



Economic History & The History of Capitalism

Week Five Lecture



Review: Previous Weeks

- William Sewell Jr. noted that many historians left behind social and economic history for cultural history and linguistic history. They didn't think that "the economic" was a valid avenue of study, as they rejected materialism.
- Economic history was eventually taken over by economists, and this can be seen in our study of the later years of the *Annales* school
- This has changed in recent years, however.

Economic History, 1800s-1950s

- Economic history is traditionally understood as "the history of human participation in the production, exchange, and consumption of goods" (Sewell: 2010, 146).
- Up until the 1950s, this was generally a very broad undertaking, normally with a mixture of quantitative and qualitative methods. Historians would gather economic data such as wages, production levels, markets, etc., as well as information pertaining to institutions, cultures of consumption, political developments, etc.
 - For this reason, a number of early practitioners of economic history (Marx included) considered themselves "Political Economists"; they were interested in these interactions and felt that the "economy" could not be separated from the rest of the workings of society.

The USA and the Cliometricians

- Economists began to get interested in historical subject matter just as historians were distancing themselves from economic and material subjects.
- From the late 1950s, and especially after 1970, a new branch of economics took over economic history: Cliometrics.
- Cliometrics brought in an obsession with quantitative data, economic theory, and advanced statistical techniques to analyse historical subject matter.
- A lot of this had to do with developments in availability of data and computer technology. Furthermore, it was a result of a growing positivism in the social sciences, that data was "fact" and political forms and motives could be removed from the equation (literally).
- Cliometrics is a form of neoclassical economics, focusing on markets, distribution, and maximization of 'utility'. Often in line with 'rational choice'.

Differences between Economic History and "New Economic History"

- Please note that the traditional forms of economic history still hold in the UK, but not really elsewhere.
 - Many of these departments (Glasgow, Edinburgh, and others) call themselves "Economic and Social History". Even the Economic History Society (which I am a member of)
- Compare J.D. Tomlinson, *Dundee and the Empire: Juteopolis, 1850-1939* with C. Burhop and G.B. Wolff, "A Compromise Estimate of German Net National Product, 1851–1913, and its Implications for Growth and Business Cycles."
- According to Sewell (2010: 149), "One might say that the epistemological object for a majority of economic historians in the 1950s was not "the economy" but what one might call "forms of economic life." This changed by the late 1950s with cliometrics, which emphasized "The Economy". Deduction vs. Induction.
- One of the first major Cliometric studies was Nobel Prize winner, Robert Fogel's *Railroads and American Economic Growth* (1964) which sought to calculate and quantify the contribution of railroads to the American economy.

The History of Capitalism

- By the late 1990s, the history of "forms of economic life" returned, albeit in modified forms. Many of these historians were seeking to contextualise changes in the world economy (especially those after 2008). This became known as the catch-all "History of Capitalism".
 - These scholars were less reliant on the structural analyses of the early Economic Historians, and they also either rejected or left behind intensive econometric analyses of Cliometrics.
- Historians of capitalism, utilizing new sources, seek to show that issues such as institutions and finance, mortgages and loans, labour and capital, are not 'natural' workings of an economy, but are rather historically conditioned and regionally and culturally specific.

Hilt on The History of Capitalism

- Hilt: "The history of capitalism is not simply work on economic history topics by scholars trained in history departments. It is work with a particular perspective, and it is this perspective that I believe defines this field and distinguishes it from economic history or business history." (2017: 512)
- Furthermore, Hilt notes that these scholars are not seeking to "historicize capitalism" per se (as Marx did). Rather, they "present a critical analysis of economic development in the context of capitalist institutions" (512).
 - This has its roots in Polanyi's concept of market "embeddedness" within political contexts.
- Regarding slavery, for example: "Whereas the economic history literature sought to investigate the sources of productivity in slave agriculture, the historians of capitalism emphasized the suffering that accompanied productivity gains - from the violent expropriation of native peoples, to the forced migrations and sales of enslaved people." (519)

Lipartito on the History of Capitalism

- "The return of the economic reflects a desire to take the material side of life seriously once again. Things, nature, technologies, labour, and commodities count, not just as cultural representations or referents in language, but in their own right" (2016: 101).
- Historians of capitalism are often interested in local and global connections.
 - Farmers may have culturally resented Wall street, but they held mortgages for property.
- Historians of capitalism often are interested in technological change, through intensive use of archival records.
 - Slavery was not some archaic institution, but central to technological development and investment in America and elsewhere.
 - They would often reframe what was defined as "technology" (corporal punishment and discipline) in ways that economic historians find hard to calculate.
- Historians of capitalism like following individual commodities (cotton, soy, etc)

Lipartito on Business History

Many historians of capitalism have utilized newly opened or donated sources by specific businesses, corporations, and/or industries to reconstruct the history of businesses or specific commodities.

Mining, manufacturing, Unilever (soy), Uranium mining (Rossing).

They are broadly consulting these records in light of this "New history of Capitalism".

What can new business records mean for historical analysis or record keeping in archives? (Hudson's Bay & Annings)

Hilt and Lipartito Critique the History of Capitalism

Lipartito: "For all its strengths, the new history of capitalism must leave aside a good swathe of the economic past. It cannot fully engage earlier periods before capitalism or the history of non-capitalist or mixed economies. It is not even clear what defines capitalism" (127)

Hilt often finds that historians of capitalism spend too much time with these cultural and institutional issues, neglecting hard economic analysis. (Slave discipline vs. new strains of cotton).

Hilt believes that historians of capitalism should utilize the causal analysis of counterfactuals.

Both historians note the Euro-American-centric focus of these historians of capitalism. Euro-America is the core, and the rest is the periphery.