

CAPITALIST ENTERPRISE AND SOCIAL PROGRESS

Maurice Dobb

COLLECTED WORKS OF
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PREFACE

THE opinion has recently been stated that the chief conquests in the realm of economic theory have already been made, and that the future for the economist lies "in obtaining a wide knowledge of relevant facts and exercising skill in the application of economic principles to them." Economic analysis proper has confined itself in the main to a fairly narrow range of social facts, in the sorting of which it has met with a very fair degree of success ; this range including such motives and actions as are susceptible of measurement in terms of money-price, with a significant broadening in recent years to include the important but immeasurable factor, Welfare. But before this analysis of prices can be made to contribute much of positive guidance to human life, there is much work to be done in bridging the gulf between the conclusions of pure theory, carefully fenced with their *ceteris paribus*, and the complex world with which the politician and the administrator have to deal.

This task has special gravity because the problems of our social world seldom consist exclusively of actions and motives susceptible of money measure, but of a complex texture in which economic and other factors are entwined ; and chiefly for this reason the fallacy of composition constantly appears when the conclusions of economic theory are given concrete application. Moreover, one can scarcely frame an economic theory of any realistic worth without implying, or seeming to imply, some judgment on practical affairs. Hence, we are faced not so much with an unmapped desert as with the littered

confusion of prejudice and proofless hypothesis. Most obstinate of the errors which obstruct a tidying of this field seems to be that which underlay the system of the classical economists, and which, though modified and shorn of its crudities, still reigns to-day as the tacit assumption of most excursions into Applied Economics. This assumption would have us believe that economic relations are in the main and fundamentally imposed upon us by nature, and possess accordingly a permanent significance. And to the conception which Marx formulated in antithesis, that these relations are dependent on the institutions of a class society, and hence are in process of development and change, English economists have in the main chosen to deny even the grace of comprehension.

It is in the belief that a theory of enterprise must form the *point d'appui* of any consistent survey of Applied Economics, that the present work has been approached. For such a theory many of the conclusions of deductive economics are of supreme importance ; but at the same time these lead us only part of the way. Our task is incomplete without some comparative survey of the influence of institutions in the growth of the existing system of enterprise, and without the aid of more specific inductive study. In approaching this the author makes no high claim to originality or completeness. He claims little more than some clearing of the ground for future building, an assembly of materials, and, perhaps, some rearrangement in a slightly novel form. In particular, the historical chapters make no pretence of original research. They are frankly a compilation, devised to bring certain relevant analogies into relief and to afford perspective. Perhaps one may urge in defence that to construct a new building does not always require a new style of brick.

The analysis in Part I endeavours to clear the main issues

by approach along the ordinary paths of deductive theory. Part II attempts by a survey of the rise of capitalist enterprise to give body to some of the ideas sketched in the preceding analysis, and to indicate the importance of certain institutions in the growth and working of the existing economic system. The concluding chapters stress the relevance of these considerations to the problems which face the politician and the administrator of to-day. Those who possess a secret distaste for the toils of analysis one may, perhaps, advise to proceed from Chapter One direct to Chapter Twelve, returning later for more detailed explanation to the analytical part. For, in large measure, the historical chapters serve to illustrate ideas fashioned in the course of the analysis, while the earlier chapters afford more careful scrutiny of relations referred to in the course of the historical survey. Nevertheless, there should be little to deter the ordinary reader even in the most theoretical parts, since the author has tried, in the words of Bacon, "to render propositions not only true, but of easy and familiar access to men's minds, however wonderfully prepossessed and limited."

The painful emergence of the ideas contained in this book from chaos to a small degree of order was rendered possible by a Research Studentship, which the author was fortunate to hold for two years at the London School of Economics. And in the process considerable debt has been accumulated to numerous persons. For the first appreciation of the importance of the principle of economic measurement much is owed to Mr H. D. Henderson, my teacher at Cambridge, and to the lectures and writings of Prof. Pigou. During the period of research in London Prof. Cannan and Dr Hugh Dalton afforded me invaluable criticism, encouragement and advice. From Mrs Barbara Wootton and from Mr H. D. Dickinson much has been gained in many a personal conversation; and, in addition, Mr J. W. F. Rowe, Mr R. W. Postgate, Mr E. A. G. Robinson

of Corpus Christi, and Mr E. Welbourne, of Emmanuel College, Cambridge, have been kind enough to read parts of the work at various stages of its growth. For what of order there may be in the book these friends are in no small degree responsible, while of the chaos and errors which remain and of the opinions expressed therein they are entirely innocent.

M.H.D.

Cambridge,
May, 1925.

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