Capitalism Since World War II: The Making And Breakup Of The Great Boom

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Capitalism: Capitalism, an economic system, dominant in the Western world since the breakup of feudalism, in which most means of production are privately held and production, prices, and incomes are determined by markets. Learn more about the history and development of capitalism in this article. In the ethic fostered by the Protestant Reformation of the 16th century, traditional disdain for acquisitive effort was diminished, while hard work and frugality were given a stronger religious sanction. Economic inequality was justified on the grounds that the wealthy were more virtuous than the poor. Facts Matter. Support the truth and unlock all of Britannica’s content. Start Your Free Trial Today. Before World War II wiped out the Depression at a stroke, none of FDR’s exertions managed to wrestle the unemployment rate below 14 percent. For the decade of the 1930s as a whole, it averaged 17 percent. The challenges of the Great Depression and the accomplishments and shortcomings of the New Deal, and of FDR, cannot be understood outside of that framework. And just as the story of the Great Depression is not simply the story of the American people in a moment pregnant with both danger and opportunity, the story of World War II is a tale of peoples around the world violently swept up in its frightful cataclysm though the Americans, as it happened, were uniquely spared the worst of the war’s.
But World War II actually institutionalized the sharp decline in the standard of living caused by the Depression. Did the cost of the Vietnam War represent a net addition to, or a net subtraction from, American GDP? Or the cost of the most recent wars in Iraq and Afghanistan? I am not a pacifist who thinks defense spending has no value. As George Gilder explains in his brilliant, recent, pathbreaking book, Knowledge and Power: The Information Theory of Capitalism and How It Is Revolutionizing Our World Judging the public sector contribution by its cost is the great error of Keynesian economics; the Great Depression, which had continued through the war disguised by price controls and necessary defense spending, at last came to an end.