

1: Capitalism; Economic Individualism to Today's Welfare State by James D. Forman

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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, 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 capitalism 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.

2: Capitalism - Wikipedia

This would make a very good introductory textbook. The text is accessible and yet also has good amount of depth adequate for kickstarting any investigation of greater depth or simply giving the broad summary to avoid ignorance in this modern world.

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 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 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 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.

3: Does Capitalism Destroy Culture? | Intercollegiate Studies Institute: Educating for Liberty

Capitalism; Economic Individualism to Today's Welfare State [James D. Forman] on www.enganchecubano.com
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They attack the idea that there can be a common good to begin with. Because leftists talk about social welfare, and supporters of markets put the Individual at the center of their framework, one can forgive those who are seduced by this rhetoric. But it is only rhetoric. Get past the well-crafted agitprop, and we see that corporate capitalism is all about subsuming the particular will of an individual to that of the institution. But in each, the individual is actually helpless and powerless, with the needs, wants, and will of the larger entity taking priority. Amazon workers work for Amazon: And Amazon in particular is a pioneer in sacrificing the sanctity and dignity of the individual to the company. The employees serve the corporation, rather than the other way around. Capitalism descends from a long lineage of economic systems that put individuals in the service of the collective. They have been called different things, but oligarchy by any other name is just as cruel, and the existence of a laboring underclass has been a constant. Today, precarious, underemployed, low-wage workers toil at the whim of management. Their circumstances force them into serving faithfully and loyally for the good of the company, subsuming their individual wills and wants to the will of the larger entity. The difference between a corporate team-building retreat and a political reeducation camp is in only the level of outright coercion, not in the level of collectivist thinking. Even affluent Wall Street quants and traders regularly work hour days to maintain their place at Morgan Stanley or Goldman Sachs, setting aside their will for that of the partners. They pursue a promise of future personal autonomy that, for most, will never arrive. Professional, white-collar workers at nonprofits often work similarly long days—though for much less pay—at the whim of their funders, most of whom come from a small group of super wealthy foundations. I can attest, from my experience in both nonprofits and in other low-wage labor, to the rampant burnout and exploitation that occurs when workers are expected to deny their individual will and well-being for the good of the organization—not even for the cause. The customers are an anonymous streaming herd, the employees are automatons carrying out the instructions of the handbook. In retail jobs, the employee who chats casually with customers as people, valuing the relationship over the job, is a poor salesperson likely to get fired. Serving the individual would obviously entail providing, for example, paid family leave, so that new parents could spend their time in the way that was best suited to their individual needs. Even in those most individualist of industries—like arts and literature—musicians, authors, and filmmakers have to subordinate their visions to the will of the record label, publishing house, or studio executives who sit on the committees that make final creative decisions for the people who command the capital funding it. It is a rare artist who is able to maintain their complete agency and the untrammelled integrity of their work, and is typically only achieved by those artists who have proven their brand. Journalists must think about whether their articles will get enough clicks to adequately serve the publisher. Authors must craft book proposals that please editors at publishing houses, who must make their decisions on the basis of how the book will serve the cashflow of the publisher. In fact, it is a rare individual in any industry who enjoys true autonomy. Collectivism is retail workers wearing matching polo shirts, and executives spending their lives maximizing company growth. Collectivism is the Google campus. Instead of a collectivism for the common good, this is a collectivism in service to ever concentrating, narrowing private capital, and in service to the market. Empowering the individual is a worthwhile goal, and granting each and every person the freedom and power to pursue whatever their destiny calls them to should be the primary aim of governments and economies. Current Affairs is not for profit and carries no outside advertising. We are an independent media institution funded entirely by subscribers and small donors, and we depend on you in order to continue to produce high-quality work.

4: Capitalism is Collectivist | Current Affairs

Capitalism, economic individualism to today's welfare state by James D. Forman. Published by New Viewpoints in New York. Written in English.

Individualism endorses the principle that the ends or purposes of the human individual possess dignity and worth that take precedence over communal, metaphysical, cosmological, or religious priorities. Individualism is commonly seen by both its proponents and opponents to be the creation of the modern Western world, a development of Enlightenment liberal values. The term individualism was first coined in the nineteenth century, initially around in French, and then quickly spread to the other European languages. The language of individualism was picked up and widely spread by the followers of Claude-Henri Saint-Simon in Germany, England, and the United States, however, the negative overtones were soon stripped away. In Germany individualism became closely associated with the aspirations of Romanticism, in England, with utilitarianism and laissez-faire economics, and in America with the core political and social values of democracy and capitalism. Concentration on the linguistic diffusion of individualism overlooks the fact that many cultures outside the Atlantic world at many times before the nineteenth century have promulgated doctrines that were individualistic in inclination. Moreover, it should not be forgotten that many who champion individualism count tendencies inherent in modernity itself among the chief threats to the individual. Thus, a full study of the history of individualism requires a survey of a broad range of thinkers and writings. This entailed not only that the soul was separable from the body—indeed, any body—but that it had a specific identity that transcended even corporeal death. That moral judgment is embedded in dharma—a universalistic system of absolute moral duties—is irrelevant. It still remains central to Indian thought that individual deeds are the wellspring of the moral system. For many Indian schools, and especially for Buddhists and Jainists, spiritual purification and eventual union with the Ultimate stem solely from the personal efforts of the individual. The right path is laid out, but it is up to the individual to follow it. China produced doctrines that echoed the Indian emphasis on the individual. Attainment of superiority thus rests in part on something like self-determination. Daoism, particularly Neo-Daoism, also evinced respect for individuality. The Daoist belief that each thing possessed its own nature could be interpreted not merely to pertain to natural species or types but to individual characters. According to the Daoist Chuang Tzu fourth century b. This focus on the nature of the individual was crystallized in the Neo-Daoist concentration on the particularity of human natures. Rather, each individual must discover what is true for him-or herself. But if wisdom is incommunicable, the philosopher may still question other human beings in order to prod them to realize the falsity that they embrace and to stimulate them in the process of self-questioning that yields self-knowledge. Socrates was not alone among Greek thinkers in proposing a version of individualism. In turn, this theory of individuation has been shown by recent scholars to have direct political overtones that favored the Athenian democracy. The Sophist Protagoras of Abdera c. Revealed Religion Christianity contributed doctrines of the freedom of the will and personal salvation that added a further dimension to human individuality. While Judaism had conveyed some overtones of personal salvation, the dominant relation with God was conditioned by the divine covenant with the Jewish people as a whole. The implicit individualism of early Christian moral theology was reinforced by later thinkers such as St. Augustine of Hippo c. According to Augustine, all human beings possess the capacity to choose between good and evil and to choose to accept or to turn away from the divine will. Of course, the objects between which one chooses are not of equal worth. The individual is the final and ultimate source of the destiny of his or her own soul. Yet the Koran did uphold human freedom, so Muslim teaching maintained that it was the individual, not God, who was responsible for sin. Thus Islam, too, adopted important elements of individualism. Despite the common perception of medieval Europe as monolithic and hostile to expressions of individualism, the period did much to extend the idea of human individuality. In law, the concept of human beings with personal rights and

liberties was expressed in both secular and religious documents. In public life, the principle of individual consent to the imposition of political power captured in the ubiquitous phrase "What touches all must be approved by all" was articulated. In moral philosophy and theology, the conception of the rational will, which defined the individual as the primary unit of analysis, was elevated to axiomatic status. Regardless of the institutional and ecclesiastical barriers to individualism, scholars have repeatedly looked to Latin Christian Europe as a source for individualism. The Reformation and the Aftermath These medieval tendencies came to fruition during the sixteenth and seventeenth centuries, so that individualism in the modern world deserves to be understood as a culmination of far earlier intellectual trends. The Reformation brought not only a challenge in practice to the unity of the Christian Church but also a transformation of important theological categories. Martin Luther " insisted on the unique presence of God alone in the conscience of believers, with the implication that the faithful Christian is responsible directly and immediately to God. The consequence of this teaching"while perhaps recognized only fleetingly by Luther and his followers"was that salvation did not depend on submission to the authority of the priesthood or the church. Nor did it fall to the secular power, to which pertained the control of bodies and behavior, to discipline the souls of subjects. Thus, whether intentionally or not, Luther opened the door to claims of public respect for liberty of conscience and eventually individual freedom of worship. In the generation after Luther, inferences about personal freedom of religion were deduced by reforming thinkers. Castellion argued that Christian belief must be held with sincere conviction. Hence, clerics and magistrates must refrain from persecution of convinced Christians who cling to doctrines that do not coincide with official teachings. In the seventeenth century, the individualism implicit in confessional pluralism would become more pronounced. Pierre Bayle " asserted that all forms of persecution innocuous as well as harsh of religious diversity encourage hypocrisy and erode social order. An erring conscience, if it be held in good faith, deserves as much protection as a correct one"a principle that Bayle extended even to atheists. John Locke " proposed liberty of individual conscience as justified in the case of most Christian and perhaps some non-Christian rites. For Locke, the role of the magistrate should be confined to the maintenance of public tranquility and the defense of individual rights rather than the care of the soul. Locke crystallized a key Reformation shift: The evolving acceptance of individualism paralleled changes in other European cultural, social, and political practices and attitudes. The invention of the printing press and movable type in the mid-fifteenth century immeasurably enhanced the ability of individuals to spread their ideas and made it possible for a larger public to access the written word. Demands were heard for freedom of the press literally and figuratively from censorship by clerical and secular authorities alike. While republican values that promoted civic virtue over personal choice retained a hold on public discourse, political liberty in geographically extensive regimes with monarchic institutions tended to be conceived in terms of individual freedom rather than civic populism. Hence, it is at this time and place that the origins of the bundle of individualist doctrines known as liberalism are found. Liberalism and Individualism Thomas Hobbes " generally is identified as the most important direct antecedent of modern individualist philosophy. In his *Leviathan* , Hobbes ascribed to all individuals natural liberty as well as equality on the basis of which they are licensed to undertake whatever actions are necessary in order to preserve themselves from their fellow creatures. Hobbes believed that the exercise of such natural liberty logically leads to unceasing conflict and unremitting fear so long as no single sovereign ruler exists to maintain peace. The exchange of chaotic natural freedom for government-imposed order requires renunciation of all freedoms that humans possess by nature except, of course, self-preservation and voluntary submission to any dictate imposed by the sovereign. Arguing against the patriarchal doctrine of Sir Robert Filmer " , Locke insists that no natural basis"neither paternity nor descent"justifies the submission of one person to another. Rather, each individual is the proprietor of his or her divinely endowed physical and mental talents, abilities, and energies. The individual thus constitutes the basic unit of social and political analysis for Locke, who is sometimes considered the proponent of the doctrine of "possessive individualism" par excellence. In contrast to Hobbes, Locke maintains that the natural condition of individual proprietorship can be maintained tranquilly because

human beings are deemed sufficiently rational that they can and do generally constrain their free action under the terms of the laws of nature. Hence, should people choose to enter into formal bonds of civil society and authorize a government in order to avoid the "inconveniences" and inefficiency of the precivil world, the only rule worthy of consent is that which strictly upholds and protects the liberty they naturally possess.

Individualism and Modern Society The eighteenth and nineteenth centuries witnessed an emerging role for the individual that culminated in the appearance of the language of individualism. One strand in the intensified interest in the individual was the rise of capitalism as an economic system that emphasized the individual both as the holder of self-interest and as the foundation of all legal rights. Perhaps the most famous early advocate of economic individualism was Adam Smith. Although Smith is sometimes labeled the first great economist of capitalism, he preferred to describe his system in terms of "natural liberty," arguing that the welfare of society is best served when every individual seeks his or her own advantage without reference to any overarching scheme of goodness or justice. When individuals are left to their own devices, Smith held, the ensuing system possesses an inherently self-adjusting quality that will ensure the maximum satisfaction of individual desires. The apotheosis of individualism may be found in the utilitarian doctrine, formulated most clearly by Jeremy Bentham, that social policy should promote the greatest good for the greatest number of people. This idea rested on the principle that all individual estimations of utility deserve equal treatment and respect in comparison with all others. A truly democratic society should treat the wishes and desires of each of its individual members with the same dignity, without regard for moral judgments concerning the content of those aims. Bentham elaborates the basic insight of Smith to cover the full range of political and social programs and institutions. Although liberalism could seem to take individualism for granted, the extreme egalitarianism of the utilitarian position, coupled with the events of the French Revolution, made many thinkers including those of a liberal stripe nervous. Edmund Burke was concerned that the spread of democratic equality and the breakdown of the organic social order would lead to the fragmentation of persons into atomized individuals lacking any sense of identity or place. Under such circumstances, Burke predicted presciently, as it turns out that authoritarian forms of government would step into the breach and provide an artificial identity for individuals as a remedy for their extreme alienation. The French social commentator Alexis de Tocqueville similarly believed that an excess of democratic equality bred individualistic isolation in which people retreat from public life into families and small groups of interested combines. The unavoidable results of individualism are egoism, the suppression of all virtues, and the concession of political deliberation to the "tyranny of the majority" conclusions reached on the basis of his observations of American as well as French modes of democracy. Note that true liberty is not, for Tocqueville, individualistic.

Karl Marx occupies an interesting position in the history of individualism. Although Marx is commonly regarded as a holistic social thinker, he in fact repeatedly asserted that individual self-realization was the standard against which social relations should be judged. In his early writings, he condemned capitalism for the alienating and dehumanizing impact that it exercised on individual workers, while in the Communist Manifesto he called for a system of equitable distribution of the fruits of labor on the grounds that the precondition of the liberty of each is the liberty of all. Like his predecessor Jean-Jacques Rousseau and his contemporaries, such as the anarchist Jean-Pierre Proudhon and the utopian Charles Fourier, Marx believed that communal equality constituted the necessary prerequisite for the flourishing of free individuals.

John Stuart Mill shared some elements of nineteenth-century skepticism about mass democratic society, but his writings crystallized the understanding of individualism still widely shared in Western societies. Mill holds that the societies that are most likely to promote this goal are societies that he terms "civilized" share the common factor of defending and promoting individual liberty. Individualism is understood as experimentation with lifestyles and ideas that challenges uncritically received certainties and broadens the basis of human knowledge. Borrowing from Tocqueville, Mill admits that democratic society contains the potential to dampen or even forbid many expressions of personal liberty that stand at odds with mass tastes or beliefs. In contrast to Tocqueville, however, Mill maintains that individualism stands on the side of liberty, not equality.

A free society supports individualism. The trend toward the foregrounding of the individual continued in the work of Friedrich Nietzsche. Nietzsche reviled the "herd mentality" of modern mass society, which espouses conformity and mediocrity as the highest aspirations of humanity. Principles of this higher sort cannot be imposed or taught by one to another. Rather, the authentic individual must discover in a radically individualized way those precepts that realize his or her own valuation. Nietzsche drew no explicit political theory from this because politics, as the realm of imposition of coercive authority over others the "will to power", was incompatible with the deep individualism that he advocated. Persisting Debate The twentieth and early twenty-first centuries have witnessed the spread around the globe of a culture that valorizes the human individual.

5: Industrial Capitalism | www.enganchecubano.com

Capitalism - Economic Individualism to Today's Welfare State [James D. Forman] on www.enganchecubano.com
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When the eager mercantilist minister asked how the French state could be of service to the merchants and help promote their commerce, Le Gendre replied simply "laissez-nous faire" "leave it to us" or "let us do [it]", the French verb not having to take an object. It is a detestable principle of those that want to enlarge themselves but by the abasement of our neighbours. There is but the wicked and the malignant hearts who are satisfied by this principle and its interest is opposed. Delighted with the Colbert-Le Gendre anecdote, [9] he forged it into a larger maxim all his own: Although Gournay left no written tracts on his economic policy ideas, he had immense personal influence on his contemporaries, notably his fellow Physiocrats, who credit both the laissez-faire slogan and the doctrine to Gournay. The physiocrats, reacting against the excessive mercantilist regulations of the France of their day, expressed a belief in a "natural order" or liberty under which individuals in following their selfish interests contributed to the general good. Since, in their view, this natural order functioned successfully without the aid of government, they advised the state to restrict itself to upholding the rights of private property and individual liberty, to removing all artificial barriers to trade, and to abolishing all useless laws. So in effect, Spencer decried laissez-faire socialism. Laissez-faire, a product of the Enlightenment, was "conceived as the way to unleash human potential through the restoration of a natural system, a system unhindered by the restrictions of government". Smith saw laissez-faire as a moral program and the market its instrument to ensure men the rights of natural law. Jeremy Bentham used the term, but it was probably[original research? With the advent of the Anti-Corn Law League founded, the term received much of its English meaning. In political economy, that idea and the doctrine of laissez-faire have long been[by whom? The individual has a natural right to freedom. The physical order of nature is a harmonious and self-regulating system. Corporations are creatures of the State and therefore the citizenry must watch them closely due to their propensity to disrupt the Smithian spontaneous order. Another basic and often-disregarded[by whom? Quesnay had the ear of the King of France, Louis XV and in persuaded him to give laissez-faire a try. On September 17, the King abolished all tolls and restraints on the sale and transport of grain and for more than a decade the experiment was a success, but then in there was a poor harvest, and the cost of bread rose so high that there was widespread starvation while merchants exported grain in order to obtain the best profit. In, the edict allowing free trade was revoked. The state was to be merely a passive policeman, protecting private property and administering justice, but not interfering with the affairs of its citizens. Businessmen and particularly British industrialists were quick to associate these principles with their own economic interests. In, referring to the famine then underway in Ireland, founder of *The Economist* James Wilson wrote: The tariffs on grain which kept the price of bread artificially high were repealed. The goal was to ensure that dearly-won political independence was not lost by being economically and financially dependent on the powers and princes of Europe. The creation of a strong central government able to promote science, invention, industry and commerce was seen as an essential means of promoting the general welfare and making the economy of the United States strong enough for them to determine their own destiny. Donohue argues that classical liberalism in the United States in the 19th century had distinctive characteristics and that "at the center of classical liberal theory [in Europe] was the idea of laissez-faire. To the vast majority of American classical liberals, however, laissez-faire did not mean "no government intervention" at all. On the contrary, they were more than willing to see government provide tariffs, railroad subsidies, and internal improvements, all of which benefited producers". Several of these proposals met with serious opposition and required a great deal of horse-trading to be enacted into law. For instance, the First National Bank would not have reached the desk of President George Washington in the absence of an agreement that was reached between Alexander Hamilton and several Southern members of Congress to locate the capitol in the District of

Columbia. Most of the early opponents of laissez-faire capitalism in the United States subscribed to the American School. This school of thought was inspired by the ideas of Hamilton, who proposed the creation of a government-sponsored bank and increased tariffs to favor Northern industrial interests. In the early 19th century, "it is quite clear that the laissez-faire label is an inappropriate one" to apply to the relationship between the United States government and industry. Following the Civil War, the movement towards a mixed economy accelerated. Government regulation of the economy expanded with the enactment of the Interstate Commerce Act and the Sherman Anti-trust Act. Following World War I and the Great Depression, the United States turned to a mixed economy which combined free enterprise with a progressive income tax and in which from time to time the government stepped in to support and protect American industry from competition from overseas. For example, in the 1930s the government sought to protect the automobile industry by "voluntary" export restrictions from Japan. Nivola wrote in *By and large*, the comparative strength of the dollar against major foreign currencies has reflected high U.S. Put simply, the roots of the trade problem and of the resurgent protectionism it has fomented are fundamentally political as well as economic. Other than laissez-faire economics and anarcho-capitalism it is not associated with a school of thought and typically has a bad connotation which hints towards a perceived need for restraint due to social needs and securities that can not be adequately responded to by companies with just a motive for making profit. Robert Kuttner states that "for over a century, popular struggles in the democracies have used the nation-state to temper raw capitalism. The power of voters has offset the power of capital. But as national barriers have come down in the name of freer commerce, so has the capacity of governments to manage capitalism in a broad public interest.

6: The Need for a New Individualism

> *Teen & Young Adult Books > Capitalism; Economic Individualism to Today's Welfare State Capitalism; Economic Individualism to Today's Welfare State by James D. Forman.*

We still speak favorably of individual rights, individual initiative, individual responsibility, individual opportunity, and individual achievement. This is because the economic and political manifestations of individualism—freedom and capitalism—cannot stand on their own; they require sound moral ideas of rational self-interest that are manifest in sound moral character. Those moral ideas justify this freedom, and that moral character requires the support of the culture and of institutions based on those ideas. Those policies, and the morality on which they are based, seduce too many independent achievers, turning them into weak, sniveling, servile dependents of pandering ruling elites. If our future is to be a bright one appropriate for human beings, proud Americans will need a consistent, explicit, and unapologetic new individualism that will restore political freedom and create a culture worth preserving. For our Founders, the purpose of government was to protect the life, liberty, and property of each individual and to otherwise leave us alone. For the first century and a half of our history the federal government remained relatively small and state and local governments provided only basic services, principally police protection and law courts. The story of America has been one of millions of immigrants coming to these shores. Immigrants sought to escape the poverty and tyranny of their home countries, to improve their own economic conditions, to raise their own families, to start their own businesses, to farm their own land, to live according to their own religion or other beliefs, to enjoy their own lives. Immigrants coming to America manifested the moral characteristics of all true individualists. Our ancestors wanted the best for themselves. They took the initiative needed to achieve their goals. They realized that nothing in life is guaranteed and that to achieve those goals they would need to take risks in a new country. Immigrants understood the need to think, to use their minds and their famed Yankee ingenuity. Alexis de Tocqueville in the 1830s understood the independent thinking of Americans; he found "that in most of the operations of the mind each American appeals only to the individual effort of his own understanding. Tocqueville described individual Americans in the new free country as "intoxicated with their new power. They entertain a presumptuous confidence in their own strength. What is great and glorious about America comes from the freedom and dignity accorded to each individual. America in the early twenty-first century is a very politically and morally confusing place. The Republican Party, which traditionally stands for limited government, has been in the ascendancy since Ronald Reagan and under President George W. Bush has controlled both houses of Congress. Yet the size and burden of government have not been reduced; indeed, in many areas it has expanded. While President Reagan spoke of eliminating the federal Department of Education, President Bush has used it aggressively to impose policies on local schools. Many commentators see the polarization of the country into Republican "red" states and Democratic "blue" states arising from underlying value differences. In the red states voters worry that freedom is threatened when a society loses the moral compass traditionally supplied by religion and long-standing customs, and drifts into moral relativism. They see such relativism as responsible for social pathologies like crime, youth violence, broken families, and the spread of sexually transmitted diseases, which in turn give rise to more government-assistance programs with accompanying tax hikes. They often favor policies of censorship or the regulation of morality on the strange-sounding premise that freedom must be limited in order to be preserved. Often, perhaps out of frustration at a lack of control over the forces they see undermining public order, these citizens invest much emotion and effort in symbolic battles over values. They favor a display of the Ten Commandments in a courthouse lobby even though there is no evidence that this makes judges and lawyers more likely to respect the principles of the Constitution that they often ignore. Voters in the blue states fear that traditional morality and religious dogma indeed will lead to intolerance and repression. They see social pathologies arising from material disadvantages and inequalities. Those with this view favor government-imposed economic

regulations, welfare programs, and transfer payments. Yet this approach in the past has failed and in fact contributed to those pathologies by rewarding moral irresponsibility. Further, by its nature this approach limits the liberty of the entrepreneurs who create wealth to begin with, and it takes rather than protects the property of the citizens. Twentieth-Century Challenges The erosion of liberty and its underlying moral foundation is in large part the result of the ideas in the twentieth century that challenged the prevailing individualism, especially during times of social stress and transformation. The Americans have no philosophical school of their own, and they care but little for all the schools into which Europe is divided. These systems were necessarily dictatorial; they sacrificed and enslaved millions of individuals. In the end, it was easy for most Americans to reject these challenges, and it is difficult for many young people today to appreciate that such challenges were ever taken seriously. In America, the Progressive Era, New Deal, and Great Society assigned to government the job of correcting the perceived failures of the free market and free institutions, and of actually caring for the material needs of individualsâ€”for food, housing, education, jobs, medical care, retirement income, and the likeâ€”in the name of a better society but also in the name of a different, more relevant individualism. In reaction to this challenge, thinkers like Ludwig von Mises and F. Hayek demonstrated that government economic planning must necessarily fail. The Public Choice school associated with James Buchanan and Gordon Tullock showed that government philosopher kings could not be impartial and above institutional interests as they devised and administered alleged solutions to social problems. Yet these defenses, as we shall see, ignored the moral arguments for individualism that were, in fact, provided by Ayn Rand, beginning most notably with her novel *The Fountainhead*. But this crucial defense was ignored until recent decades. Concerning conservatives, Goldwater maintained that "the first thing he has learned about man is that each member of the species is a unique creature. He cannot be economically free Every man, for his individual good and for the good of society, is responsible for his own development. The choices that govern his life are choices that he must make; they cannot be made by any other human being, or by a collectivity of human beings. Ronald Reagan used similar rhetoric in his successful quest for the presidency. In the years since Reagan, the collapse of Soviet communism has vindicated economic thinkers like Mises and Hayek. But ironically, in America and elsewhere the reality of individualism has faded in part because the economic and political cases for freedom were not based on a solid moral foundation. A survey of the political landscape today shows the status of individualism. Think tanks like the Cato Institute and Reason Foundation produce cutting-edge critiques of the failures of government programs that limit liberty, especially in the economic area, and the weakening of the rule of law by arbitrary government power. Their view of the free-market system, for example, in the words of Mises, "presupposes that people prefer life to death, health to sickness, nourishment to starvation, abundance to poverty. It teaches man how to act in accordance with these valuations. Islamists prefer strapping explosives to themselves or their children in order to kill other children. Less dramatic examples are individuals who would accept less abundance in the name of a "social justice" based on envy. Winston Churchill said, "socialism is the equal sharing of misery," and he was right that many opponents of freedom are not simply confused about the economic consequences of their policiesâ€”rather, they want to pull down the well-to-do more than to raise up those in need. Thus, while libertarians tend to be consistent defenders of economic individualism and limited government, they often ignore the moral justification of such freedom. Further, while their impact on policy is growing, it is still less than that of traditional conservatives and neo-conservatives. While traditional conservatives do tend to acknowledge the importance of the individualâ€”often from a religious understanding of the unique value of each personâ€”they also fear power and the unrestrained ego. They see the abuses of a Hitler and Stalin and the murderous mobs in the streets during the French revolution as manifestations of the same evil. Such conservatives see the importance of religion, customs, and traditions, and private institutions such as families, fraternal organizations, and churches, in restraining the ego and providing a nurturing environment in which individuals can develop their virtues and live productive lives. Conservatives thus favor limited, constitutional governments with checks and balances. But too often conservatives use government to support beliefs and

institutions that they see as essential to restrain the ego. Further, they often treat these institutions as ends in themselves, sacrificing the individual and freedom for the good of society. These institutions and the attitudes, if not the laws, that support them can stifle individual creativity. Further, many conservatives, often as a function of their religious perspective, are uncomfortable taking rational, individual self-interest too far. They feel they need to invoke some collective good to justify individual liberty. Thus, they might argue that tax cuts that their critics contend help the rich also help create job opportunities and lower prices for the poor. Neo-conservatives often are ex-leftists who have become aware of both the economic problems and the social pathologies created by traditional leftist policies. They tend to favor many elements of the social and political vision of traditional conservatives. But unlike traditional conservatives they do not have a general fear of big government. Irving Kristol, the godfather of the movement, says of neo-cons: People have always preferred strong government to weak. While particular policies that they favor might be more pro-individual than those of the Left, the neo-con view of government is fundamentally anti-individualistic. Given the problems and limitations of those on the Right who defend freedom in one form or another, it is necessary to define more exactly the nature of individualism. In particular it is necessary to understand the facts and ideas that necessitate and morally justify economic and political liberty for individuals. Ayn Rand offered the most consistent and integrated understanding of individualism. She began with the fact that the fundamental alternative for living creatures is life or death. But human beings are unique creatures. We have free will and a rational capacity. Indeed, the phenomenon of making value choices is only possible for beings who can understand that alternatives and choices are possible, i. The standard of all values thus is human life, and the goal of survival is obtained through the exercise of reason, the discovery of what will be in our self-interest. But because we are humans with extraordinary and wonderful capacities, mere physical survival is not our goal; rather, it is a happy, joyous, and flourishing life. Further, we each exist fundamentally as individuals. We survive physically as individuals even as others might die, and we die as individuals even as others might continue to live. Our bodies are healthy or sick as individuals. And, most importantly, we think and we will as individuals. We must be free to use the judgment of our own minds or else our survival is precarious and dependent on others. From this understanding we can identify the basic elements of true individualism. First, true individualists will understand and feel that their own lives are their highest value, that to be alive is to be blessed with the potential for happiness, that they should treat their own lives with respect, and that they should strive with joy for the best within them. It would be odd if a person who believed in the importance and dignity of each individual also believed that he or she personally was simply an agent who should serve others, with little concern for his or her own life, dreams, and happiness. Second, true individualists will understand that to strive for the best within them, they must hold reason as their highest value because it is that capacity that allows them to reflect upon themselves, on their moral nature, and to discover the means for their survival and flourishing. It was no accident that out of the Enlightenment and the Age of Reason came John Locke, Thomas Jefferson, Benjamin Franklin, and many other giants in the battle for liberty. That rules out the false subjectivist form of individualism that says, "Do what feels good," with the assumption that thinking is not necessary. True individualism also rules out the Nietzschean will to engage some master passion, usually the quest for power, as an end in itself. True, rational individualists are not slaves to their appetites; they check the whim of the moment and subject it to critical examination. Consider the extreme example of mind-altering drugs.

CAPITALISM, ECONOMIC INDIVIDUALISM TO TODAY'S WELFARE STATE

pdf

7: Nancy E. Gross (Author of Capitalism; Economic Individualism to Today's Welfare State)

Get this from a library! Capitalism; economic individualism to today's welfare state. [James D Forman] -- A history of capitalism from ancient beginnings to , with a concentration on the U.S.

Instead of planning economic decisions through centralized political methods, as with socialism or feudalism, economic planning under capitalism occurs via decentralized and voluntary decisions. Capitalism and Private Property Private property rights are very important in capitalism. Once owned, the only legitimate means of transferring property are through trade, gifts, inheritance or wages. Private property promotes efficiency by giving the owner of resources an incentive to maximize its value. The more valuable a resource, the more trading power it provides the owner. In a capitalist system, the person who owns property is entitled to any value associated with the property. When property is not privately owned, but shared by the public, a market failure can emerge, known as the tragedy of the commons. The fruit of any labor performed with a public asset does not belong to the laborer, but is diffused among many people. There is a disconnect between labor and value, creating a disincentive to increase value or production. People are incentivized to wait for someone else to do the hard work and then swoop in to reap the benefits without much personal expense. For individuals or businesses to deploy their capital goods confidently, a system must exist that protects their legal right to own or transfer private property. To facilitate and enforce private property rights, capitalist societies tend to rely on contracts, fair dealing and tort law. Capitalism, Profits and Losses Profits are closely associated with the concept of private property. By definition, an individual only enters into a voluntary exchange of private property when he believes the exchange benefits him in some psychic or material way. In such trades, each party gains extra subjective value, or profit, from the transaction. Voluntary trade is the mechanism that drives activity in a capitalist system. The owners of resources compete with one another over consumers, who in turn compete with other consumers over goods and services. All of this activity is built into the price system, which balances supply and demand to coordinate the distribution of resources. A capitalist earns the highest profit by using capital goods most efficiently while producing the highest-value good or service. Profits are an indication that less valuable inputs have been transformed into more valuable outputs. By contrast, the capitalist suffers losses when capital resources are not used efficiently and instead create less valuable outputs. Capitalism and free enterprise are often seen as synonymous. In truth, they are closely related yet distinct terms with overlapping features. It is possible to have a capitalist economy without complete free enterprise, and possible to have a free market without capitalism. Any economy is capitalist as long as the factors of production are controlled by private individuals. However, a capitalist system can still be regulated by government laws and the profits of capitalist endeavors can still be taxed heavily. Although unlikely, it is possible to conceive of a system where voluntary individuals always trade in a way that is not capitalistic. Private property rights still exist in a free enterprise system, although private property may be voluntarily treated as communal without government mandate. Many Native American tribes existed with elements of these arrangements. If accumulation, ownership and profiting from capital is the central principle of capitalism, then freedom from state coercion is the central principle of free enterprise. Skilled workers lived in the city but received their keep from feudal lords rather than a real wage, and the farmers were essentially serfs for landed nobles. It took the Black Plague, one of the most devastating pandemics in human history, to shake up the system significantly. By killing scores of people in both town and countryside, the various plagues of the Dark Ages actually created a labor shortage. Nobles fought to hire enough serfs to keep their estates running and many trades suddenly needed to train outsiders, as entire guild families were wiped out. The advent of true wages offered by the trades encouraged more people to move into towns where they could get money rather than subsistence in exchange for labor. As a result of this change, birth rates exploded and families soon had extra sons and daughters who, without land to tend, needed to be put to work. Mercantilism Mercantilism gradually replaced the feudal economic system in Western Europe, and became the main

economic system of commerce during the 16th to 18th centuries. Mercantilism started as trade between towns, but it was not necessarily competitive trade. Originally, each town had vastly different products and services that were slowly homogenized by demand over time. After the homogenization of goods, trade was carried out in wider and wider circles: When too many nations were offering similar goods for trade, the trade took on a competitive edge that was sharpened by strong feelings of nationalism in a continent that was constantly embroiled in wars. Colonialism flourished alongside mercantilism, but the nations seeding the world with colonies were not trying to increase trade. Most colonies were set up with an economic system that smacked of feudalism, with their raw goods going back to the motherland and, in the case of the British colonies in North America, being forced to buy the finished product back with a pseudo-currency that prevented them from trading with other nations. It was Adam Smith who noticed that mercantilism was not a force of development and change, but a regressive system that was creating trade imbalances between nations and keeping them from advancing. His ideas for a free market opened the world to capitalism. Fortunately, a new gold mine was found in the mechanization of industry. As technology leaped ahead and factories no longer had to be built near waterways or windmills to function, industrialists began building in the cities where there were now thousands of people to supply ready labor. For the first time in history, common people could have hopes of becoming wealthy. The new money crowd built more factories that required more labor, while also producing more goods for people to purchase. Contrary to popular belief, Karl Marx did not coin the word, although he certainly contributed to the rise of its use. Wages increased, helped greatly by the formation of unions, and the standard of living also increased with the glut of affordable products being mass-produced. This led to the formation of a middle class that began to lift more and more people from the lower classes to swell its ranks. The economic freedoms of capitalism matured alongside democratic political freedoms, liberal individualism and the theory of natural rights. This is not to say, however, that all capitalist systems are politically free or encourage individual liberty. Economist Milton Friedman, an advocate of capitalism and individual liberty, wrote in "Capitalism and Freedom" that "capitalism is a necessary condition for political freedom. Capitalism and Economic Growth By creating incentives for entrepreneurs to siphon away resources from unprofitable channels and into areas where consumers value them highly, capitalism has proven a highly effective vehicle for economic growth. There is no historical evidence of any society experiencing compound economic growth prior to the rise of capitalism in the 18th and 19th centuries. Research suggests global per-capita income was unchanged between the rise of agricultural societies through approximately 1000 AD, when the roots of the first Industrial Revolution took hold. In subsequent centuries, capitalist production processes have greatly enhanced productive capacity. More and better goods became cheaply accessible to wide populations, raising standards of living in previously unthinkable ways. As a result, most political theorists and nearly all economists argue that capitalism is the most efficient and productive system of exchange. The Differences Between Capitalism and Socialism In terms of political economy, capitalism is often pitted against socialism. The fundamental difference between capitalism and socialism is the scope of government intervention in the economy. The capitalist economic model allows free market conditions to drive innovation and wealth creation; this liberalization of market forces allows for the freedom of choice, resulting in either success or failure. The socialist-based economy incorporates elements of centralized economic planning, utilized to ensure conformity and to encourage equality of opportunity and economic outcome. In a capitalist economy, property and businesses are owned and controlled by individuals. In a socialist economy, the state owns and controls the major means of production. In some socialist economic models, worker cooperatives have primacy over production. The capitalist economy is unconcerned about equitable arrangements. The argument is that inequality is the driving force that encourages innovation, which then pushes economic development. The primary concern of the socialist model is the redistribution of wealth and resources from the rich to the poor, out of fairness and to ensure equality in opportunity and equality of outcome. Equality is valued above high achievement and the collective good is viewed above the opportunity for individuals to advance. The capitalist argument is that the profit incentive drives corporations to develop innovative new products that are

desired by the consumer and have demand in the marketplace. It is argued that the state ownership of the means of production leads to inefficiency, because without the motivation to earn more money, management, workers and developers are less likely to put forth the extra effort to push new ideas or products. In a capitalist economy, the state does not directly employ the workforce. This can lead to unemployment during economic recessions and depressions. In a socialist economy, the state is the primary employer. During times of economic hardship, the socialist state can order hiring, so there is full employment. In addition, there tends to be a stronger "safety net" in socialist systems for workers who are injured or permanently disabled. Those who can no longer work have fewer options available to help them in capitalist societies. The proper role of government in a capitalist economic system has been hotly debated for centuries. Capitalism operates on two central tenets: These dual concepts are antagonistic with the nature of government. They do not engage voluntarily, but rather use taxes, regulations, police and military to pursue objectives that are free of the considerations of capitalism. Strictly speaking, any government intervention in a capitalist economy takes place outside the defined confines of capitalism. In fact, some argue that a capitalist society needs no government at all. Anarcho-capitalism, a term coined by Austrian-school economist Murray Rothbard, describes a market-based society with no government. Politics and taxes would not exist in an anarcho-capitalist society, nor would services like public education, police protection and law enforcement that are normally provided by government agencies. Instead, the private sector would provide all necessary services. For example, people would contract with protection agencies, perhaps in a manner similar to how they contract with insurance agencies, to protect their life, liberty and property. Victimless crimes, such as drug use, and crimes against the state, such as treason, would not exist under anarcho-capitalism. Assistance to the needy would be provided through voluntary charity instead of compulsory income redistribution welfare. The idea is that an anarcho-capitalist society would maximize individual freedom and economic prosperity; proponents argue that a society based on voluntary trade is more effective because individuals are willing participants and businesses have the profit incentive to satisfy customers and clients. Classical liberals, libertarians and minarchists free-market proponents argue that the government must have authority to protect private property rights through the military, police and courts. In the United States, Keynesian economists believe that macroeconomic forces within the business cycle require government intervention to help smooth things out; they support fiscal and monetary policy as well as other regulations on certain business activities. In contrast, Chicago School economists tend to support a mild use of monetary policy and a minimal level of regulation. When government does not own all of the means of production, but government interests may legally circumvent, replace, limit or otherwise regulate private economic interests, that is said to be a mixed economy or mixed economic system. A mixed economy respects property rights, but places limits on them: Property owners are restricted with regards to how they exchange with one another.

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The welfare state must be seen as more than providing shoes and soup for the poor, and security in old age. In a democratic society it is also crucial to the case for capitalism.

Comments One of the most enduring critiques of capitalism is that it is morally and culturally corrosive. Even if we grant that capitalism is more efficient than planned economies, the question remains: But since the cultural critique comes from political observers at almost every point on the political spectrum, and since the bureaucratic-capitalist economies of the world really are cultures in crisis, the criticism is worth attending to seriously. We need to distinguish among at least three things: There is corporate capitalism, oligarchic capitalism, crony capitalism, and managerial-bureaucratic capitalism, such as we have in the United States. So without trying to tease apart all of these strands at the outset and so risk never getting anywhere let me use the term "capitalism" and ask and answer the question with the broadest of brushstrokes. Does capitalism corrode culture? I think the answer is yes and no. Creative Destruction Perhaps the first cultural critique of capitalism is that it destroys traditional culture and ways of living. Much of the answer depends upon what we mean by traditional culture, but generally the answer is clearly yes. Competitive global market economies undoubtedly transform traditional cultures, and this is not limited to far off places in Africa, Latin America, or the Polynesian Islands. In the history of Western Europe and the United States, market economies played a vital role in transforming traditions and radically altering social interaction. One of the main ways the market does this is through innovation. As new technologies, industries, and goods and services emerge, they make older ones obsolete; old industries are shut down and new ones emerge. New forms of management and technology and division of labor transform traditional work and social relations, and new technologies alter traditional roles of women and men in the house. These sweeping changes can also destroy traditional work and social relationships that play an essential cultural and economic role in the lives of a community or nation. At the same time it is important not to understate the real positive social benefits that come from economic growth and the reduction of extreme poverty. Some traditional and artisanal trades are lost forever and this can be a cultural impoverishment. At the same time, because we associate global capitalism with modernization we assume it only has negative effects on traditional culture. Yet there are cases when the opening of markets has actually enhanced local cultural production. As Tyler Cowen notes in *Creative Destruction*, global trade and new imports have stimulated the local music industry in Ghana where local musicians now control about 70 percent of the Ghanaian market. Global markets have also provided producers of traditional goods and music a bigger market to sell their wares and take advantages of economies of scale. As more people travel and live abroad and tastes become more eclectic, Janet has potential consumers she would never have if her market were limited to Rwanda. Her business success has also brought with it positive social benefits to her community. This is an example of cultural transformation afforded by global capitalism, and it is clearly a positive one. Homogenizing Homo Sapiens Related to the critique that capitalism destroys traditional culture is the argument that global capitalism is a leveling force that is making the whole world homogenous and Westernized. But there are other things going on too. We see the rise of specialty stores, plenty of different restaurants with cuisine from all over the world and a variety of choices that did not exist fifty years ago. It is a mistake to conflate modernization and broad use of technology with Westernization. There are traditional Muslims and Buddhists who work in technology sectors, but have absorbed little or nothing of Western culture. The use of modern technology does not make one a Westerner any more than the use of Japanese technology educates one about Zen, tataemae, senpai-kohai, obon, or Shintoism. The world may be less flat than we imagine. One of the most passionate critiques of capitalism is really aimed at something else: Capitalism and industrialization are related, of course, but they are not the same thing. The rise of capitalism predates the industrial revolution by centuries. As Rodney Stark and Raymond de Roover have noted, international banking and a capitalist economy emerged in Northern Italy as early as the 8th century, and

among the Dutch and English and other parts of Europe by the high Middle Ages. Even more obviously, industrialization has taken place in non-capitalist societies like the Soviet Union and communist China, and at times with a soul-crushing aridity that makes an American mall seem aesthetically pleasing by comparison. The reality is, many of the critiques of modern capitalism, especially aesthetic and cultural critiques, are more precisely critiques of industrialism than of capitalism or the free market per se. Cultural Imperialism Finally, while capitalism does indeed transform, and even destroy, aspects of traditional cultural life, I would argue that the most destructive global forces of cultural transformation especially in the developing world come less from market economies than from the Western, secular, organizations like the United Nations, the World Bank, the NGO industry, and the U. It is bad enough when a country like China does this to their own people, but when bureaucrats in Washington or Paris are manipulating poor families in the developing world, and tying aid packages to so called reproductive rights it is a naked act of cultural imperialism. For a variety of cultural reasons, when forced to choose, many of the families choose to have baby boys and abort their unborn daughters. The birth ratio of boys to girls is now so skewed that this will have devastating social and political consequences. This is not the result of free markets. It is a product of selfish consumerism, bad anthropology and faulty economics—“an outgrowth decades of educational policy and top-down social and economic planning that grows out of the zero-sum-game fallacy, which in turn fosters an anti-natalist ideology that dominates development insiders. Not surprisingly, these insiders are rarely proponents of the free market, and if they do give the market a nod it is a kind of techno-bureaucratic capitalism ruled by elites who haunt Davos each year. Solipsistic Individualism and Consumerism Critics also charge capitalism with promoting radical concepts of autonomy, such as the type of entrepreneurs untethered from moral absolutes portrayed in *The Social Network*. This type was evident among some bankers during the financial crisis and still is among techno-utopian entrepreneurs who believe they can re-engineer the human soul and even escape death itself through technology. While the market does enable people to indulge in a lifestyle marked by the illusion of radical autonomy, the main sources of such thinking and behavior are not market economics, but a number of harder to diagnose intellectual and spiritual crises that plague the west. These include things like reductionist rationalism that makes all questions of truth, beauty, and the good life a matter of personal predilection; a nominalist conception of human freedom where freedom is merely the exercise of the will separated from truth and reason; the radical individualism of Hobbes, Locke, and Rousseau; and radical skepticism see David Hume which makes reason a slave to the passions. A market economy can help spread these ideas, but it is not their source. I am not arguing that a market is neutral. Markets have clear positive and negative effects, but exacerbating a problem is not the same thing as causing it and it is simplistic to attribute to capitalism alone the effects of a host of intertwined forces of social change. Perhaps the most powerful critique of capitalism is its relationship to consumerism. The consumerist ethic, with its hyper-sexuality and advertising to young children is especially troubling. In *Born to Buy*, Boston University Professor Juliet Schor details the marketing and advertising that bypasses parents and tries to market directly to children as young as three and four years old. Brands, he argues, have replaced families, religion, and communities as a source of identity. But the question again is whether this is the result of the free market per se? There is undoubtedly a relationship between the two, yet consumerism exists in socialist societies as well. There have also been capitalist societies that have not been consumerist and have encouraged high levels of savings and investment. As several commentators including William Leach in *Land of Desire* have noted, America has seen a cultural shift from productive capitalism with focus on saving and investment to a consumerist mentality where we consume on borrowed money. The reasons for this are a complex interaction of cultural shifts, education, increased individualism and centralization, much of it incentivized by public and monetary policy Keynesianism which have encouraged consumerism and borrowing. Consumerism is a toxic malady and will undermine a free society. Does the Economy Control the Culture? The relationship between capitalism and culture is complex. Competitive free market economies have helped secure liberty and have lifted more people out of poverty than any alternative. With that progress has come great volatility and

accelerated social change that is undeniable. However, blaming capitalism is much easier than addressing the actual, but harder-to-diagnose sources of cultural breakdown. Capitalism becomes an easy scapegoat for several reasons. First, there remains a tendency toward economic determinism influenced by Marxian analysis which views the economy as the source of social organization. This is not limited to the left. Distributists for example, who are quite traditional and religious, tend to appropriate the Marxian view of the economy as the driving force of culture and thereby see structural economic change as the source of cultural renewal. Second, capitalism often becomes a proxy for a critique of problems that lie deep within modern liberal society such as the effects of nominalism, rationalism, radical concepts of autonomy and the like. It is much easier to blame inanimate market forces than to attempt to dissect the effects of nominalism and Enlightenment rationalism on culture and social relations. Finally, capitalism also acts as a proxy for other issues which would be politically incorrect or at least politically imprudent to address directly. Criticizing capitalism is easier and more politically acceptable than it would be to critique democracy, egalitarianism, or the welfare state. Alexis de Tocqueville, for example, worried about the negative effects of equality and individualism on culture and the human soul and that equality led to a love of comfort. Can you imagine a contemporary politician in the United States or Europe standing up today and talking about the dangers of too much equality or democracy? What would happen if a politician blamed consumerism on equality instead of corporate greed? Capitalism has profound effects on culture and it is a mistake to think that the market economy is neutral or that markets left to their own devices will work everything out for the best. It is also a mistake to blame capitalism as the cause of cultural destruction. Market economies come with trade-offs and cultural dysfunction and cultural renewal are complex and cannot be explained by economic analysis alone. As Christopher Dawson reminds us, it is not economics, but cultus, religion, that is the driving force of culture. It is also a mistake to think that secularism is neutral. Modern secular progressivism has become the cultus of Western life and this plays a much more potent role in shaping culture than economics. Capitalism is not perfect. Like democracy, it needs vibrant mediating institutions, rich civil society and a strong religious culture to control its negative effects. Nor should we trade the market for some bureaucratic utopia. For all their fallen, human faults, free and competitive economies have enabled millions of people to lead lives of human dignity and pursue human flourishing, and funded the creation of beautiful architecture, music, and cultural products of all sorts. If we are going to take cultural decay seriously then simply blaming capitalism will not get us very far. There are much bigger fish to fry. This eBook introduces you to 11 essential conservative thinkers spanning three centuries and hailing from several countries. They often disagree with each other.

9: State capitalism - Wikipedia

As Bruce Bartlett pointed out recently, Germany "a darned "conservative" country that is thriving today, and which rode out our recent economic Great Whatever better than almost any other country" started building its welfare state more than years ago.

CAPITALISM, ECONOMIC INDIVIDUALISM TO TODAY'S WELFARE STATE

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