

## 1: Capitalism | Define Capitalism at [www.enganchecubano.com](http://www.enganchecubano.com)

*The term contemporary capitalism has, however, no particular bounded conceptual foundation. It is a notion often intertwined with the more sharply delimited theoretical debate within Marxism.*

My remarks concern the perspective from which to look at these traits of contemporary capitalism, and I move from the assumption that the obverse of both economic inequality and inequality of opportunity, which are cause or effect of those four problems, is often some form of private domination. An example, fairly extreme but frequent, is the relationship between workers on zero-hour or similar contracts and their employers, who have the discretion to decide how much they will work and earn. In its simplest form, liberal theory "equal rights for all citizens, which guarantee their freedom, which is in turn conceived as absence of interference" has no obvious answer to those problems. Indeed, accepting precarious employment is a choice. Yet I suppose that behind much contemporary discontent is not just stagnating real incomes and high and rising inequality, but also resentment at the obverse of the latter, domination. And I equally presume that the absence of a credible and powerful liberal answer to these phenomena is one reason why demagogues and populists succeed. They tend to look for them outside of the field of the Enlightenment, but this critique, however unarticulated, poses a challenge that warrants reflection. Political theories may well be superstructure. My premise is that the intrinsic bias of liberalism against public action in pursuit of goals, such as curbing inequality, which neither command unanimity nor directly advance a fundamental value, such as political liberty, does constrain our ability to protect our democracies from those threats. If so, it may be useful to sniff the air that flows outside of the house of liberalism. Autonomy Matters For the liberal conception of freedom is not the only conceivable one. Another notion, equally negative, is the republican or neo-roman one, which views freedom as non-domination. So the state should not merely ensure that nobody interferes in my choices, as liberals assert, but rather guarantee to me a sphere within which I am my own master. I am free if I can look others in the eye without reason for fear or deference. People in precarious employment would hardly pass the test, for example: Those who pass the test in most domains of their life can walk tall in society, conversely, and a good society is one in which all can hold their head high. The republican conception of freedom is not necessarily more demanding than the liberal one, as it all depends on how many domains of social life we want to include into that sphere of freedom, and how wide we want it to be. What matters is the change in perspective, because the republican approach dissolves the liberal bias against public action and joins freedom and democracy together, for the state and its laws must not be dominating ones. While in liberal theory freedom and democracy are separate values, in fact, republican freedom directly requires democracy and has demanding institutional implications for it: Populists are often accused of attacking pluralism and the checks-and-balances system, for instance. The charge is well founded, of course, but also underwhelming. For pluralism and the checks-and-balances system are both compatible with inequality and private domination, and are chiefly instrumental values, if cardinal ones, serving substantive ones such as freedom and equality. As liberalism is content with safeguarding those human inclinations from external interference it has no counterpoise to them. Republicans emphasise the equally profound human aspiration not to be dominated, which can come into tension with them and thus open up a dialectic, within which public debate might find ways to improve our democracies. Indeed, as Quentin Skinner tells me: The liberal conception of freedom, which now reigns supreme, is fairly recent. At that juncture, coupling its universalism equal rights with the classical notion of freedom would have produced truly radical change "in employment relationships, for example. By conceiving of freedom as non-interference the bourgeoisie opened up societies, admirably, but avoided going too far. Now, a century and a half after , we can say that that model has served its purpose, as the police no longer beats and silences us, but has run its course, as it has too little to say on the problems of advanced capitalist democracies. So we may perhaps return to the republican notion of freedom, and combine it with liberal universalism.

## 2: Thought Economics: Modern Capitalism | Larry Summers

*The neoliberal restructuring starting in the late s can explain all of the key economic developments in contemporary capitalism, with the processes of financialization and globalization“released by neoliberal capitalism“forming a part of the account.*

The full-employment boasted by Tories is in truth closer to full under-employment – a swelling in the ranks of part-time workers. Self-employment, real and bogus has expanded massively. But what exactly is going on? And how should the labour movement respond? For some writers today, we are living in a new world of work characterised by technologically dominated platform working in a gig economy. Work has become precarious, mobile, flexible, empty of meaning and probably just best endured in return for a basic income. These people look more like the proletarians of 19th century Europe than components of a new class. In capitalist societies Marx argued, businesses accumulate capital from the exploitation of working people: Because profits depend ultimately on this exploitation, capitalist firms constantly try to work out how to extract more labour from workers: As capital accumulates, capitalist businesses draw ever more people into industrial work and away from work on the land or small property owning. At the same time, the capitalist businesses are constantly changing the technologies they use and the skills they need and seeking to replace expensive workers with cheaper ones, often women, children or migrants. Finally, the anarchic competition between capitalist firms leads to many businesses being driven to the wall or swallowed up. Ever growing numbers of workers are drawn into industrial production, others are cast out to join the ranks of the unemployed or under-employed. From this perspective, capitalism has always had a precariat. But partly, precariousness is just a condition of life for the wider working class. But this was a brief period in the history of capitalism and it only really meant something in the advanced capitalist states. Now they run riot across the globe, fuelled by the development of financialised multinational corporations. Today, monopolistic multinationals are decisive players in the global economy and the majority are now owned solely or predominantly by investment banks, investment funds or private equity. Why does this matter? It matters because these financial businesses look for steady flows of high dividend payments and they turn over their portfolios rapidly in search of the best returns. In the s, the average shareholding was six years in duration. This changes the way that big businesses behave, gearing them to the creation of profit at any cost. CEOs of multinationals strive to keep the dividends flowing by growing fast through aggressive mergers and acquisitions, by share buybacks that artificially boost share prices and by tax avoidance. Collective bargaining and employment law frameworks have come under sustained attack not just in Britain but in the USA, the EU, the former socialist countries of Eastern Europe and across the global south. Multinational companies insist on flexible labour laws and the dismantling of collective bargaining arrangements as the price of investment. Finally, the state employment sectors that were built up over the course of the twentieth century have come under sustained attack from multinationals and their finance capital backers. With marketisation and privatisation of public services have come the mantras of the New Public Management and the conscious attempt to fragment jobs and create flexible, precarious workers within the public sector. In the longer essay , I look at the state of the British economy, its working class and its unions in a bit more detail. But a few things can be suggested here. Firstly, there are no magic bullets for unions. Equally, there are problems with the way the TUC affiliated unions operate if entire workforces of precariously employed retail workers, for example, are fenced off by unions with no intention of organising them. The weak bargaining power of unions in the global south can be ameliorated to some degree by supply chain organising, but this is long-term and patient work with few quick wins. The bigger problem is that financialised multinationals controlled by remote shareholders have few incentives to engage in collective bargaining. This is what makes the issue of politics and ownership so vital. At the same time, however, the ability of left political parties to gain and hold power will depend in part on the levels of active support they can mobilise from the masses of people organised in unions. Unions have no choice but to put major resources into confronting the reality of precarious work and organising around whatever can be won in the workplace. Otherwise they will simply wither. But if they can make themselves relevant to precariously

employed workers in the modern proletariat through flexible organising and combining different strategies and tactics, and encompass this within active support for radical action to change the financialised ownership basis of contemporary capitalist businesses, then they can start to build genuine power in the workplace.

## 3: Contemporary Capitalism: The Embeddedness of Institutions - Google Books

*Capitalism is an economic system based on private ownership of the means of production and their operation for profit. Characteristics central to capitalism include private property, capital accumulation, wage labor, voluntary exchange, a price system, and competitive markets.*

Modern Capitalism March 20th, In an exclusive interview with Prof. Edmund Phelps, Thought Economics looks at the story of modern capitalism, the benefits it has brought, and the challenges it has created. Summers is the Charles W. Mercantile capitalism I think of as prevailing in Britain, Holland, Spain and elsewhere from around 1500 to or so. The American colonies were, of course, part of that. Then I see America as joining that list in around 1776 and one must give recognition to France within this story- even though they never became as strong an example as Britain and America. Perhaps more importantly- the innovations that did occur during the mercantile period were, in essence, applications of scientific and navigational discoveries outside the economic system. What was striking about the modern economies is that they were internally creative. They delivered new products and new methods with stunning frequency- ultimately every day! This occurred right through the early nineteenth century, and some countries went through this journey again- the United States, for example- during the inter-war period between around 1914 and it was an extraordinary time. This happened again between 1945 and then disquieting things began to develop. What have been the greatest benefits to society from free-market capitalism? Summers] There have been no engines of human progress that have been nearly as effective as freedom, markets and technological-progress. People today live longer, richer, safer and more fulfilling lives than they did hundreds of years ago, and they did three hundred ago, and so on. The reason for this is the progress that has been inextricably intertwined with market-based systems. That does not mean that markets do not need to be supplemented, monitored, regulated and stimulated. Nor does it deny the fundamental importance of non-market institutions, of which the most important is the family. What are the key drivers of economic growth? Successful countries, like successful companies are those which encourage initiative and innovation. What are the key problems with modern-capitalism? If we start with demographics- we have the huge wave of retirement coming up in the next ten years. The United States will be, to an appreciable extent- much more than before- a country of older people. These people will be drawing on retirement and medical benefits. The decade beginning around 2010 will not be a good time for capitalism. Next, if we turn to innovation. Economists all knew about that- many wrote about it. I had thought, until then, that it was just bad-economics that some people were just too feeble-minded to separate the level of economic activity from the growth of the output produced by the economic activity. It turns out the man on the street was right, and I was wrong that there is a very close link between productivity growth and unemployment. Primarily, the massive productivity slow-down in Europe accounts for the fact that the German unemployment rate barely budged from 0. A spectacular rise in unemployment. So why has productivity slowed down? I think there has been an underlying decline in the rate of innovation in the economy. We see that a huge amount of short-termism which has crept into the system. This creates a number of mysterious questions. You have a small number a small number of venture-capital firms which tend to operate in Shanghai and other places, but you have not had an explosion of venture capital. There are a lot of very worrisome questions about what has happened to the dynamism of modern economies such as Britain, America, France and Germany. We did, of course, have the internet revolution but that too was in just a pretty small sector of the economy. Are there any specific areas of additional dynamism needed in our economies? We need to have new challenges! We need to have new ideas! I think this is a very serious thing. The NIH actually undertook to do this, around twenty or thirty years ago, and it was an amazing thing- around a year ago- when they made a public statement confessing to failure. They confessed that they had been unable to do it. What is the impact of economic stagnation? Summers] We need to take a broad perspective. None of that is to minimise our problems, but rather than to show the fact that we live in a world where growth is taken for granted; and that is not in the normal historical condition of man. Stagnation in the industrialised world has many reasons, there are serious issues of demography- with populations ageing and sub-zero replacement fertility. There are

real-issues of shortfalls of demand that lead to shortfalls in hiring, and shortfalls in investment. There are important issues in areas such as Japan and Europe, where barriers exist to economic dynamism and entrepreneurship. The challenge of maintaining growth that is sustainable and strong appears particularly pressing right-now in much of the developing world, with real issues around governance in countries like Brazil and Russia. China is facing challenges after years of remarkable growth, and the weaker industrial-world economy puts further pressure on them. What can we do to secure our economic future? Slower growth is also part of it.. We do need a reform of the financial sector, and we do need more ways of nurturing venture capital. America is a country that has subsidies for almost everythingâ€¦. There is very little subsidy, however, for work â€” and almost no subsidy for innovation. We have to make it easier for a young entrepreneur to start a companyâ€¦ to start his innovative project. We have to make it easier for an established company to start a new innovative project. The trouble isâ€¦ those science projects will not create a lot of jobs for ordinary people. We have to get back to our rootsâ€¦ get back to the old spirit of experimenting, exploring, trying things out, discoveryâ€¦ on a broad scale. Every company would, ideally, be doing a lot of this all the time. What should be the role of government as it relates to the economy? Summers] Governments have a basic role in providing public-goods, those goods from which everyone benefits, but where only a small fraction of those benefits are received by the provider. Examples include national defence to basic research and environmental protection. Governments have a crucial role to ensuring fairness; to ensure every child have a chance, and that those with a chance get the education and healthcare they need, to ensure that revenues for state-functions are collected based on ability to pay rather than neglected because of political powerâ€¦ Governments have a crucial role in establishing a framework in which capitalism can operate. They must prevent and, where necessary, regulate monopoly. They must establish framework for property and contract rights, and a structure in which markets can operate. What are your thoughts on the role of government in inspiring ideas for example, using the space programme and lunar missions? This has to be at a grass-roots levelâ€¦. What have been the benefits of, and challenges brought by, capitalism? There was a tremendous pick-up in the growth rate of aggregate output and standards of living were increased tremendously. That resulted in huge increases in public-health with a corresponding reduction of disease- and the emergence of all-kinds of comfortsâ€¦ Modern capitalism ought not to be viewed as merely a system for producing goods more or less the same goods that had been produced during the mercantile period. It was a system that stimulated the production of new commercial ideas- and stimulated the development of those new commercial ideas by entrepreneurs. It also stimulated the development of a crude financial system- that lent some support to entrepreneurial activity- and this system led many producers to spend time or hire people with expertise in evaluating new products and new methods of production. Consumers also came to have a new way of life! Consumers would go to the mall on Saturday morning to look at the new stuff on display! I like to amuse myself by pointing out that the arts changed alongside. Music became completely different two or three times after the visual arts such as painting followed the same trend. Modern capitalism offered a new way of life, not just a higher standard of living. Some people are very unlucky- they make decisions which turn-out to be ill-fated. That could, of course, have been true to some extent in mercantile times also. Why do poverty and inequality exist on such a large scale? Capitalism can, to a degree, address that inequality by subsidizing- in one or more ways- the employment of workers at the bottomâ€¦ low wage workers. It also helps to pull up their wages. I just never understood why there was such an aesthetic revulsion to outsized rewards for people who had a big idea and- generally speaking- worked their heads off to develop that idea. I understand, though, that some very rich people use their wealth to get involved in politics- and I find that a little bit ugly. Larry Summers] On a global scale, inequality has declined more rapidly than ever in human history over the last several decades, as China and India- which together comprise around one third of our global population, have converged towards the industrialised world. The story of economic development used to be one of divergence, with the rich-countries pulling away from the poorer countries. Increasingly today, it is convergence and the adoption of market systems has a great deal to do with that. To say that markets work better than command and control is not in any-way to endorse laissez-faire or simply leaving markets unregulated and un-supplemented. Even as inequality across countries has gone down, inequality within countries in many

cases has gone up, and that makes a strong case for policies which make taxes more progressive, and to make fundamental public investments; particularly in education and health, that give everyone a chance to succeed. What do you feel is the social context of capitalism? Ordinary people have opportunities at least in the more capitalist economies of the western world for meaningful careers- careers of problem solving, venturing into the unknown- and in the course of that not only experiencing the development of their capabilities but also self-discovery- discovering who they are. This development is not something you can do on an island alone although even Robinson Crusoe could come out of his journey almost disbelieving what he had been able to do! The interactions you have with other people lead you to become a different person. A person you could not have become had you not had them. Money culture has really taken-over to excess! In the nineteenth century, people were on a tremendous adventure. They were meshed in a colossal discovery process which was enormously exciting! Now it seems that people are in business just to make money. They want to take the adventure out of everything, they want to mechanise things as much as possible! they want to take the business of making mortgage loans to home-buyers, for example, and turn that into some sort of standardised packaging! so that nobody ever sees the home-buyer or even the house! people just enter a code into a system and get the terms of a loan.

### 4: The working class in contemporary capitalism – Communist Party USA

*Modern Capitalism* Two developments paved the way for the emergence of modern capitalism; both took place in the latter half of the 18th century. The first was the appearance of the physiocrats in France after ; and the second was the devastating impact that the ideas of Adam Smith had on the principles and practice of mercantilism.

Nation Sep 25, 2: Six years ago this month, the financial world was unraveling. Bosworth teaches in the department of English at the University of Washington in Seattle. The surge in financial inequality that Piketty enumerated is a truly worrisome phenomenon worthy of debate. Yet, contrary to the Pollyanna theory that has justified 35 years of economic policy, it in no way naturally produces the Good. Rather than fidelity to family and community, it leads to dissension, dissolution and addictive consumption; instead of animating a meritocratic marketplace, it produces lobbied loopholes, golden parachutes and stifling monopolies. As intellectual cult leaders of the 20th century, Wilhelm Reich, the psychoanalyst who promoted sexual permissiveness, and Ayn Rand, the philosopher who thought individualism so important that she called altruism evil, had a lot in common. The Moral Origins of the Great Recession. Jaron Lanier Explains Virtual Reality So it is that the virtues narrowly associated with production and consumption – ruthless efficiency in the workplace and seductive salesmanship in the marketplace – have now suffused American life, co-opting alike the themes of our narratives, the planks of our parties, the practice of medicine, the profession of art, and the most intimate aspects of our personal lives, including our beliefs about God, marriage and childcare. Under this moral regime, the civic center has been replaced by the enclosed mall and the Olympics reduced to a global trade fair. Worse, our storehouse of memories is also overstocked with the logos of commerce. It is instead a highly efficient money machine, self-excused by its charter from most of the duties that natively attend good citizenship. Why Government Should Be Paying You for Your Information When designing our democracy, the founders focused on prohibiting the two institutional enemies of freedom that they knew best, a centralized church and a monarchical state. Consequently, the primary ethical challenge to the American experiment other than slavery has been whether the obvious productivity of these essentially amoral money machines – unimagined and so unrestrained by our Constitution – can be yoked to serve the same democratic purposes and Judeo-Christian values that they internally refuse. Not just the subprime scandal that led to the Great Recession but also the broader monetizing of our artistic, scientific, and religious practices highlights our current failure to pass that test. The ongoing submission of our everyday lives to the ways, means, and ruling ideals of radical capitalism is a grievous error, and one that cannot be amended by a mere technical fix to our financial system. As a precedent to more substantial reforms, we must begin instead by acknowledging some hard truths about this Virtual America that has become our all-enclosing house even as it sheds the duties and delights of a communal home. The core civic contention of the privatization movement – that ethical behavior is a kind of epiphenomenon of rationalized greed; that inside a fully marketized society, self-interest will, routinely, become enlightened – is a disingenuous delusion. Second, in a digital age, when messages invade every social niche and private space, a telecommunications system whose ruling intention is to promote acquisition will eventually produce an overly acquisitive population. Charged with justifying the unbidden gift of consciousness in what sometimes seems but a blink of time, a successful life is both richer and harder than the bottom line can ever measure. Six years after the collapse of Lehman Brothers and the start of the recession, David Bosworth takes a closer look at its moral origins. Photo by Flickr user Scott Cawley.

### 5: History of capitalism - Wikipedia

*Contemporary Capitalism and its Crises: Social Structure of Accumulation Theory for the 21st Century Feb 18, by Terrence McDonough and Michael Reich. Paperback.*

Roberta Wood July 20, It is natural for people to believe that the society they were born into is the normal state of affairs and will continue forever. However, the fact is, capitalism is only a stage of human development – it is not an eternal system. This is one of the important points that Marx and Engels made when they laid out the basics of capitalism. For sure most people in their day worked, but most of those working people were not members of what they defined as the working class. Instead, most people in Europe, America, Asia and Africa and around the world still lived in the countryside and were engaged in agriculture where they worked as individual family units. Most rural people at that time spent their work lives producing for the needs of their own individual family. They worked, but they were not in what Marx and Engels defined as the working class. In England, the land they farmed was converted by its owners to more profitable sheep grazing. Meanwhile, new factories using new technologies arose in the cities, making textiles and machinery. The former peasants fled to the cities with nothing to sell but their ability to work in the new sweatshops. Commodities In a peasant society, most of what people produced was for their own use. But today, in a developed capitalist society like ours, the goods and services workers produce are not for their own use, they are commodities – made to sell in the marketplace. The capitalists sell the goods the workers produce and pay the workers a small portion of the proceeds. Every important product and service made in our country today is a commodity. We make it, they take it! Workers are the force that activates the machinery and software. When workers apply their physical and mental efforts to the production process they produce far more value than they consume. Because people produce everything as a group, it would make sense if the machinery and technology were owned as a group. It would be logical if the products of the labor, machinery and technology were owned collectively. But instead, in a capitalist economic system, individual capitalists own the machinery and technology. So the capitalists, not the workers, end up owning the goods and services that the workers produce. Marx and Engels explained the concept of exploitation. The workers produce commodities to get paid; they receive a small portion of what the commodities sell for. The rest of what the commodities sell for goes to capitalists as profit. Exploitation is the source of the profits the capitalists rake in. Exploitation is what accounts for the enormous accumulation of wealth, and what today everyone refers to as income inequality. This seven trillion is the accumulation of the exploitation of workers around the world. Even very highly paid workers are exploited because they still produce so much more than they are paid. The importance of the fight for a shorter workweek Marx and Engels pointed out that, in effect, workers are only paid for a portion of their workday. The rest of their work time goes to enrich the capitalists. They emphasized the importance of the fight over how many hours a day people should work. Remember, many of the first organized struggles of workers focused on reducing the brutally long workday – 16 hours or more. Here in Chicago, the clash that led to May Day was the struggle for a shorter workweek. Reducing the workweek – working less hours with no cut in pay- meant people not only could live more human lives – but would be less exploited and would receive a larger proportion of the wealth they created. Workers can only live by selling their labor power Marx and Engels highlighted the extreme insecurity and misery that capitalism created. Having been driven off the farmland and into the cities, workers had lost access to the fields and tools necessary to produce the food and goods they needed to live. The only way they had left to survive was to sell their labor. In the cities they moved to they found a merciless marketplace where they were in competition with other workers. Why unity is the toughest challenge The Communist Manifesto made this slogan famous: As much as workers under capitalism have common interests, we are all also competitors for jobs. We compete for jobs in a dog-eat-dog marketplace. As competitors against each other, where there are always more workers than jobs, we have no bargaining power in relation to our employers. They play us off against each other. Competition in the workplace is the enemy of the working class. No individual worker alone can successfully bargain with an employer. From the dawn of capitalism, on every continent, workers

spontaneously organized one form of union or another to reduce competition between individuals in a workplace. That was the only way to reduce the hours of work and get more pay. Today when workers individually, or even groups of workers in one country, try to deal separately with employers, you know what happens: Even more advanced forms of unity are needed to deal with the other forms of competition. Lessons from the experience of our working class Capital, wrote Marx, comes into the world dripping from head to foot, from every pore, with blood and dirt. Nothing illustrates this more than the integral role that the slave trade played in the development of capitalist economics. At the same time capitalism brought into being the working class – a group of people who had nothing to sell but their labor, it brought into being another category of people who could not even sell their labor, but whose very bodies were themselves sold. Racism further provided the template to divide that working class against itself. Racism has been woven into the development of capitalism at every stage from to today. It was built into the extreme theft of labor that was slavery. Racism was built into the theft of two continents of land. The complex systems of unequal treatment of African Americans are the blueprints for an infrastructure for de-humanizing and super-exploiting a group. These blueprints for inequality within the working class have been refined and used over and over against other people of color, Native Americans, immigrants, and women. Even more, these blueprints are the provide an infrastructure to attack the unity of the whole working class. Unity must be based on equality The U. We have learned that unity cannot be achieved unless it is based on equality. So equality, in and of itself, is a central issue for the whole class, not just those who are the direct victims of the inequality. Equality has to be fought for everywhere: These are all important places for the working class to struggle against inequality. Beyond hours and wages, struggles for control of the workplace have unfolded. Control over working conditions and general quality of life – health and safety and environmental issues – are working-class issues. These public goods are a much larger part of the economy than during the time of Marx and Engels. Wages and conditions for workers in these sections of the economy tend to parallel the wages and benefits that people receive for similar work in for-profit sections of the economy. A good example is the struggle about who should pay taxes. That is where, potentially, workers as a group face off against capitalists as a group. As in any conflict, each side tries to pick off allies from the camp of the other side. Each side tries to win over the middle forces. They need to be established as a standard of life in modern society – free public education, clean water, access to the Internet, landline phones, universal health care, and affordable housing. Why we work with other forces beyond the working class Taking advantage of splits among opposing forces in the political arena can be very important. Or they have a foot in each camp, both working for a boss and running a small business themselves. In this way, we can help bring the workers who still follow the lead of the small business forces or even the capitalists into coalitions with forces led by the working class. The fruits of working-class productivity I believe that Marx and Engels saw that capitalism was beginning to create the technology and machinery that would result in a level of productivity through which human material needs could be satisfied with everyone working just a few hours a week. But today the leap in productivity HAS happened and in the U. Another huge chunk is education. But the direct labor performed by the many different health care workers – from nurses to physical therapists to home health aides – is an essential part of life in the 21st century, not a sideline. Our vocabulary is stuck in the 19th century. We need a term for what it is these workers produce. Their direct labor in many ways has become a critical portion our economy. In fact, what they do is actually produce commodities, even though these commodities are not material objects. That was the time of the birth of the industrial proletariat – those who we call blue collar workers who worked in the giant factories. The explosion of mass production industries increased their numbers. These laborers were looked down on as not really being workers compared to the skilled craft workers. They were seen as lacking skills. When they won union rights they won not only good wages but respect for their jobs. These industrial workers are still critical. They produce all the goods we use and enormous amounts of profits for the capitalist class. But since the middle of the last century we have seen the explosion of workers creating other values. Like the first industrial workers, they are also looked down on. The development of the industrial proletariat as the predominant work force made it necessary to come up with a new form of labor organization – industrial unions. The craft unions that existed previously were not adequate to represent their needs. In the

mid 20th century, the industrial unions achieved much success in developing progressive labor legislation to address the needs of workers in the industrial economy. I am not saying anything new here. The labor movement has been struggling and experimenting with this issue for more than a decade. This struggle is complicated by the right-wing assault on the progressive labor legislation that was fought for and developed to address what at that time was the new industrial work force.

### 6: What contemporary capitalism needs to learn from fairy tales | PBS NewsHour

*My remarks concern the perspective from which to look at these traits of contemporary capitalism, and I move from the assumption that the obverse of both economic inequality and inequality of opportunity, which are cause or effect of those four problems, is often some form of private domination.*

S government would have you believe. So the goal here is to key in on one or two cause and effect relationships. Once anyone starts to become familiar with how the economic pieces fit together and affect each other, it may start to sound redundant when changing the subject of focus precisely because of the interplay, interdependence and overlap of the various aspects which influence economic conditions and circumstances at any given time. Just as the capitalist system today dictates the large majority of U. S citizens, regardless of ambition, talent or qualifications, must remain in the lower and middle echelons of the economic structure, the same system also dictates that a certain small percent of participants will exist in the top income brackets. Legislation and policies pertaining to economics are firmly in place to facilitate the accumulation of wealth and investing capital by causing the money to flow predominantly upwards toward the top income levels, where a very small percent of people end up accumulating a very large disproportionate amount of all existing wealth. Regardless of law and policy, pure capitalism will generously and automatically favor those who are born with, or are able to accumulate investment capital or wealth. It could be argued that those at the top income echelons are smarter than those at the bottom or middle of the structure, or possibly those at the top are more persistent than others. At the present time this tailoring of laws and policies has gone to the extreme with no consideration for maintaining the well-being of the majority in our society. And although the world and amount of what can be produced are finite and limited numbers, our laws have set no limits on the amount of wealth any person or group can accumulate. Capitalism as practiced in the U. The laws and policies pertaining to the economy, combined with human nature, dictate that people will go without fulfilling basic needs today. But if financial security and basic needs are beneficial to civilized society, then a healthy economic structure should strive to provide as much financial stability, security and freedoms for the greatest number of people. So why does American society have such a difficult time discussing political and economic realities affecting our entire individual, familial and societal well-being as a whole? The simple truth is a great deal of human psychology plays into our political-economic system, and for our purposes psychological effects can also be termed as the effects of human nature while the two overlap and interplay to a large degree. Greed is definitely part of our human nature and is much stronger in some when compared to others. This deceitfulness can and often does include self-deception of an individual or group as a whole. Extreme wealth makes it possible to corrupt others and this corruption has actually become a game for many who control and manipulate the U. In the case of the extremely wealthy, greed is completely irrational as many already have more than they can reasonably spend in multiple lifetimes. And beyond irrational, this same greed has some innate destructive and restrictive qualities working against the overall well-being of our society and the advancement of mankind in general. This hard core ideological dogma necessitates denial or complete lack of concern regarding the actual cause and effect of certain conditions and other realities which occur in our economy. As the wealthy have continued to accumulate more wealth over recent years, the large majority of Americans are losing wealth and have less actual purchasing power and less freedoms than in other periods of our history. Just think of all the time and labor which would have been saved if computer and robotic sciences had been developed fifty, twenty or even ten years earlier. That time and labor which would have been saved is indisputable, and could have easily been applied to education and research for even more advances in medical science or energy saving technologies, or the development of completely new sciences in the production of clean energy is not out of the question and certainly worth pursuing. One medical solution has the potential to spare the life of the one innovative person who could go on to discover that formula for clean and available energy. This fear again is irrational for several reasons. We will say that less poverty and desperation in our society would automatically reduce crime which can also reduce court and prison expenses. A more comfortable financial situation for all concerned would also reduce stress for individuals, as well as

stress in our entire society, and thereby provide health benefits which can lead to greater productivity. Financial comfort can also reduce other types of stress related crimes such as domestic violence and various forms of abuse. Those health and crime-reducing benefits, along the exponential gains due to scientific advances from accelerated learning and research, are being denied to our entire society simply because of personal greed, or excessive accumulation of wealth if you prefer. Again, I refer back to how the excessive accumulation of wealth, into the hands of relatively few people, works as an anti-stimulus in our finite general economy. The irony in our case today is that the laws and policies currently pertaining to the economy do not promote capitalistic-democracy as those in power incessantly profess; but instead promote excess for the relative few while promoting exclusion, or limited success at best, for the vast majority. So citizens are being prohibited from exercising their right to have an equal democratic say and equal representation in the workings of our entire political and economic structure. Living under financial duress is unhealthy for individuals, families and society as a whole. And yet those in power who legislate our two party political system, while having the power to change it, cling to and profess the false-reality that the system as implemented is the best that can possibly exist, with no room or need for change. It cannot be overstated how U. S. Psychological programming over multi-generations through propagandized ideological dogma is a powerful instrument indeed — and it appears we may have outsmarted ourselves concerning economic ideology. When it comes to cases of continued denial concerning human or legal rights, fear of change can transform into an extremely destructive force which at times manifests itself in the realities of war, be it civil or foreign. To unleash the destructive forces of war, or violent conflict, it only takes unreasonableness on one side and the human nature to resist transgressions against human or legal rights on the other. That line of transgression against the American people has, by any honest accounting, long been crossed by mutually corrupted-intellects in the symbiotic collusion of extreme wealth and D. If patriotic Americans would now arm themselves with truthful informational facts while mobilizing to effect peaceful political change with the overwhelming force of moral intellect, the positive effects to our overall society will more than compensate for the investment of time and energy required to make those changes. Mark Weiser was thrown into this world without any say as to when, or where, and to whom he would be born. He says his story is the same as all others in that respect as we all come from this same earth and began the same way. This article was posted on Tuesday, September 9th, at 2:

## 7: Addressing problems of contemporary capitalism

*With The Implosion of Contemporary Capitalism, Samir Amin brilliantly analyzes the financial collapse, the debt crisis, the rise of political Islam, and [www.enganchecubano.com](http://www.enganchecubano.com) has once again looked into the near future and laid a knowledge base for developing a strategy of resistance to global capitalism and Western imperialism.*

**Health Care Under the Knife:** This article is adapted from *Health Care under the Knife*: The pharmaceutical industry has remained near or at the top of the list for profitability for many decades. In the first place, after tax deductions only about 1. To this end, the pharmaceutical corporations maintain that only one in every 10, molecules actually results in a new drug. Though this may be true, most of the molecules that fall by the wayside do so in the very early stages of development when costs are minimal. On the contrary, since , all the large corporations have done well financially. With the threat of price controls looming, the other way of expanding revenue is to increase the volume of prescriptions for existing and new drugs. The approach to that goal is to control the knowledge about how and when drugs should be prescribed. An exploration of these four points informs the rest of this essay: From Blockbuster to Nichebuster Until a few years ago, the pharmaceutical industry operated on what is known as a blockbuster model. Diseases that occurred predominantly or exclusively in developing countries were largely ignored, because the people affected had no meaningful purchasing power. Of new therapeutic products marketed between and , only thirty-seven 4 percent were indicated for those types of diseases. In this sense, the challenges experienced by the pharmaceutical industry resemble those of others that operate in a capitalist economy. The more desperate patients become, the higher the price they are willing to pay. Corruption of the Drug Regulatory Process Before corporations can start making money from the drugs they manufacture, those drugs need to be approved for marketing. This stipulation is merely pro forma in much of the developing world, however, where one-third of countries have no or very little drug regulatory capacity. The ultimate result is that the state actively supports the broad regulatory goals of industry. The clearest manifestation of corporate bias theory in pharmaceutical regulation is the widespread adoption of corporate-user fees to pay for the functions of drug regulatory authorities such as the U. Resource constraints on the FDA were the major driving force behind the implementation of user fees in the United States. As part of the Prescription Drug User Fees Act PDUFA of , the industry agreed to enter into an arrangement, provided that the fees were supplemental to congressional appropriations and that the money was used exclusively to improve the efficiency and speed of new drug reviews for brand-name drugs. As a result, the majority of fee revenues went to hiring new drug reviewers. It was not until that the FDA was allowed to use any of this additional money to monitor the safety of the products that it had approved. PDUFA subsequently has been reauthorized at five-year intervals, with the latest renewal in One of the key features of PDUFA is that it contains provisions committing the FDA to continual improvements in the percentage of new drug applications approved within set periods of time. PDUFA, by getting drugs to the market faster, meant more profits for the corporations. The question then becomes: Evidence shows that user fees have had negative consequences for public safety. In the United States, the standard review time for a new drug application is three hundred days, and under PDUFA, the FDA is required to complete 90 percent of applications within that time frame. If this goal is not met, renewal of user fees might be threatened, thereby depriving the agency of a substantial portion of its revenue. In practice, it appears that as the FDA is approaching its deadline for making a decision, it relaxes its standards for evaluating safety. As compared with drugs approved at other times, drugs approved in the two months before their deadlines were over five times more likely to be withdrawn for safety reasons and almost 4. Since most of the regulatory agencies in EU countries are funded to a considerable extent by user fees, there is often intense competition among them for Rapporteur and Co-Rapporteur status to generate income. Out of fifteen German, Swedish, and UK regulatory personnel who were interviewed by Abraham and Graham Lewis from the University of York, five agreed that this timeline was a threat to public health, and an additional five thought that it possibly was. However, unlike many regulators, it competes with other European agencies for fee income. This situation has led to concerns that it may lose sight of the need to protect and promote public

health above all else as it seeks to win fee income from the companies. Intellectual property rights IPRs are the key factor in driving revenue and profits for pharmaceutical corporations. In the contemporary pharmaceutical context, the primary IPRs are the patents over the products themselves and the data that the corporations generate when they conduct premarket clinical trials to evaluate the safety and efficacy of their products. Therefore, it should not be any surprise that the pharmaceutical industry goes to great lengths not only to protect IPRs but to strengthen them. One of the earliest manifestations of this obsession with IPRs was the industry lobbying that led the United States to insist that Canada dismantle its regime of compulsory licensing in return for getting the initial U. In the United States, the latest victory for stronger IPRs has been the twelve years of market exclusivity for biologic products, that is, those that are made from living cells. These twelve years come courtesy of four years of data protection and an additional eight years of exclusive use for biological products. In some ways, data protection can be even more important to corporations than patents since data protection cannot be challenged in the court system the same way that patents can. Although biologics represent fewer than 1 percent of prescriptions written in the United States, they account for 28 percent of drug spending, and that figure is only going to increase in the future. ISDS allows corporations to sue governments. For instance, under current patent laws 68 percent of the HIV population in Vietnam receives antiretroviral medications, but under the failed Trans-Pacific Partnership that figure would have dropped to about 30 percent. Many developed countries did not adopt full patent protection for pharmaceuticals until the s or later when their gross domestic product GDP per capita was in the tens of thousands of dollars. In response, during , thirty-nine multinational pharmaceutical corporations, with the support of the U. Eventually, in the face of widespread public opposition, the U. Some of the results can be seen in longer periods of patent extension patents can be extended past twenty years and in the elimination of objecting to patents before they are granted. I mean, you know, we developed this product for Western patients who can afford this product, quite honestly. These trials are the foundation of knowledge about a drug and as such their outcome is extremely important. As funders, corporations control all aspects of the trials from their initial design to the way that they are conducted and analyzed, how they are reported to drug regulatory agencies such as the FDA, whether and how they are published, and to a large extent how they are presented to doctors. Pro-corporate bias starts with the trial design. When the new drug being tested is compared to another drug already on the market, inappropriately low or high doses of the comparator drug may be chosen to either minimize effectiveness or maximize side effects. However, termination solely on financial grounds can be viewed as a violation of Article 6 of the Declaration of Helsinki, the internationally recognized standard for the conduct of clinical research. The published trial, based on six months of data, appeared to confirm the protective effect of celecoxib over traditional anti-inflammatories medications in reducing stomach bleeding. However, the two studies combined in the publication actually continued for twelve and sixteen months. At the 12â€”month time there was no difference in gastrointestinal adverse effects between those patients who used celecoxib and those users of the traditional NSAID. The article is then taken to an academic researcher who agrees to sign it, usually for money or the prestige value of having a publication. When the article eventually appears in print, there is no acknowledgement of the role played by the ghostwriter in its production. Court documents show that ghostwriters played a major role in producing twenty-six scientific papers that backed the use of HRT. Out of thirty-seven studies on antidepressants that the FDA viewed as either negative or questionable, twenty-two were never published. Published data overestimated the benefit of the antidepressant reboxetine versus placebo by up to percent and also underestimated harm. However, it is precisely when KOLs start to act independently and deviate from the messages corporations are cultivating that their value to the corporations starts to be questioned. Once those case reports became public, his invitations to speak dropped from four to six times per month to essentially none. Economic theory predicts that firms will invest in corruption of the evidence base wherever its benefits exceed its costs. If detection is costly for regulators, corruption of the evidence base can be expected to be extensive. Investment in biasing the evidence base, both clinical and economic, in pharmaceuticals is likely to be detailed and comprehensive, covering all aspects of the appraisal process. Such investment is likely to be extensive as the scientific and policy discourses are technical and esoteric, making detection difficult and

expensive. The Mario Negri Institute in Italy, in existence since the early s, offers an alternative way for doing pharmacological research. It is willing to accept money from pharmaceutical corporations for research, but it insists on maintaining its independence by designing the trials, conducting them, collecting and analyzing the data, and writing up the results without any interference from the funding source. In addition, the Institute declines to take out any patents or to demand any other form of IPRs and makes all data freely available. Finally, it rejects any funding when its scientists conclude that the results will not further the interest of public health. Canada sets a maximum introductory price for new patented medicines. If drugs are not listed on its formulary, sales suffer significantly. Reference-based pricing groups all drugs that are therapeutically equivalent for a particular problem, and the government then pays only for the lowest-priced drug in the group. All drug regulatory systems are funded to varying degrees by user fees, thereby embedding a system that makes regulators sensitive to the needs of the pharmaceutical industry when it comes to approving new products. Finally, clinical trials are still under control of pharmaceutical corporations worldwide. Pharmaceutical corporations are extremely powerful due to their wealth. They achieve this power with the active collusion of regulatory authorities and the governments that oversee these authorities. The introduction of user fees has meant that commercial values are replacing public health as a priority for organizations such as the FDA. In the process, drugs are approved with increasingly weaker evidence, and the result is poor-quality therapy and more safety problems associated with the drugs that are marketed. Ratcheting up the strength of IPRs through international and bilateral trade deals helps protect the profits of the corporations but means that, globally, access to essential medicines is restricted, especially in developing countries. At the same time as the industry is developing ways of coping with its internal crisis, a crisis that is inherent in the capitalist organization of pharmaceutical production, there are also serious proposals to curb its power and to ensure that drugs are developed and priced to meet real health needs and not the need for ever larger profits. Grabowski, and Ronald W. Light and Rebecca N. Ahmed, and Ruth H.

## 8: Monthly Review | The Pharmaceutical Industry in Contemporary Capitalism

*Contemporary Capitalism We live today in a crucial period in human history, of human thinking, in which one looks for new criteria, new concepts, new values and new certainties.*

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 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 s, 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.

## 9: Monthly Review | The Implosion of Contemporary Capitalism

*But is the concept of the industrial reserve army still adequate for describing modern capitalism and the people being described as precarious in today's global economy? Precarious work and contemporary capitalism: Multinationals, financialisation and the global restructuring of the working class.*

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 the 1930s to the 1970s 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 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 thrived. 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 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, "â€" , 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; 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.

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