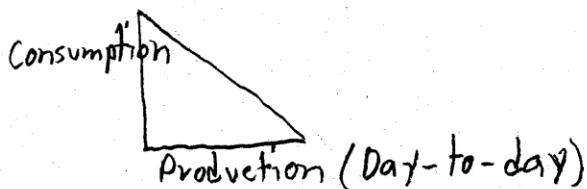


Lecture Notes for Economic History

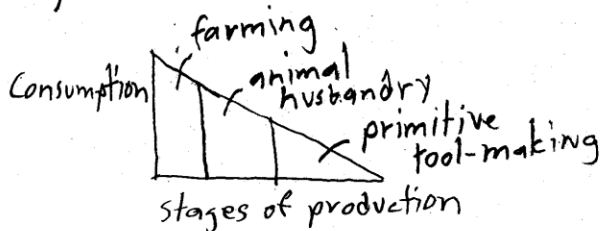
Stadial Theory of History (cont.), Time-preference (cont.)

1) Hunter-Gatherer Tribes



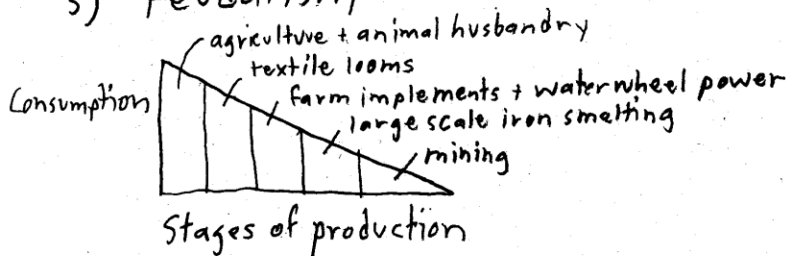
In the earliest societies people lived day-to-day. They did not save for the future, their time-preference was immediate. Consumption was equal to (re-)production.

2) Small Scale Farming and Animal Husbandry



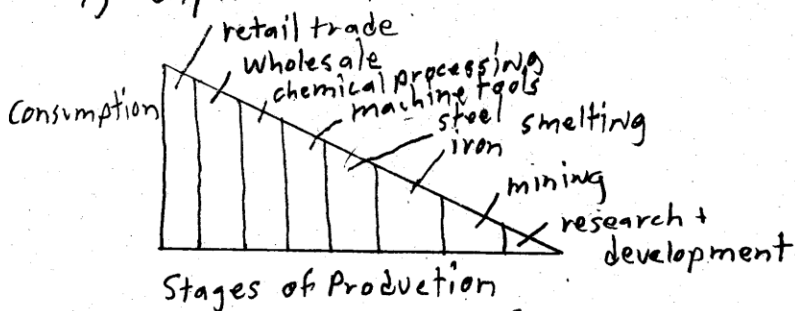
In the next stage, time-preference was lengthened. Tool-making took longer to do than animal husbandry which took longer than farming. A capital structure, with division of labor, was developing.

3) Feudalism



The manorial economic system + growth of cities in the medieval economy had an elongating capital structure as the extent of market increased as did primitive capital accumulation.

4) Capitalism



Under capitalism countries that underwent industrialization have deep and highly inter-connected capital structures due to world-wide market integration.