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The First Economic Revolution

This sort of revolution was not any involving a massive change brought upon directly by violence, but it did result in a different way of interacting with the mechanisms (brought upon by institutions) in society. Many of those institutions were completely rewritten. As North discusses, it is a creation of a basic 'incentive' that grew into the division of resources that is commonly understood and accepted by modern civilizations of mankind in the last 10,000 years. He suggests that the common property rights, or CPRs, are detrimental to the growth of society, due in part to the lack of incentive, but mainly to the implication that little to no innovation is being made by micro-societies, and therefore, mankind as a whole.

When a division between common property of a community's and an individual's property exists, then automatically and inherently a demand exists to motivate each individual to differentiate oneself from the other. This idea is a common characteristic of modern-day entrepreneurship. After examining modern day capitalism and competition, it is clear that technology and other culture advancements and milestones have been remarkably increased to due this initial Economic Revolution.

Even though it began as a simple switch from a hunter-gatherer society to an agricultural one, few would have guessed that it would comprise, as North says, 'four-fifths' of our cultural and economic account and narration. These advancements can be traced in many ancient societies, including the Babylonian, Assyrian, Egyptian, etc, but can be more commonly found in the Ancient Roman Republic and Empire and the

Ancient Greek civilizations. A natural competition existed, not only between individuals, but also between city-states. As the overall supra-societies formed, many concepts were created, such as slavery, democracy, and what we as scholars consider to be more modern than the typical hunter-gather survival mechanisms that supported mankind for millennia.

North describes this revolution as a ‘transition;’ arguably, one of the most necessary for our advancement as a species. He states that the ‘rapid progress’ was dependent upon the First Economic Revolution. The major consequence that he describes is the amount of inequality resulting in an institution focusing on competition and extreme measures of growth. The Ancient Roman civilization is known as one of the wealthiest the world has seen; however, a closer examination shows that the Romans do not have equality. In contrast, they have two main classes: an extremely wealthy class filled with Aristocracy and the elites, and the rest of the population consisting of slaves and citizens ‘forced’ into serving the elite class for protection. The system is arguably good or bad, depending solely on the definition of the term good. It is suggestive of the values one wants which are equality or growth, but not both equality and growth.

I disagree with the notion of an independent choice of one or the other. In a modern civilization, resources are available and higher thought is applicable. Given that true equality can never be established (every person is different) and economic equality is nearly impossible (everyone having exactly the same amount), modern day CPRs have the ability to separate individual property and control of resources from the greater whole that is owned communally. This is a thought that needs to be more carefully examined, due mainly to the complexity, but also because the desire for a civilization to have the fairness of equality and the logic of growth.