

# The economics revolution

[History](#), [Revolution](#)



Summary Robert L. Heilbroner in this chapter Economics Revolution argues that the field of economics has evolved over time beginning in the early eighteenth century. He argues that in the Medieval, Renaissance and Reformation Ages, economics was a foreign concept as the society relied on custom or tradition and command to solve its survival problems and ensure its continuity. As such, it is the “pull of tradition and the whip of authority” that steered people to perform their tasks hence there was no need for economics (Heilbroner, 1999, p. 18-21). He argues that even the philosophers of the day dealt with political dimension of society since there was no distinction between social and economic life. Though people engaged in work, it was for their subsistence hence work was an end in itself and not a means to an end. The serfs tilled the land to get food for themselves and also worked for the lords as a responsibility and not to get paid. There was also no capital accumulation and those merchants who sold and bought goods to gain wealth were viewed with disdain especially by churches and for pilgrims, the idea of gain was perceived as “the doctrine of the devil” (Heilbroner, 1999, p. 25). Land was for farming and used communally; there was no buying or selling of land. Land existed in form of estates, manors and principalities and not as real estate like in modern times. Though people exchanged goods in the market; for example, gold and war chariots were exchanged for slaves and horses there was no gain envisaged. As such, up to seventeenth century, the factors of production which include land, labor and capital did not exist thus there was no market system.

Heilbroner argues that economic revolution took place when the society resulted to the third solution to their survival problem which was: “allowing

each individual to do exactly as he saw fit but follow a central guiding rule” (1999, p. 20). This is when the idea of gain or profit motive was born and the market system began its work which was to allocate resources. Market system in this case refers to a “ mechanism for sustaining and maintaining an entire society” (p. 27). It was based on the idea that men are self-centered hence pursue own interests and in the process serve the interests of others. Since custom and command had taken root, a revolution was needed to move to a market system. During this time, only a few people (merchants and kings) were concerned with gaining wealth and merchants were considered immoral or outcasts in society. However, an economic revolution took place enhanced by the gradual emergence of national political units in Europe, slow decay of religious spirit and material changes that made market system possible such as growth of towns (Heilbroner, 1999, pp 34-35). The rise of Protestantism was vital in the revolution as protestant work ethic became the norm; Protestants believed work was for the greater glory of God and viewed acquisitiveness as a virtue and not a vice as Roman Catholics purported. This gave people the motive for transactions and gains and struggle by whole society to gain wealth. This revolution led to conversion of communal land into private property and consequently impoverishment of the serfs. They were thus forced to engage in paid labor to sustain their lives as land was not available anymore. For example, the Duchess of Sutherland disposed 15, 000 tenants from 794, 000 acres of land and replaced them with 131, 000 sheep in 1820 (Heilbroner, 199, p. 32). Serfs became proletarians and paupers who relied on poor relief from their parishes. Market system thus brought about commercialization of

land labor and capital. This was a gradual process according to Heilbroner which started from thirteenth to nineteenth century.

Since the economic revolution was not well understood or planned, a philosophy was needed to make sense of it. The early philosophers like Aristotle were concerned with the political side hence dwelt on the rights of kings and questions of power. Heilbroner argues that it was not until the struggle for riches became general and vital to society that a general philosophy of riches became essential. Many philosophers came up with different explanations to justify the society whereby the poor remained poor and to protect the wealthy but these were unsatisfactory. Not until Adam Smith produced his book *An Inquiry into the Nature and Causes of the Wealth of Nations* in 1776 did the explanations became clear (Heilbroner, 1999, p. 41). This became the philosophy upon which economics is based or the economic blue print as Heilbroner called it. This philosophy was embraced by all western worlds and enabled individuals to see how their tasks fitted into the whole society. According to Smith, the market was led by an invisible hand and the idea of gain made people to fulfill their needs and those of others without intending it.

#### Reference

Heilbroner, Robert L (1999) *The Worldly Philosophers: The Lives, Times and Ideas of the Great Economic Thinkers*. New York, NY: Simon & Schuster, Inc.