Outline and learning outcomes

- Industrialisation = a history of capitalism
  - Establish a broad perspective and context about the nature and scale of change that industrialisation reflects
  - Distinguish between ‘necessary’ and ‘sufficient’ characteristics

- Explaining the Industrial Revolution
  - Allen (2009)
  - Review a variety of alternative explanations offered as causal in bringing about the industrial revolution

Reading

- A’Hearne – chapter 1 in Floud et al (2014a)
- Allen (2009) – chapter 1
- Crafts (2014)

See economicstoolbox.com for more background sources
A history of capitalism

From rural idyll to robots?

In looking at the causes and consequences of industrialisation, we are really tracing the transformation of the global economy, starting with Europe. This inevitably is really an examination of capitalism as an economic system, and we focus on Britain as where the 'Industrial Revolution' first began. A 'revolution' that wasn't a revolution?

- the term implies a speed of change that was not present, as the empirical work of the last few decades has shown
- eg – see Crafts (2014), A’Heaune (2014)

However, much debate still surrounds the questions of 'why Britain?' and 'why in the 18th century?'

Explaining the Industrial Revolution

- In exploring how the industrial revolution came about, we are effectively seeking to find the traits in the pre-industrial economy that enabled it, to drive a change in economic mode – the 'seeds of transformation'
- Some make a distinction between necessary and sufficient conditions for industrialisation
  - ‘necessary’ conditions are characteristics of pre-industrial society that are required for change, but are not in themselves enough to instigate such change (= enabling)
  - ‘sufficient’ conditions may be seen as the particular characteristics that are able to force a transition to capitalism (= causal)
- However, we must recognise that identifying singular, individual causal factors is difficult ...

eg see discussion in Mathias (1979)
Explaining the Industrial Revolution

- Allen (2009) reviews some of the many causal perspectives that have been offered

1. **Social structure** (eg Marx)
   - Marxist theories of economic development see society evolving through a number of stages
   - transition to capitalism is built on growth of markets and a landless proletariat
   - However, Allen (2009:3-4) argues that the medieval world has been subsequently shown to have many ‘modern’ characteristics (though serfdom was clear barrier)
     - markets – widespread and as efficient as in 18th C.
     - ‘vibrant’ economies of cities and towns
     - agricultural productivity better than thought before

2. **Constitution and property rights** (eg North)
   - The 1688 ‘Glorious Revolution’ consolidated Parliamentary power over the Crown (p5)
   - ‘liberal’ view that suggests that the emergence of capitalist institutions created a favourable investment climate
   - But:
     - no change in banking or interest rates after 1688
     - similar property rights elsewhere in Europe
     - weak link between institutional change in 17th C and industrial revolution in 18th C (see Hodgson, 2017)

3. **The Scientific Revolution** (eg Landes)
   - Did science bring about industry? (2009:6-7)
   - Scientific discovery did underpin important technology in the Industrial Revolution (eg Newcomen’s 1712 steam engine)
   - But: Allen (2009:6) notes that key technological and scientific advances were made before 1700 (and not after 1780)
Explaining the Industrial Revolution

- Allen (2009) reviews some of the many perspectives that have been offered

4. Culture
- Allen swiftly dismisses the Protestant work ethic and ‘superior rationality’ (from Weber) (2009:7-8)
- Allen (2009:10-11) seeks to separate Mokyr’s views on science and innovation as culture – a human capital explanation – from his own perspective (we will return to their debate in week 7/8 seminars)
- He tends to discount the view that a “scientific worldview percolated down the social scale and influenced the second and third tiers of inventors” (2009:10) but admits there is contrasting evidence

Explaining the Industrial Revolution [p]

- Allen (2009:11-15) does argue that some aspects of cultural change, that had roots in economic change – “modern culture”, were important in facilitating the Industrial Revolution.
- Spread of literacy and numeracy (A’Hearne, 2014:41-2)
- Consumerism
  - New goods transformed both spending patterns and the work patterns required to produce such goods (and raised incomes for spending on consumer goods) (Allen, 2009:12-13; see De Vries, 1994)
  - Rising age of marriage (Allen, 2009:13-14)
- Hajnal identified a ‘European marriage pattern’
- All these can be seen as contributory factors that were necessary for the Industrial Revolution to take place...

Review

- Allen draws from a wide range of literature to critique many alternative views (but he is pursuing his own particular perspective)
- However, he does recognise that several components from views he discounts as being uniquely able to explain the industrial revolution are still nonetheless necessary conditions.
  - Allen’s own view is built around the argument that “Britain’s high wages and cheap energy increased the demand for technology by giving British businesses an exceptional incentive to invent techniques that substituted capital and energy for labour” (2009:15).
  - the w7/8 seminars will review some of the causal explanations offered