

Alain Paul Martin's Comments in response to the New York Times' article titled:

In History Departments, It's Up With Capitalism

By Jennifer Schuessler

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Jennifer Schueller should be commended for sparking this dialogue on the NYT and shedding light on a vital issue that, until recently, has been neglected by the press and full-tenured faculty, as exemplified by the writers cited, except for Sven Becker and Bruce Scott (see below), a Harvard emeritus professor to whom no reference was made.

A common issue in the publications cited is to write an intellectual history of "capitalism as a black box" without providing an operational definition of the system or, alternatively, hitch hike on popular, yet flawed, definitions as done by Jerry Muller in "Capitalism and Inequity" (Foreign Affairs, March/April 2013). It's like writing the history of the automobile starting in 1880 and ignoring the internal combustion engine driving the power and the transmission that turns the wheel. Unlike biology and other physical sciences, capitalism is a social system and cannot be derived from natural law. Capitalizing on Gordon Allport's work, we can only understand a social system by defining it, describing its elements and the relationship between them; and how they evolve through time, all under the control of human agency.

The second issue, exemplified by some commentators here is to engage in useless comparisons of capitalism with communism (a toxic form of imperialism) and excluding other forms of capitalism. I have worked in Austria, Finland, France, Germany and Sweden, countries from which we can learn about the quality of life (health, fitness, leisure, longevity, incarceration and crime rates, advanced housing and transportation infrastructure, less children poverty and anthropogenic pollution).

The third issue is to ignore the development of economic thought from Adam Smith to Keynes and historic facts including Alexis de Tocqueville's insightful observations about American democracy, and the long process of regulating unfettered laissez-faire. With 24 deep-pocket lobbyists for each member of Congress, the balance is again tipping away from serving the common good. The Supreme Court needs another Oliver Wendell Holmes (Lockner v. New York).

To my knowledge, Harvard Emeritus Prof. Bruce Scott is the first to provide an operational definition of modern capitalism as a system of governance rooted in American and European history. Professor Scott invested ten years building a useful framework detailed in his seminal book titled "Capitalism: Its Origins and Evolution as a System of Governance". He describes the elements of capitalism, their relationships to each other and their long evolution through time. Incidentally Amazon has two different yet complementary reviews of Bruce Scott's book.

Capitalism contributed to an unprecedented development in prosperity through innovation and competition. We must give the devil its dues but be constantly on guard to re-establish the credibility of capitalism by raising the bar on ethics, impartial competition and systemic risk, three areas where small enterprises fair better.

To my fellow commentators: Blaming the messenger does not add to the debate. We can disagree without being disagreeable, learn from each other and be candid to dispassionately address the weaknesses of our system. Let us hope NYT gives Jennifer Schueller the time and resources to research current initiatives to improve capitalism and strengthen the essence of democracy.

Capitalism is an economic system whereby monetary goods are owned by individuals or companies. The purest form of capitalism is free market or laissez-faire capitalism. Here, private individuals are unrestrained in determining where to invest, what to produce, and at which prices to exchange goods and services. Capitalism depends on the enforcement of private property rights, which provide incentives for investment in and productive use of productive capital. Capitalism developed historically out of previous systems of feudalism and mercantilism in Europe, and dramatically expanded industrialization and the large-scale availability of mass-market consumer goods. 'the history of capitalism' -- as the new discipline bills itself -- has begun proliferating on campuses, along with dissertations on once deeply unsexy topics like insurance, banking and regulation. 'The dominant question in American politics today, scholars say, is the relationship between democracy and the capitalist economy. 'And to understand capitalism,' said Jonathan Levy, an assistant professor of history at Princeton University and the author of 'Freaks of Fortune: The Emerging World of Capitalism and Risk in America,' 'you've got to understand The history of capitalism is diverse and has many debated roots, but fully fledged capitalism is generally thought by scholars to have emerged in Northwestern Europe, especially in Great Britain and the Netherlands, in the 16th to 17th centuries. Over the following centuries, capital accumulated by a variety of methods, in a variety of scales, and associated with much variation in the concentration of wealth and economic power. Capitalism gradually became the dominant economic system throughout the