

The rise and fall (?) of (industrial) capitalism

Prepared for the Association for Institutional Thought sessions at

The annual conference of the Western Social Science Association

Portland, Oregon

April 2015

Stephen C. Bannister

Department of Economics

University of Utah

Salt Lake City, Utah 84112

USA

801-581-7481

steve.bannister@econ.utah.edu

Abstract

My work toward understanding attempts at industrial revolutions, both successful and failed, as primarily energy-consumption revolutions and understanding their structure, leads me to a new understanding of the origins of industrial capitalism as an outcome of demand and supply shifts driven by both macro- and micro-economic forces. This work can be placed firmly in the historical materialism tradition and extends it. I also situate this in the tradition of endogenous institutions. The work uses Sung China (Northern Sung dynasty, 960 – 1127 CE) and Early Modern England as case studies.

This paper significantly extends the paper I presented last year at the WSSA/AFIT session in Albuquerque.

As social scientists, if we hope to help bend the curve of history toward positive institutional change, we must understand the roots of the pervasive institution we call industrial capitalism, which continues to influence our personal and collective lives in many ways.

My conclusion is that it is possible to eliminate much of the “bad” of industrial capitalism, but doing so will require a specific development path following historical materialism precepts: we need a radical change in the means of production, the technologies we build to meet our material needs and the institutions they imply. Such change must cause a dramatic reduction in the need for accumulated capital; in the language of economics, we must reduce the demand for capital to overcome its negative effects or externalities on “the non-invidious recreation of community” (Marc R. Tool).

Describing a technological development path that honours revealed economic fundamentals while meeting material needs with reduced capital demand is feasible; to do so without understanding the paths that led to our present state makes that task unnecessarily difficult. I hope to contribute to making the rise of industrial capitalism usefully understandable, and thus the probability of diminishing it feasible.