

## Themes and Concepts in the History of American Capitalism

### Theme #1: Nature of capitalism

<b>CHANGES OVER TIME =&gt; ERAS</b>
Merchant capitalism
Industrial capitalism
Financial capitalism
<b>DIFFERENCES AMONG COUNTRIES</b>
In the role of banks vs. stock markets
In the role of the "state" (government)
In the degree of organization (e.g., of labor and capital)

As you will notice, the three themes overlap in certain respects, especially themes #2 and #3. Nonetheless, it is useful to separate them analytically.

**ANALYTICAL TOOLS** for discussing the changing **nature** of American capitalism

**SCALE** of business activity (note: this is a comparative term, helpful in tracking changes over time)

- Geographic scale – e.g., local, regional, national, international
- Scale of capital investment – how much capital is involved?
- Pace of business – i.e., time scale on which business transactions are conducted
- Scale of social relations – think of this as a measure of "social distance"

**STRATEGIES** of business growth

E.g., expansion (doing more of the same), specialization (by product, function, geographic area), vertical or horizontal integration, diversification, conglomeration, focusing on a "core" business

**STRUCTURES**—pay attention to two kinds of institutional structure in the firm

- Ownership structures—that is, the way in which power is distributed (horizontally) among capitalists
  - E.g., proprietorships, partnerships, corporations
- Managerial structures—that is, the "vertical" organization of the firm, from owners through managers to employees

### Theme #2: The role of government

- **REGULATION and PROMOTION:** what government "does to" or "does for" business
- **LEGAL INFRASTRUCTURE** – the system of basic laws governing economic activity (e.g., establishing property rights), without which business in a capitalist economy would be "nasty, brutish, and short" (Hobbes)
- **POLITICAL STRUCTURE** – how power is distributed among levels and branches of government, how that distribution of power has changed over time, and how it has affected and been affected by American capitalism
- **WAR AS A SPECIAL CASE**, often involving all three of the preceding dimensions.

### Theme #3: The social world of business

**SOCIAL RELATIONS** that characterize the world of business

Changes in relations among capitalists, between owner/capitalists and workers, between managers and workers, between owners and managers, between firms and consumers

**SOCIAL RULES** that shape the world of business

- Expressed in laws, especially those specifying property rights
- Conveyed in social norms – expectations, common assumptions about what is right and wrong