transformed the nature of work.

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Chapter 4 : History of Europe - Revolution and the growth of industrial society, " | racedaydvl.com

Aminzade Ronald, Class, Politics, and Early Industrial Capitalism: A Study of Mid-Nineteenth-Century Toulouse, France (Albany: State University of New York Press,) \$

You can help by adding to it. February The gold standard formed the financial basis of the international economy from to Capitalism was carried across the world by broader processes of globalization and by the beginning of the nineteenth century a series of loosely connected market systems had come together as a relatively integrated global system, in turn intensifying processes of economic and other globalization. Industrialization allowed cheap production of household items using economies of scale while rapid population growth created sustained demand for commodities. Globalization in this period was decisively shaped by 18th-century imperialism. Also in this period, areas of sub-Saharan Africa and the Pacific islands were colonised. The conquest of new parts of the globe, notably sub-Saharan Africa, by Europeans yielded valuable natural resources such as rubber , diamonds and coal and helped fuel trade and investment between the European imperial powers, their colonies and the United States: The inhabitant of London could order by telephone, sipping his morning tea, the various products of the whole earth, and reasonably expect their early delivery upon his doorstep. Militarism and imperialism of racial and cultural rivalries were little more than the amusements of his daily newspaper. What an extraordinary episode in the economic progress of man was that age which came to an end in August The United Kingdom first formally adopted this standard in Soon to follow were Canada in , Newfoundland in , the United States and Germany de jure in New technologies, such as the telegraph , the transatlantic cable , the radiotelephone , the steamship and railway allowed goods and information to move around the world at an unprecedented degree. The postwar boom ended in the late s and early s and the situation was worsened by the rise of stagflation. The extension of universal adult male suffrage in 19th-century Britain occurred along with the development of industrial capitalism and democracy became widespread at the same time as capitalism, leading capitalists to posit a causal or mutual relationship between them. Moderate critics argue that though economic growth under capitalism has led to democracy in the past, it may not do so in the future as authoritarian regimes have been able to manage economic growth without making concessions to greater political freedom. Moderate critics have recently challenged this, stating that the current influence lobbying groups have had on policy in the United States is a contradiction, given the approval of Citizens United. This has led people to question the idea that competitive capitalism promotes political freedom. The ruling on Citizens United allows corporations to spend undisclosed and unregulated amounts of money on political campaigns, shifting outcomes to the interests and undermining true democracy. According to Hahnel, there are a few objections to the premise that capitalism offers freedom through economic freedom. These objections are guided by critical questions about who or what decides whose freedoms are more protected. Often, the question of inequality is brought up when discussing how well capitalism promotes democracy. An argument that could stand is that economic growth can lead to inequality given that capital can be acquired at different rates by different people. In *Capital in the Twenty-First Century* , Thomas Piketty of the Paris School of Economics asserts that inequality is the inevitable consequence of economic growth in a capitalist economy and the resulting concentration of wealth can destabilize democratic societies and undermine the ideals of social justice upon which they are built. Singapore has a successful open market economy as a result of its competitive, business-friendly climate and robust rule of law. Nonetheless, it often comes under fire for its brand of government which though democratic and consistently one of the least corrupt [66] it also operates largely under a one-party rule and does not vigorously defend freedom of expression given its government-regulated press as well as penchant for upholding laws protecting ethnic and religious harmony, judicial dignity and personal reputation. Hall and David Soskice argued that modern economies have developed two different forms of capitalism: Germany, Japan, Sweden and Austria. Those two types can be distinguished by the primary way in which firms coordinate with each other and other actors,

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such as trade unions. In LMEs, firms primarily coordinate their endeavors by way of hierarchies and market mechanisms. Coordinated market economies more heavily rely on non-market forms of interaction in the coordination of their relationship with other actors for a detailed description see Varieties of Capitalism. These two forms of capitalisms developed different industrial relations, vocational training and education, corporate governance, inter-firm relations and relations with employees. The existence of these different forms of capitalism has important societal effects, especially in periods of crisis and instability. Since the early 1980s, the number of labor market outsiders has rapidly grown in Europe, especially among the youth, potentially influencing social and political participation. Using varieties of capitalism theory, it is possible to disentangle the different effects on social and political participation that an increase of labor market outsiders has in liberal and coordinated market economies Ferragina et al. This signals an important problem for liberal market economies in a period of crisis. If the market does not provide consistent job opportunities as it has in previous decades, the shortcomings of liberal social security systems may depress social and political participation even further than in other capitalist economies. Academic perspectives on capitalism In general, capitalism as an economic system and mode of production can be summarised by the following: High levels of wage labour.

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Chapter 5 : History of capitalism - Wikipedia

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Bring fact-checked results to the top of your browser search. Revolution and the growth of industrial society, 1789–1848 Developments in 19th-century Europe are bounded by two great events. The French Revolution broke out in 1789, and its effects reverberated throughout much of Europe for many decades. World War I began in 1914. Its inception resulted from many trends in European society, culture, and diplomacy during the late 19th century. In between these boundaries—the one opening a new set of trends, the other bringing long-standing tensions to a head—much of modern Europe was defined. Europe during this year span was both united and deeply divided. A number of basic cultural trends, including new literary styles and the spread of science, ran through the entire continent. European states were increasingly locked in diplomatic interaction, culminating in continentwide alliance systems after 1815. At the same time, this was a century of growing nationalism, in which individual states jealously protected their identities and indeed established more rigorous border controls than ever before. Finally, the European continent was to an extent divided between two zones of differential development. Changes such as the Industrial Revolution and political liberalization spread first and fastest in western Europe—Britain, France, the Low Countries, Scandinavia, and, to an extent, Germany and Italy. Eastern and southern Europe, more rural at the outset of the period, changed more slowly and in somewhat different ways. Europe witnessed important common patterns and increasing interconnections, but these developments must be assessed in terms of nation-state divisions and, even more, of larger regional differences. Some trends, including the ongoing impact of the French Revolution, ran through virtually the entire 19th century. Other characteristics, however, had a shorter life span. Some historians prefer to divide 19th-century history into relatively small chunks. Thus, 1789–1848 is defined by the French Revolution and Napoleon; 1848–1871 forms a period of reaction and adjustment; 1871–1914 is dominated by a new round of revolution and the unifications of the German and Italian nations; and 1914–1918, an age of imperialism, is shaped by new kinds of political debate and the pressures that culminated in war. Overriding these important markers, however, a simpler division can also be useful. Between 1789 and 1848 Europe dealt with the forces of political revolution and the first impact of the Industrial Revolution. Between 1848 and 1914 a fuller industrial society emerged, including new forms of states and of diplomatic and military alignments. The mid-19th century, in either formulation, looms as a particularly important point of transition within the extended 19th century.

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Chapter 6 : Capitalism - Wikipedia

John Merriman; Class, Politics, and Early Industrial Capitalism: A Study of Mid-Nineteenth Century Toulouse. By Ronald Aminzade (Albany: State University of Ne We use cookies to enhance your experience on our website.

Social and Political Impact of the First Phase of the Industrial Revolution From to , the population of England and Wales doubled, from nine million to eighteen million. During the same period, the proportion of people living in cities rose from 10 percent to 50 percent. Put together, the population of the cities of England and Wales rose from about nine hundred thousand to nine million, a 1,percent increase, in fifty years. The increase in population shocked people at the time. As early as , the English economist Thomas Robert Malthus " wrote an essay, "The Principles of Population," predicting widespread famine on the grounds that while population seemed to be proceeding at a geometrical rate 2, 4, 8, 16 , food production was only growing at an arithmetical rate 2, 4, 6, 8. Malthus blamed the lower classes for having too many children and proposed that laws be passed limiting the number of children people were allowed to have. Although the catastrophe predicted by Malthus never occurred partly because there was a huge increase in productivity in agriculture, partly because the rate of increase in population slowed , his opinions were widely accepted at the time, particularly his conclusion that poor people were to blame for the profound social changes that accompanied the Industrial Revolution. These social changes had several causes and consequences: The consolidation of farmlands as a result of the enclosure movement, in which wealthy aristocrats petitioned the government to own lands that communities used to share, pushed poorer people off the farms and into towns and cities see Chapter 1. The dramatic rise in the number of factories provided jobs for some of these former farmers. These workers were relatively unskilled compared to master craftspeople , but they could be trained to operate the new machinery being introduced. The flow of rural people into cities overwhelmed the physical facilities. Poorly built, inexpensive houses were developed and people crowded into them. Public health facilities, such as adequate sewage systems, could not keep pace with the growth in population. Words to Know Anarchism: A social philosophy that advocates voluntary associations among people as a form of self-government, as opposed to central governments dominated by a monarch or other central figure. A form of government in which all the people own property, including both land and capital, in common. A political and economic system in which the people control both the government and also major elements of the economy, such as owning or tightly regulating factories. The nature of work in factories"long hours sixteen-hour work-days were not uncommon , monotonous labor, widespread employment of children"worsened issues of health. Low wages resulted in crowded housing, inadequate sanitation, and inadequate diets. Serious environmental changes took place. Coal was the universal fuel to power factories and heat homes. Soot, a byproduct of burnt coal, covered English cities, turning many buildings black over time and contributing to air pollution , both inside poorly ventilated factories and outside. Lack of sewage treatment plants resulted in raw human waste running into streams and rivers. As late as , a leading English scientist, Michael Faraday " , wrote a letter to the editor of the Times of London describing a boat ride on the River Thames, which runs through London: The appearance and the smell of the water forced themselves at once on my attention. The whole of the river was an opaque pale brown fluid. Their complexion is sallow and pallid"with a peculiar flatness of feature, caused by the want of a proper quantity of adipose substance [fat] to cushion out the cheeks. Their stature low"the average height of four hundred men, measured at different times, and different places, being five feet six inches. Their limbs slender, and playing badly and ungracefully. A very general bowing of the legs. Great numbers of girls and women walking lamely or awkwardly, with raised chests and spinal flexures. Nearly all have flat feet, accompanied with a down-tread, differing very widely from the elasticity of action in the foot and ankle, attendant upon perfect formation. But the overworking does not apply to children only; the adults are also overworked. The increased speed given to machinery within the last thirty years, has, in very many instances, doubled the labour of both. Changes in English society as a result of industrialization gave

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rise to changes in government as well. The Reform Bill of The British Parliament in the early s was a far different institution than it has become. For generations, the Parliament in London included aristocrats and high church officials, sitting in the House of Lords , and wealthy, prominent citizens who sat in the House of Commons. Only people who owned a significant amount of property could vote in parliamentary elections for the House of Commons no one in the House of Lords was elected; everyone there either inherited a seat as an aristocrat, or became a member by virtue of his position in the Church of England , the official religion. The majority of people, including all women and working men without property, had no voice in government. And since members of the House of Commons often represented towns, rather than a specific number of people, changes in England over the centuries had created some odd situations. For example, centuries of land erosion had caused much of the coastal town of Dunwich to fall into the sea; its population in had fallen to thirty-two voters. Nevertheless, the town still sent a representative to Parliament, as it had for generations. On the other hand, Manchester, England, had become an important center of manufacturing, with sixty thousand residents. But Manchester had no representation in Parliament, since it was not a large town when the composition of Parliament had last been changed hundreds of years earlier. Small towns like Dunwich that still sent representatives despite their reduced size were called "rotten boroughs," a term that reflected another fact of British democracy: Since it was public knowledge how a person voted, voters could be and were bribed to vote for a particular person as a member of Parliament. In some cases, a single wealthy individual controlled Parliamentary representation by monitoring voters to make sure they voted as he had paid them to vote. In other instances, wealthy individuals, such as business owners, traveled to a rotten borough and in effect bought a seat in Parliament by bribing voters in a small town. By , the Industrial Revolution had created a new source of social and economic power: So it was not surprising that wealthy business owners wanted to share in political power as well. The major landmark of political change brought about by the Industrial Revolution was the Reform Bill of In November , the leader of the Whig party , an aristocrat named Charles, Earl Grey " , organized a campaign to make Parliament more representative of the population. Such a campaign arose from fears that the growing population of cities could lead to a violent revolution by desperate workers who had no voice in government, much like the French Revolution of During that conflict, mobs of workers, facing starvation, overthrew the king, executed aristocrats, and declared a republic a system of government in which there is no monarch and officials are elected by the people. The reform movement was opposed by the Conservative Party also called the Tories , whose parliamentary majority rested partly on Conservative representatives from rotten boroughs. In , despite Conservative opposition, the House of Commons passed a reform act that would give more people a vote and would send representatives to Parliament from cities like Manchester. But the House of Lords defeated the bill. In response, rioting broke out in several English cities. The Bishop of Exeter complained to the Prime Minister, the Duke of Wellington, that he did not feel safe coming to Bristol "an industrial city, like Manchester, without parliamentary representation" to consecrate a church, due to the threat of violence. Anger over being left out of representation was widely felt, and the bishop told Wellington he had heard of plans for a revolt against land owners among the poorest citizens. This report hardly came as news to the Duke of Wellington. His own house was attacked by a mob that broke thirty windows before it was disbursed by a servant firing a rifle from the roof. Four months later, the Reform Bill passed, on April 13, , giving industrial cities like Manchester and Liverpool representation in Parliament. But even so, British democracy was sharply limited. Only about 14 percent of British males were qualified to vote to qualify, a man had to own a minimum amount of property, which excluded most men who worked in factories. Women were not allowed to vote. Some members of Parliament represented fewer than three hundred people, while other members from urban districts such as Liverpool represented over eleven thousand. However limited in scope, the Reform Act of was a direct reflection of the widespread changes spurred by the Industrial Revolution. The growth of cities caused by industrialization put in sharp focus how outdated the English parliamentary system had become. And many citizens realized after the act was passed just how much more reform was needed. The Sadler Report Although the Reform Bill of failed to provide

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factory workers with a vote or any political power, the conditions under which they worked and lived did become a political issue the following year. A member of the House of Commons, Michael Sadler held hearings in to highlight the working conditions of children in particular. Even though he lost an election and was no longer a member of Parliament, he published the results of his hearings in anyway. The published report included the testimony of child factory workers, who told of long hours, low pay, and dangerous working conditions, especially in textile mills. The Sadler Report caused a storm of public indignation. Some critics faulted him for asking leading questions phrased in a way to elicit the sort of answers he wanted to hear. And while some factories might have adopted more humane policies, many others were guilty of abusing children, just as Sadler documented. For decades afterward, the testimony of these young workers would be cited as an illustration of how greedy factory owners exploited children. The Factory Act of Lord Ashley Anthony Ashley Cooper, known as Lord Ashley until and later as the Earl of Shaftesbury was instrumental in persuading Parliament to pass the Factory Act of 1833, which set standards for employment of children in textile factories and only in textile factories. The act required that children aged thirteen to eighteen could not be employed more than twelve hours a day, during which ninety minutes had to be allowed for meal breaks. Younger children, aged nine through twelve, could only work for nine hours a day, and no child could work between 8: This act was bitterly opposed by many factory owners, but other acts followed that imposed even more regulations on the working conditions in factories. The laws were passed to address business practices like those of Richard Arkwright, who made an immense fortune by introducing machinery into textile manufacturing see Chapter 3. Workers in his factories worked eleven hours a day, from 6 a. About two-thirds of his employees were children, although Arkwright refused to employ five-year-olds, as some of his competitors did. He waited until children were six to put them to work eleven hours a day. On the other end of the age scale, Arkwright refused to employ anyone over the age of forty. Factory owners objected that the regulations Parliament passed trampled on their rights as free Englishmen to conduct their businesses as they saw fit, and also violated the rights of other free Englishmen, the workers, from agreeing to work as they chose. The Factory Act of 1833 opened a debate, which has never really ended, over the role of government in regulating economic activity. Robert Owen, a self-made man and successful factory owner, was one of the earliest industrialists to recognize the need to reform the factory system. Owen was not interested just in making money. He was a member of the Manchester Literary and Philosophical Society, which held meetings to discuss issues of the day, including the plight of workers employed in factories. He improved the housing provided to his workers, and he actively worked to combat alcoholism and spousal abuse among his employees. In Owen established the Institute for the Formation of Character, which provided daytime schooling for children from age two to ten, and offered classes at night for older children and for adults. And although some efforts were made in Parliament to pass laws limiting the length of the workday and requiring inspections of factories to make sure regulations were enforced, it took many years for even modest regulations to be passed by Parliament. In the meantime, Owen tried to take his ideas to the United States, where he hoped for a more welcome reception. But within four years the experiment fell into disarray. The community was overcrowded, and people who settled there could not agree among themselves on how to run the ventures.

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Chapter 7 : Industrial Capitalism | racedaydvl.com

Class, Politics, and Early Industrial Capitalism: a Study of Mid-Nineteenth-Century Toulouse, France. By Aminzade Ronald. Albany, State University of New York Press,

While ongoing disagreement about exact stages exists, many economists have posited the following general states. These states are not mutually exclusive and do not represent a fixed order of historical change, but do represent a broadly chronological trend. Laissez-faire capitalism, a social system in which the government is exclusively devoted to the protection of individual rights, including property rights – one in which there exists absolutely no government intervention in the economy. Agrarian capitalism, sometimes known as market feudalism. This was a transitional form between feudalism and capitalism, whereby market relations replaced some but not all of feudal relations in a society. Mercantilism, where national governments sought to maintain positive balances of trade and acquire gold bullion. Industrial capitalism, characterized by its use of heavy machinery and a much more pronounced division of labor. Monopoly capitalism, marked by the rise of monopolies and trusts dominating industry as well as other aspects of society. Often used to describe the economy of the late 19th and early 20th century. Colonialism, where governments sought to colonize other areas to improve access to markets and raw materials and improve the standing of nationally based capitalist firms. Predominant in the 19th century, notably as a response to the economic crises of the 18th century. Welfare capitalism, where mixed economies predominated and governments sought to provide a safety net to alleviate the worst abuses of capitalism. The heyday of welfare capitalism in advanced economies is widely seen to be from 1914 to 1945 as major social safety nets were put in place in most advanced capitalist economies. This stage sees the rise of advertising as a way to promote mass consumption and often sees significant economic planning taking place within firms. Some economists also include the economies of the Soviet Union and the Eastern Bloc in this category. Notable for being an economic model of fascism, it can overlap with, but is still significantly different from state capitalism. Financialization, or financial capitalism, where financial parts of the economy like the finance, insurance, or real estate sectors predominate in an economy. Profit becomes more derived from ownership of an asset, credit, rents and earning interest, rather than actual productive processes. Debates sometimes circle around how capitalism is defined, but a significant body of work has been able to bring substantive historical data to bear on key questions. One is associated with economic liberalism, with the eighteenth-century economist Adam Smith as a foundational figure, and one with Marxism, drawing particular inspiration from the nineteenth-century economist Karl Marx. Liberals tend to view capitalism as an expression of natural human behaviours which have been in evidence for millennia, and the most beneficial way of promoting human wellbeing. They tend to see capitalism as originating in trade and commerce, and freeing people to exercise their entrepreneurial natures. Marxists tend to view capitalism as a historically unusual system of relationships between classes, which could be replaced by other economic systems which would serve human wellbeing better. They tend to see capitalism as originating in more powerful people taking control of the means of production, and compelling others to sell their labour as a commodity. This sees capitalism originating in trade. Since evidence for trade is found even in palaeolithic culture, it can be seen as natural to human societies. The VOC was a driving force behind the rise of financial capitalism in the early modern period. By the early seventeenth century Dutch shipyards were producing a large number of ships to a standard design, allowing extensive division of labour, a specialization which further reduced unit costs. Within the Communist countries, the spectrum of socialism ranged from the quasi-market, quasi-syndicalist system of Yugoslavia to the centralized totalitarianism of neighboring Albania. One time I asked Professor von Mises, the great expert on the economics of socialism, at what point on this spectrum of statism would he designate a country as "socialist" or not. For it means that there is a functioning market in the exchange of private titles to the means of production. There can be no genuine private ownership of capital without a stock market: Other companies existed, but they were not as large and constituted a small portion of the stock

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market. If one looks closely at the Dutch in the seventeenth century we can see virtually every major feature of large-scale industry credited to the English two centuries later. Production was increasingly mechanised, as in sawmilling; standardised parts were deployed in manufacturing, especially in shipbuilding; modern financial markets were developed, underscored by the formation of the Amsterdam Bourse in 1602. And it was all underwritten by an agricultural system that did what all capitalist agricultures must do: Moore, Political Economy Research Centre Goldsmiths, University of London, December [24] The role of Dutch-speaking lands, especially present-day Flanders and the Netherlands in particular modern-day North Holland and South Holland, in the history of capitalism has been a much discussed and researched subject. The Dutch Republic was also an early industrialized nation-state in its Golden Age. The Dutch also played a pioneering role in the rise of the capitalist world-system. But the only states to be controlled by capitalists before the European transformation in the seventeenth century were semiperipheral capitalist city-states such as the Phoenician cities, Venice, Genoa, and Malacca. These operated in the interstices between the tributary states and empires, and though they were agents of commodification, they existed within larger systems in which the logic of state-based coercion remained dominant. The first capitalist nation-state was the Dutch Republic in the seventeenth century. This coming to state power by capitalists in an emerging core region signaled the triumph of regional capitalism in the European subsystem. Moreover, in the Netherlands an entire people became imbued with the capitalist spirit; so much so, that in the 17th century Holland was universally regarded as the land of capitalism par excellence; it was envied by all other nations, who put forth their keenest endeavours in their desire to emulate it; it was the high school of every art of the tradesman, and the well-watered garden wherein the middle-class virtues thrive. This notes that traditional mercantilism focused on moving goods from markets where they were cheap to markets where they were expensive rather than investing in production, and that many cultures including the early modern Dutch Republic saw urbanisation, and merchants amassing great wealth, without capitalist production emerging. In the wake of the Norman Conquest, the English state was unusually centralised. This gave aristocrats relatively limited powers to extract wealth directly from their feudal underlings through political means not least the threat of violence. These circumstances produced a market in leases. Landlords, lacking other ways to extract wealth, were incentivised to rent to those tenants who could pay the most, while tenants, lacking security of tenure, were incentivised to farm as productively as possible to be able to win leases in a competitive market. This led to a cascade of effects whereby successful tenant farmers became agrarian capitalists; unsuccessful ones became wage-labourers, required to sell their labour in order to live; and landlords promoted the privatisation and renting out of common land, not least through the enclosures. Twenty-first-century developments[edit] The twenty-first century has seen renewed interest in the history of capitalism, and "History of Capitalism" has become a field in its own right, with courses in history departments. They have grown in the aftermath of the financial crisis of 2008 and the associated Great Recession. Notice the large commons area and the division of land into small strips. The mustard-colored areas are part of the demesne, the hatched areas part of the glebe. Shepherd, Historical Atlas, According to some[which? Manorial arrangements inhibited the development of capitalism in a number of ways. Serfs had obligations to produce for lords and therefore had no interest in technological innovation; they also had no interest in cooperating with one another since they produced to sustain their own families. The lords who owned the land[citation needed] relied on force to guarantee that they were provided with sufficient food. Because lords were not producing to sell on the market, there was no competitive pressure for them to innovate. Finally, because lords expanded their power and wealth through military means, they spent their wealth on military equipment or on conspicuous consumption that helped foster alliances with other lords; they had no incentive to invest in developing new productive technologies. This crisis had several causes: These factors led to a decline in agricultural production. In response, feudal lords sought to expand agricultural production by expanding their domains through warfare; they therefore demanded more tribute from their serfs to pay for military expenses. In England, many serfs rebelled. Some moved to towns, some purchased land, and some entered into favorable contracts to rent lands from lords who

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needed to repopulate their estates. Lords who did not want to rely on renters could buy out or evict tenant farmers, but then had to hire free labor to work their estates, giving them an incentive to invest in two very different kinds of commodity owners: The free workers were "free workers" in the double sense that they neither formed part of the means of production nor did they own the means of production that transformed land and even money into what we now call "capital". Feudalism was mostly confined to Europe[citation needed] and lasted from the medieval period through the sixteenth century. Feudal manors were almost entirely self-sufficient, and therefore limited the role of the market. This stifled any incipient tendency towards capitalism. However, the relatively sudden emergence of new technologies and discoveries, particularly in agriculture [68] and exploration, facilitated the growth of capitalism. The most important development at the end of feudalism[citation needed] was the emergence of what Robert Degan calls "the dichotomy between wage earners and capitalist merchants". Enclosure Decaying hedges mark the lines of the straight field boundaries created by a Parliamentary Act of Enclosure. England in the 16th century was already a centralized state, in which much of the feudal order of Medieval Europe had been swept away. This centralization was strengthened by a good system of roads and a disproportionately large capital city, London. The economic foundations of the agricultural system were also beginning to diverge substantially; the manorial system had broken down by this time, and land began to be concentrated in the hands of fewer landlords with increasingly large estates. The system put pressure on both the landlords and the tenants to increase agricultural productivity to create profit; the weakened coercive power of the aristocracy to extract peasant surpluses encouraged them to try out better methods, and the tenants also had an incentive to improve their methods, in order to succeed in an increasingly competitive labour market. Land rents had moved away from the previous stagnant system of custom and feudal obligation, and were becoming directly subject to economic market forces. An important aspect of this process of change was the enclosure [71] of the common land previously held in the open field system where peasants had traditional rights, such as mowing meadows for hay and grazing livestock. Once enclosed, these uses of the land became restricted to the owner, and it ceased to be land for commons. The process of enclosure began to be a widespread feature of the English agricultural landscape during the 16th century. By the 19th century, unenclosed commons had become largely restricted to rough pasture in mountainous areas and to relatively small parts of the lowlands. Marxist and neo-Marxist historians argue that rich landowners used their control of state processes to appropriate public land for their private benefit. This created a landless working class that provided the labour required in the new industries developing in the north of England. The earliest recorded activity of long-distance profit-seeking merchants can be traced back to the Old Assyrian merchants active in the 2nd millennium BCE. However, while trade has existed since early in human history, it was not capitalism. The city republics maintained their political independence from Empire and Church , traded with North Africa , the Middle East and Asia , and introduced Eastern practices. They were also considerably different from the absolutist monarchies of Spain and France, and were strongly attached to civic liberty. Painting attributed to John Riley. England began a large-scale and integrative approach to mercantilism during the Elizabethan Era. An early statement on national balance of trade appeared in Discourse of the Common Weal of this Realm of England, Queen Elizabeth promoted the Trade and Navigation Acts in Parliament and issued orders to her navy for the protection and promotion of English shipping. These efforts organized national resources sufficiently in the defense of England against the far larger and more powerful Spanish Empire , and in turn paved the foundation for establishing a global empire in the 19th century. It was written in the s and published in Numerous French authors helped to cement French policy around mercantilism in the 17th century. French mercantilism was best articulated by Jean-Baptiste Colbert in office, " , although his policies were greatly liberalised under Napoleon. Doctrines[edit] Under mercantilism, European merchants, backed by state controls, subsidies , and monopolies, made most of their profits from the buying and selling of goods. In the words of Francis Bacon , the purpose of mercantilism was "the opening and well-balancing of trade; the cherishing of manufacturers; the banishing of idleness; the repressing of waste and excess by sumptuary laws; the improvement and husbanding of the soil;

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the regulation of prices However, under mercantilism, given the contemporaneous rise of absolutism , the state superseded the local guilds as the regulator of the economy.