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Analytical Paper IV: Industrial Capitalism &The Environment

# Introduction

Capitalism is an economic and political system that refers to ‘the maximization of goods and services to increased the share of profit in the competitive market'. The system encourages private organizations to achieve impressive productivity through investment in the latest technologies. The capitalist focuses on industrial growth which increases the economic capacities of nations and encourages entrepreneurs to allocate resources reflecting maximum efficiency and growth. The industrial revolution of England in the 18th century and the prominent development of the United States are an evident example of growth achieved through capitalist ideologies (Bauerlein and Gold). Also, the recent economic growth of China through Capitalist terminologies has immensely increased their productivity and exports. However, this industrial revolution that took place as a result of Capitalism has serious consequences for the environment (Speth). Nations have achieved industrial growth at the cost of deteriorating natural resources, which has resulted in serious consequences on the environment and climate changes. The paper highlights the importance of capitalism in the economic growth of countries. It also discusses the political impact of capitalism and the free market system, and lastly, it describes the negative impacts of industrial capitalism on natural resources.

# Description

### Capitalism and Economic Growth

Capatilismenables massive production in order to maintain the economic growth, and balances the consumption patterns of societies. Due to the increasing population, the demand for goods has massively increased during the last decades. Thus, Capitalism's fulfilling the demands of increasing population and has encouraged the countries to adopt the strategies of laissez-faire which entail a free market system. This system enforces the privatization of firms to maximize their production as well as employee maximum personnel which will ultimately reduce the employment. However, the opponents of Capitalism believed that the system has increased consumerism for its existence, and creating a monopoly for bigger industries in the market. Also, capitalism is highly unfair in the fact that it excludes the small industries from the competition and they can not achieve the same growth as the larger firms (Langlois). As Engels describes capitalism as *“The middle classes have a truly extraordinary conception of society. They really believe that human beings . . . have real existence only if they make money or help to make it.”*(Marx et al. p.152). The critique is valid in the modern era, that capitalist exploits small workers, as they are not paid enough wages for their work. Companies acquire peasants at very small wages that do not fulfill their daily needs.

### Political Impact of Capitalism

Capitalism has impacted both the political and economic spheres, the free market system has developed the economies but it has also formed an uneven system. The critics of Capitalism states that Capitalism encourages uneven arrangement in societies. It boosts the economic potential of some groups while others remain at a very low level. Karl Marx explains the phenomenon Karl Marx as ‘Class Struggle’ between the rich and the poor, where the rich are becoming richer and the poor are becoming poor. There is a struggle between the rich ‘bourgeoise' who possess the capital and control production and the poor ‘proletariat' who provides the labor. The class struggle between the two groups represents the ideology of competing for resources. The proletariat wants to have to say in their lives, they form labor unions and ask for a democratic system, which provides equal opportunities to all the citizens (Whitten and Whitten). As *Luther Jr suggested that ‘Capitalism does not permit an even flow of economic resources. With this system, a small privileged few are rich beyond conscience, and almost all others are doomed to be poor at some level. That's the way the system works. And since we know that the system will not change the rules, we are going to have to change the system.’* (Jackson p.139)*.*

### Impact on the Environment

Considering the limited natural resources, it is important to balance the production and sustainability of natural assets. Higher consumption leads towards greater production, which increases the profits for industries. The production through capitalism is highly uneven as some countries had greater productions and have achieved industrial growth while others lack the resources and technology. These countries such as the United States and China has achieved growth at the expensive of other countries. Both the countries are the top pollutants of the environment by contributing to almost half of world pollution (Hawken et al.). The Environmental Protection Act that was formed years later then the Industrial Revolution proposed to limit the carbon emissions. however, the developing countries are of the view that the also should be given the right to freely achieve the industrial growth as incurred by the developed world. As Marx states that ‘*…the progress in capitalistic agriculture is a progress in the art, not only of robbing the laborer but of robbing the soil; all progress in increasing the fertility of the soil for a given time is a progress towards ruining the lasting sources of that fertility’* (Marx et al. p.234)*.* He suggests that industrialization is not only about production, but also, the resources used for that production, which includes land and labor. The Environment Protection Act asks to end the use of coal by the industries. However, due to the cheap price and easy access to coal, it is forecasted that coal will be largely utilized by developed and developing countries in the future as well (Davenport).

### Conclusion

Capitalism has resulted in a massive loss of biodiversity and changes in climate change due to emissions of harmful gases. The fact that the capitalist system is unsustainable for the environment and is dominant in deteriorating natural resources. The very industrialized nations are compromising on natural assets to succeed in the economic struggle. Capitalism's considered as a luxury for the people due to high inequality and social conflict, which will foster social tensions between the groups for computing resources. Thus, countries need to develop democratic structures to cater to increasing inequalities. Economic and political factors play a significant role in the manipulation of the environment through a capitalist system. Thus, to achieve sustainable development, it is essential to focus on the factors of economic production and the extent to which countries are producing. Also, it is very necessary to a built consensus on equal distribution of resources such as labor laws, the utilization of land and mines for production purposes.

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