**HISTORY OF CAPITALISM**

**Padua, Italy, 1304**

Painter Giotto paints a fresco: Jesus and the Money Lenders

“Jesus goes to temple of Jerusalem, sees merchants and small-time bankers crowding the forecourt selling and buying”

**Venice 1450**

Franciscan friar Luca Pacioli, publishes 1st ever book on accounting: Summa de arithmetica, introduces the principle of double entry bookkeeping (every transaction must be exchanged for something else of the exact same value.)

**Geneva 1555**

Protestant theologian John Calvin, emphasizes the importance of protestant virtues: hard work, self-denial, patience, honesty, duty (qualities useful for capitalism)

**Delf, Dutch Republic, 1670**

The newly independent Dutch Republic is the world’s 1st explicitly capitalist nation. Running a business is far more noble than going to war or monastery

**141, Strand London, 1776**

Adam Smith, Scottish philosopher written a book: An Inquiry into the nature and causes of The Wealth of Nations. Explains how capitalist economies grow, the division of labor. He said capitalism is guided by invisible hand, by maximizing own’s profit, individuals inadvertently benefit society providing goods that people want and need

**London, 1854**

British economy, largest in the world due to cotton, shipbuilding, steep and coal industries

Charles Dickens, one of the Victoria England’s most passionate critics of unrestrained capitalism publishes a novel: Hard times, aims at heartless capitalists (abuse workers, exploit children.

Dickens argues that capitalism is evil because it encourages appalling conditions for the producers.

**London, 1860**

John Ruskin the English reformer publishes: Unto this Last, a furious track against capitalism that takes aim not so much at the production side of capitalism as the area of consumption.

Like Dickens, Ruskin is enraged that people are being exploited and the environment ruined.

For ruskin, money shouldn’t only be made morally, it should be spent morally

**Berlin, 1963**

Walter Ulbricht, the leader of communist East Germany launches new scheme: the Neues Ökonomische System, aims to solve for east germans the two major failings of capitalism (**1**. Guarantee workers good conditions with huge expansion in the number of state schools, housing blocks, holiday blocks. **2**. Focus on fripperies of capitalist production like blue jeans, pop music; it will give people the works of Plato and Marx; and uplifting TV programs about track production

**Dresden, East Germany, 1976**

The fatal flaws of communism with a massive riot about unavailability of coffee cause by huge rise in global prices, so they can no longer import.

**East Germans, November 1989**

East Germans breached the wall to western supermarkets like Edeka (which has olive oil, party hats, ice spuns and coffee). Old east german elites who believe people could be satisfied with philosophy, athletics, sauerkraut and tv programs about farming are hounded out of office

**Seattle, USA 1999**

The World Trade Organization, out in the streets hundreds of thousands of anti-capitalist protestors have gathered to call an end to iniquities of global capitalism.

Capitalism don’t look after the producers and capitalism downgrades the important spiritual ends of life for hamburgers, clothes, etc.

**Cupertino, California 2015**

Apple computers officially becomes the largest corporation in the world. Turns out apply are indirectly responsible for the suffering and abuse of workers in the supply chain in China by the Foxconn corporation

**CONCLUSION**: Capitalism is amazingly productive, but it has two big flaws (**1.** Systematically inclines to ignore the sufferings of workers unless regular prodded not to. **2.** And the wealth of companies is often built up on satisfying what are not the essential needs of human beings. Fortunes are made on making unhealthy food or bad TV programs)

The challenge for the future is how we might be able to make money humanely by treating people and earth well and also make money though activities which address the more noble end of human needs. Till then the rage of Jesus in the temple will periodically always goes on.

**CAPITALISM AND SOCIALISM**

**Capitalism** is an economic system but it’s also a cultural system. It’s characterized by innovation and investment to increase wealth.

**Industrial capitalism –** is an investment of capital in machines and technology that are used to increase production of marketable goods

Downside of Capitalism

* Long hours
* Low wages
* Miserable working conditions
* Child labour

Industrial capitalism developed first in Britain in the 19th century. Britain had advantages, It was the dominant power of the seas and it was making good money off its trade with its colonies including the slave trade, the growth of capitalism was helped by the half-century of civil unrest that resulted from the 17th century English civil war.

The advantage is before the war, the British crown had put a lot of regulations economy: complicated licenses, royal monopolies etc. but during the turmoil it couldn’t enforce them, which made for freer markets

Another factor was a remarkable increase in agricultural productivity in the 16th century as food prices started to rise, it became profitable for farmers to invest in agricultural technology that would improve crop yields. The higher prices for grain resulted from growth of population which in turn encouraged by increased production of food crops.

A number of these agricultural improvements came from Dutch, they planted different crops like clover which gives nitrogen to the soil and at the same time it could be used to feed the livestock, more fields could be used at once meaning increase in productivity, brought down prices, encourage further innovations, low food costs, wages still high, more income to workers. Comes to the point that obesity has become more problem than starvation

The increase in productivity means fewer people needed to work in agriculture, since there’s factory but also child labour

**Capitalism** is also a cultural system, rooted in the need of private investors to turn a profit

Thomas Mun, writer in English East India Company, exposed people to the idea that economy was controlled by markets. Meanwhile other writers, say that it was human nature for individuals to participate in markets as rational actors

John Cary in 1695, one of capitalism’s cheerleaders, talking about our appetite but he wasn’t just talking about food.

**Socialism** is an imperfect opposite to capitalism. Capitalism defenders like to point out that it is natural, meanwhile socialism is the result of human choice and human planning.

Socialism began in France, in the border between Egypt and Libya.

**Two branches of Socialism in France**

1. **Utopian** – Comte de Saint Simon and Charles Fourier, both rejected revolutionary action after having seen the disaster of French revolution, and both critical of capitalism
2. **Revolutionary –** Auguste Blanqui, his idea was communism which the term he used. Like utopians, he criticized capitalism, but he believed that it could only be overthrown through violent revolution by the working classes. But blanqui was elitist who believed workers could never on their own overcome their superstitions and prejudices in order to throw off bourgeois oppression.

**Communists who didn’t have a beard**

* Mao Zedong
* Pol Pit
* Kim Jong-il
* Joseph Stalin

**Karl Marx**

* Often considered the father of communism because he co-wrote The Communist Manifesto
* He advocated for revolution
* Great work: Das Kapital
* For him the focus is not on the class, but it’s on the struggle, basically he believes that classes don’t only ‘struggle’ to make history, but that struggle is what makes classes into themselves.
* The idea is that through conflict, classes develop a sense of themselves, and without conflict there is no such thing as class consciousness.
* Criticism of Capitalism: Capitalism replaces the egalitarian (principle that all people are equal and deserve equal rights and opportunities) collaboration with conflict
* He sought to empower the workers

**Two classes**

1. **Workers** – just had their labour
2. **Capitalists** – owned most of the factories for production including land

So, the class struggle is between capitalists who want labour at lowest possible price and the workers who want to be paid as much as possible for their work.

**Two ideas**

1. Marx believed that ‘production’ or work was the thing that gave life material meaning
2. We are by nature social animals, meaning we are bind to work together, collaborate, and we are more efficient when we share resources

**NEOLIBERALISM**

* Is the idea that society should be shaped by the free market and the economy should be deregulated and privatized or in short what works in the private sector will work also in the public sector
* Also involves the idea that the public sector should not only follow the private sectors rules, but it should also subsidize the private sector which we know is owned by fewer global capitalists
* It has its roots in enlightenment liberal humanism or classical liberalism, the belief that people were free to live their lives without a great deal of interference from the government

**John Locke** – Father of Classical liberalism

**Why does neoliberalism have to do with classical liberalism?**

* Neoliberalism isn’t really new itself; it is a new take on classical liberalism
* Neoliberalism uses the language and tenets of classical liberalism in ways that now benefit large corporate interests, e.g many of the tenets of liberalism were enacted in the name of equality meaning that free-market policies were supposed to allow people an equal chance into the marketplace
* Under neoliberalism however the free market loses its ties to democratic ideals and instead allows corporate capitalists to open up previously unavailable markets, basically the free market becomes increasingly free for wealthy corporate capitalists and less free for everyone else

**Neoliberalism Effect**

* **American Public Education System** – example of how business interests have infiltrated public systems. In the past public schools were set up to offer free education to promote the liberal humanist ideas of liberty and equality BUT with the rise of neoliberalism and in turn education reform movement, the lines between public and private education have been blurred. What we now see is heavy private investment from private individuals and corporations
* **Bailout of banks**
* **Healthcare not as a right, but as a commodity**
* **Break up or circumvention of trade/workers union**
* **Privatization of previously public entities like prisons**