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Global implications of the transformations in the US economy during the 20th and 21st centuries

Abstract. The impact of capitalism on the economic development of the USA and Europe remains a significant subject of research, given the prominent role the United States plays in the global economy and international relations. This study aimed to conduct a comprehensive comparative analysis of the influence of the capitalist model on the economic development of Europe and the USA from the Industrial Revolution to 2024. To achieve this aim, a wide range of historical sources, statistical data, and scholarly literature were analysed, enabling the long-term evolution of capitalism in the USA to be traced and its impact on economic development and social life in both regions to be thoroughly assessed. Particular attention was given to the comparative analysis of the development of capitalist relations in the United Kingdom, Germany, France, Italy, and the Nordic countries, as well as to identifying common features and differences in the formation of capitalist models on both sides of the Atlantic. The findings indicated that the liberal and neoliberal systems played a decisive role in the economic rise of the USA and the leading European countries, fostering high growth rates, technological advancement, and improvements in living standards. Simultaneously, the development of capitalism was accompanied by the intensification of social contradictions, growing inequality, and environmental degradation. The study showed that from the colonial era to 2024, capitalism in the USA and Europe underwent constant transformations, evolving from its early forms to mature corporate and financial capitalism. The study explored the dialectic of positive and negative consequences of capitalist development for different social groups and spheres of life. Capitalism contributed to the unleashing of productive forces and technological progress, but also generated exploitation and social injustice. The findings of the study can be used by economists, policymakers, and scholars in developing more balanced economic strategies that take into account both the advantages of the capitalist system and ways to address its shortcomings. International organisations and think tanks can apply these findings to formulate recommendations regarding global economic governance and sustainable development

Keywords: Industrial Revolution; social inequality; globalisation; deregulation; monopolisation

Introduction

Research into the impact of capitalism on the economic development of Europe and the USA is of paramount importance, given the significant role these regions play in the global economy and international relations. The USA and leading European countries are among the world's most powerful economies, and the capitalist model of economic development has served as the bedrock for the formation of their modern states. Examining and comparing the experience of the USA and European countries in establishing capitalist economies can yield valuable insights for other nations striving to attain a high level of economic development and prosperity for their citizens. The problematic nature of this research lies in the existence of persistent debates concerning the effectiveness and fairness of the capitalist model, both in the USA and in Europe, notwithstanding its widely acknowledged success.

On the one hand, critics of capitalism argue that it promotes the excessive concentration of wealth in the hands of a limited number of individuals, exacerbating social inequality and creating conditions for the exploitation of workers. They assert that the capitalist system leads to an uneven distribution of resources and opportunities, which in turn generates social tension and conflict within society (Levy, 2021). Furthermore, according to critics, capitalism often neglects the interests of the most vulnerable segments of the population, prioritising profit maximisation for the owners of capital. On the other hand, proponents of capitalism contend that it is the principles of

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the free market and competition that are the key drivers of innovation, increased labour productivity, and economic growth. They argue that the capitalist system creates incentives for entrepreneurship, investment, and the development of new technologies, which ultimately contribute to the improvement of overall societal well-being. In their view, market competition motivates companies to constantly improve their goods and services, which benefits consumers. Furthermore, proponents of capitalism believe that it provides people with greater economic freedom and opportunities to realise their talents and abilities.

The role of the USA in shaping global capitalism and the relationship between economic and political power are examined in the research by L. Panitch & S. Gindin (2021). The authors contend that American capitalism has had a significant influence on the development of the global economy and international relations. Capitalist development in the USA during the interwar period, including its specific manifestations and consequences, are analysed in the study by G. Krozewski (2023). The author examines the impact of the Great Depression on the transformation of the capitalist system and the role of the state in regulating the economy. The phenomenon of state capitalism in the USA, its characteristics and consequences for the country's economic development, are explored in the articles by F. Pollock (2020) and D.J. D'Amico (2022); the authors discuss the role of the state in economic processes and the potential and limitations of state regulation within the capitalist system.

The global impact of Atlantic slavery on the development of the capitalist economy is explored in the study by J.E. Inikori (2020). The author asserts that the Atlantic slave trade and plantation economies played a key role in shaping the capitalist world economy, which had significant consequences for the socio-economic development of both Europe and the USA. The impact of capitalism on living standards and population well-being on a global scale is analysed in the study by D. Sullivan & J. Hickel (2023); the authors examine the dynamics of real wages, health indicators, and mortality rates since the 16th century, enabling the evaluation of the long-term consequences of capitalist development for different regions of the world, including Europe and the USA. The evolution of capitalism from a global historical perspective is explored in the research by A.D. Edwards *et al*. (2020); the authors analyse the development of capitalist relations in different parts of the world, including Europe and the USA, enabling the identification of commonalities and distinctions in the shaping of capitalist models in different historical and cultural contexts.

Despite a significant body of research dedicated to the impact of capitalism on the economic development of Europe and the USA, this topic remains relevant and requires further investigation. Specifically, issues that remain underexamined include the transformation of capitalist models in both regions in the context of globalisation and technological change, the impact of capitalism on social structure and inequality within European and US societies, the environmental consequences of the capitalist system's operation, among others.

This research aimed to conduct a comprehensive comparative study of the impact of capitalism on the economic development of Europe and the United States of America during the period from 1760 (the beginning of the Industrial Revolution) to 2024. To achieve this aim, the following objectives were set:

- to investigate the historical preconditions and stages of the formation of the capitalist model in Europe and the USA from 1760 to 2024;
- to analyse the main factors contributing to economic growth under capitalism in Europe and the USA throughout the period under review;
- to conduct a comparative analysis of the impact of capitalism on the social structure and living standards of different strata of society in European countries and the USA from the late 18th century to 2024.

Materials and Methods

This study was based on a comprehensive interdisciplinary approach to examining the impact of capitalism on the economic development of the USA and Europe. To ensure a comprehensive analysis, broad chronological parameters were defined for the study, spanning from the beginning of the 19th century, when the Industrial Revolution unfolded, up to 2024. This enabled the tracing of the long-term evolution of capitalist systems in both regions. The study focused on examining the impact of capitalism on the economic development of the USA and key European countries – Great Britain, Germany, France, Italy, Sweden, and the Netherlands. The analysis covered numerous aspects, including the formation of the institutional structure of the market economy, the dynamics of economic growth, structural changes, the development of the financial system, the impact on social structure, and the role of the state in the economy. To identify the historical preconditions and stages of the formation of capitalism, the historical-genetic method was applied. This enabled the reconstruction of the context and conditions under which capitalist relations emerged, to trace the evolution of economic forms, and to identify critical points of transformation within the economic systems of the USA and European countries. The analysis of the dynamics of economic development was conducted using economic-statistical methods. The construction of time series and the calculation of various indicators enabled the analysis of long-term trends in economic growth, changes in the structure of the economy, and fluctuations in business activity. The application of correlation-regression analysis helped to establish relationships between various parameters of economic development.

The investigation into the institutional structure of capitalism and the role of the state in the economy required the use of institutional analysis methods. This enabled the tracing of the formation of the basic institutions of the market economy and to analyse of the evolution of systems of state regulation in different countries. A significant component of the research was the comparative analysis of the impact of capitalism on the economic development of the USA and European countries. This enabled the identification of commonalities and distinctions in the establishment and evolution of capitalist systems, to compare models of corporate governance, financial systems, the role of the state in the economy, and approaches to addressing social problems.

At the final stage, the findings were synthesised and conclusions were drawn. Synthesising the analysed data enabled the identification of patterns and specific features of capitalism's impact on the economic development of the USA and European countries, its contradictory social consequences, and outlining the prospects for the continued evolution of capitalist systems. The application of a set of research methods and the inclusion of diverse information ensured a comprehensive study of the impact of capitalism on the economic development of the USA and Europe from a historical perspective. The interdisciplinary nature of the research enabled a multifaceted analysis of the complex and ambiguous phenomenon of capitalism within different national contexts and to obtaining of scientifically sound conclusions.

Results

Historical preconditions and stages in the development of capitalism in Europe and the USA. The formation of the capitalist model in the USA and Europe originates in the colonial period and the Industrial Revolution, yet the trajectories of capitalist development in these regions exhibited distinct features. In the USA, the development of capitalism began with the intensification of commodity-money relations in the British colonies of North America during the 17th-18th centuries. The colonial economy was primarily based on agriculture, crafts, and trade. The process of primitive accumulation of capital unfolded gradually, and market institutions and an entrepreneurial class emerged (Kulikoff, 2014; McCusker & Menard, 2014).

A key factor contributing to capitalist relations during the colonial era in America was the spread of private land ownership. The English Crown granted land to colonists, facilitating the growth of farming and plantation economies (Knowles, 2022). Slavery developed extensively in the South, which formed the foundation for the operation of plantation economies and the export of agricultural products. At this time in Europe, comparable developments were taking place, albeit with some variations. In Great Britain, which became the pioneer of the Industrial Revolution, the process of primitive capital accumulation took place via the enclosure of common lands and the displacement of peasants to cities, where they became wage labourers (Webster, 2023). This process was slower in France and Germany due to the persistence of feudal relations. The Industrial Revolution, which began in Great Britain in the mid-18th century and later spread to other European countries and the USA, marked a pivotal phase in the evolution of capitalism. In England, the textile industry, metallurgy, and engineering served as the engines of economic growth. James Watt's invention of the steam engine in 1769 revolutionised production and transport (Baracca, 2023).

The Industrial Revolution unfolded slightly later in the USA, around the turn of the 18th and 19th centuries (Gilroy, 2023). A significant impetus was provided by the invention of the cotton gin by Eli Whitney in 1793, which facilitated the mechanisation of textile production. The USA possessed an advantage in having abundant natural resources and a lack of feudal vestiges, which contributed to faster economic growth. Industrialisation in France and Germany lagged slightly behind that of Great Britain and the USA, but they also experienced a significant industrial surge in the 19th century. In France, the development of capitalism was stimulated by state investment in infrastructure and industry, particularly during the Second Empire (1852-1870) (Lafrance & Miller, 2023). In Germany, a significant role in the development of capitalism was played by banks and cartels, which provided finance for industry and the concentration of production (Hilferding, 2023).

An important aspect in the development of capitalism in both the USA and Europe was the improvement of transport infrastructure. The construction of canals, railways, and roads contributed to reduced transport costs, the expansion of markets, and the acceleration of trade. In the USA, the construction of the transcontinental railway in the 1860s connected the East and West coasts, stimulating economic development and the settlement of new territories (Goodrich, 1960). In Europe, the development of railway transport also held immense significance, particularly in Great Britain and Germany. The second half of the 19th century was marked by the concentration of capital and monopolisation in both the USA and Europe. In the USA, this period, known as the Gilded Age, was characterised by the formation of large corporations and trusts. Companies such as Standard Oil, U.S. Steel, and the American Tobacco Company established control over entire sectors of the economy (Sawyer, 2019). Monopolisation allowed corporations to dictate prices, restrict competition, and earn excessive profits. Concentration of production also occurred in Europe, albeit with certain national peculiarities. In Germany, powerful industrial conglomerates, known as cartels, were formed, which united producers in a specific sector to control prices and markets (Hilferding, 2023). In Great Britain, the process of monopolisation was less pronounced, but the growth of large corporations was also observed, particularly in heavy industry and shipbuilding (Payne, 1967).

An important difference between the USA and Europe was the development of the banking system and financial capital. In the USA, large investment banks such as J.P. Morgan & Co. were formed, which played a key role in the financing industry and the concentration of capital. In Europe, particularly in Germany, a system of universal banks developed, which combined commercial and investment functions and had close ties with industry (Hilferding, 2023). The development of capitalism was accompanied by significant social changes and conflicts in both the USA and Europe. The formation of the industrial proletariat and the bourgeoisie, urbanisation, and growing social inequality were characteristic of both regions (Laurie, 1989). The Gilded Age was accompanied by the intensification of social contradictions, the rise of the labour movement, and strikes. Social conflicts, such as the Pullman Railway Strike (in 1894) and the Lawrence Textile Strike (in 1912), reflected the intensification of class struggle under conditions of monopolistic capitalism (Winslow, 2020). Mass labour protests also occurred in Europe, and trade unions and socialist parties were formed.

The state's reaction to social problems and the regulation of the economy differed between the USA and Europe. In the USA, in the late 19th and early 20th centuries, anti-monopoly laws (the Sherman Act of 1890, the Clayton Act of 1914) were passed, aimed at limiting monopolies and protecting competition (Steren, 2022). In Europe, particularly in Germany and Great Britain, the state intervened more actively in the economy and the social sphere. For instance, under Bismarck in Germany, the world's first systems of social insurance were introduced (Hilferding, 2023). Colonial expansion played an important role in the development of capitalism in both the USA and European countries. The USA expanded its territory westward, which provided access to new resources and markets. European powers, particularly Great Britain, France, Germany, and the Netherlands, created large colonial empires, which became sources of raw materials and markets for manufactured goods. At the turn of the 19th-20th centuries, a transition to monopolistic capitalism occurred in both the USA and leading European countries. Nevertheless, this process exhibited distinctive characteristics across various nations. In the USA, large trusts and holdings were formed, which often controlled entire sectors of the economy. In Germany, cartels and syndicates predominated, which united producers to regulate prices and markets. In Great Britain, the process of monopolisation was less pronounced, but an increase in the concentration of production was also observed.

The First World War had a significant impact on the development of capitalism in both the USA and Europe. For European countries, the war led to immense human and economic losses and the destruction of industry and infrastructure. The USA, conversely, emerged from the war strengthened, becoming a global creditor and a leading economic power. The interwar period was characterised by instability and crises within the capitalist system. The Great Depression of 1929-1933 hit both the USA and European countries, leading to mass unemployment and a decline in production (Ardan, 2023). The reaction to the crisis differed across countries. In the USA, Franklin Roosevelt's New Deal programme was introduced, which involved active state intervention in the economy and the social sphere (Lehndorff, 2020). In Europe, reactions to the crisis ranged from increased state regulation (as in Great Britain and France) to the establishment of totalitarian regimes (as in Germany and Italy).

After the Second World War, the development of capitalism in the USA and Western Europe diverged. The USA strengthened its role as the leading global economic power; its economic model was founded on free-market principles with limited state intervention. In Western Europe, particularly in the Nordic countries, Germany, and France, a model of the "social market economy" or the "welfare state" emerged, which entailed an active role for the state in the economy and a developed system of social protection (Katuninec & Diener, 2021). In the second half of the 20th century, both the USA and Western European countries experienced a period of rapid economic growth, often referred to as the Thirty Glorious Years (1945-1975). This period was characterised by high rates of economic growth, low unemployment and inflation, rising living standards, and the formation of a mass consumption society (Bresser-Pereira, 2020). However, from the 1970s onwards, the capitalist system once again faced challenges. The oil crises of 1973 and 1979, rising inflation, and the slowdown of economic growth led to a rethinking of economic policy. In the 1980s, the era of neoliberalism began in the USA and Great Britain, associated with the names of Ronald Reagan and Margaret Thatcher (Quiggin, 2021). This policy entailed deregulation of the economy, privatisation, tax cuts, and a reduction in the role of the state.

In the final decades of the 20th and the beginning of the 21st century, capitalist development in the USA and Europe was shaped by globalisation, technological change, and the financialisation of the economy. There was a growing role for multinational corporations, the integration of financial markets occurred, and new sectors of the economy developed related to information technology. The global financial crisis of 2007-2009 revealed the vulnerability of the contemporary capitalist system and led to new discussions about the role of the state in the economy and the need for financial market regulation (Olbrys, 2021). This crisis had serious consequences for both the USA and European countries, particularly for Southern Europe.

In summary, the development of capitalism in the USA and Europe had both common features and significant differences. Common among these were tendencies towards the concentration of production and capital, technological progress, urbanisation, and the formation of a mass consumption society. Differences were evident in the role of the state in the economy, models of social protection, and the structure of industry and the financial system. The USA has traditionally been characterised by a more liberal model of capitalism with less state intervention, whereas in Europe, particularly on the Continent, a model of socially oriented capitalism emerged with a greater role for the state in the economy and the social sphere. These differences persist in the 21st century, although the processes of globalisation and technological change are leading to a certain convergence of capitalist models across different countries.

Key factors of economic growth in the USA and Europe under capitalism: A comparative analysis. The development of the capitalist system in the USA and Europe was accompanied by rapid economic growth, driven by several key factors which had both common features and significant differences in both regions. In the USA, one of the defining factors of economic success was technological advancement and innovative activity. American inventors and entrepreneurs vigorously introduced new technologies into manufacturing, enabling increases in labour productivity, lowering costs, and enhancing product quality. Innovations such as the telegraph, telephone, electric lighting, the internal combustion engine, and assembly line production revolutionised various sectors of the economy and facilitated the creation of new industries (Hounshell, 2023).

In Europe, technological progress also played a key role, but its character and pace differed across countries. Great Britain, as the pioneer of the Industrial Revolution, long maintained leadership in technological innovation, particularly in the textile industry and metallurgy (Baracca, 2023). Germany, a later entrant to industrialisation, made significant breakthroughs in the chemical industry and electrical engineering. France distinguished itself with innovations in automobile manufacturing and aviation (Cameron, 2000).

The system of patent law and intellectual property protection played a significant role in fostering innovation in the USA. The US patent law, originating in the late 18th century, provided inventors and innovators with the opportunity to profit from their inventions and stimulated technological development (Adams, 2019). Simultaneously, the practice of patent licensing and the creation of patent pools contributed to the dissemination of innovations and their commercialisation. In Europe, patent systems also developed, albeit with some variations. For example, in Germany, the patent system was closely linked to the state's industrial policy and contributed to the development of cartels (Hilferding, 2023).

The US system of higher education and scientific research made a substantial contribution to technological advancement. Leading US universities, such as the Massachusetts Institute of Technology, Stanford University, and the University of California, Berkeley, served as hubs of innovation and fostered collaboration between academic research and industry (Gordon & Schultz, 2020). Federal funding of scientific research, particularly in the areas of defence and healthcare, also played an important role in stimulating technological development (Datta *et al.*, 2019).

In Europe, the system of higher education and scientific research exhibited its own characteristics. The German model of the research university (Humboldtian model of higher education), which combined teaching and research, became a model for many countries (Bongaerts, 2022). In France, an important role was played by specialised higher education institutions (Grandes Écoles) and state research institutions (Picard, 2023). Great Britain retained its traditional system of elite universities, but also developed new technical educational institutions.

The development of infrastructure, particularly the transport system, became one of the key factors of economic growth in both the USA and Europe. In the USA, the construction of canals, railways, roads, and airports contributed to reduced transport costs, accelerating the circulation of goods, and the expansion of markets. The development of the railway network was of particular significance, notably the construction of transcontinental railways such as the First Transcontinental Railroad (1869), which enabled the connection of the country's East and West coasts (Glaeser & Poterba, 2020).

In Europe, the development of transport infrastructure was also critically important for economic growth. Great Britain was the first to create an extensive railway network, which stimulated its industrial development (Baracca, 2023). In France, an important role was played by the construction of canals and roads, which was often undertaken on state initiative. Germany, after unification in 1871, actively developed its railway network, which contributed to the country's economic integration (Braun & Franke, 2022).

Entrepreneurship and competition were the driving forces of economic development in both the USA and Europe, but their manifestations had certain differences. In the USA, the economic system, founded on the principles of the free market and limited state intervention, created a particularly favourable environment for the development of entrepreneurial initiative and business. The entrepreneurial culture, shaped in the USA throughout the 19th and 20th centuries, fostered risk-taking, innovation, and hard work. Prominent entrepreneurs such as Andrew Carnegie, John Rockefeller, Henry Ford, and others served as inspiration for later generations of entrepreneurs and contributed to the affirmation of free-market values.

In Europe, entrepreneurship also played an important role, but its character often differed. In Great Britain, similar to the USA, there was a strong tradition of individual entrepreneurship. In Germany, an important role was played by family businesses and close cooperation between banks and industry. In France, the state often played a more active role in stimulating entrepreneurship and industrial development.

Competition was an integral feature of the capitalist system in both the USA and Europe, but its intensity and forms varied. In the USA, the absence of strict state restrictions and regulations allowed companies to compete freely for markets and consumers. Competition stimulated entrepreneurs to introduce innovations, increase production efficiency, and enhance product quality (Rosenberg, 2020).

In Europe, competition often took different forms. In Germany, cartels were prevalent, which limited competition within industries but contributed to the competitiveness of German industry in international markets (Hilferding, 2023). In Great Britain, competition was freer, but was often limited by informal gentlemen's agreements among businessmen. State policy played an important role in the development of capitalism in both the USA and Europe, but its forms and intensity differed significantly. In the USA, despite the prevalence of economic liberal ideas, the government implemented several measures aimed at supporting and regulating economic activity. Throughout the 19th century, the USA pursued a policy of protectionism, imposing high tariffs on imported goods to protect national industry (Irwin, 2020). State support for education, science, and innovation also played an important role (Geiger, 2017; Goldin & Katz, 2018).

In Europe, the role of the state in the economy was often more pronounced. In France, the state actively intervened in the economy, carrying out planning and supporting key industries (Warlouzet, 2020). In Germany, the state cooperated closely with industrial cartels and banks to stimulate economic development (Hilferding, 2023). In Great Britain, state intervention was less pronounced, but nonetheless played an important role, particularly during periods of economic crisis.

Regulation of the financial system and ensuring economic stability were important aspects of state policy in both the USA and Europe. In the USA, the creation of the Federal Reserve System in 1913 allowed for the centralisation of control over monetary policy and the prevention of financial crises (Bordo & Prescott, 2023). During the Great Depression of the 1930s, the US government introduced several regulatory measures to stabilise the financial system (Peretz & Schroedel, 2009).

The development of central banks and financial regulation in Europe played a key role in the formation of the capitalist system, with each country having its own specific characteristics reflecting its historical trajectory and economic needs. Sweden became a pioneer in the creation of a central bank by founding the Riksens in 1668. This fact is often overlooked, but it highlights the early emergence of financial institutions in Scandinavia. The Riksens initially operated as a commercial bank but gradually evolved into a fully-fledged central bank, which contributed to the stability of the Swedish financial system and supported the country's economic development (Herger, 2021).

The Bank of England, founded in 1694, although not the first, became the most influential central bank in the world. Its role in ensuring financial stability extended far beyond Great Britain. In the 19th century, when London became the world's financial centre, the Bank of England's policies exerted worldwide influence. It set standards for banking practice, which were subsequently adopted by other countries (Herger, 2021). In Germany, the Reichsbank, created in 1876 after the country's unification, played a crucial role in financing rapid industrialisation. Close cooperation between the bank, the state, and industry became a characteristic feature of the German model of capitalism. This model differed significantly from the more liberal British system and contributed to Germany's rapid economic growth (Herger, 2021). France followed a different path. The Bank of France, founded by Napoleon in 1800, for a long time remained under strong state influence. It played an important role in financing state expenditure and supporting French industry, which reflected a more centralised approach to economic development (Herger, 2021). In Italy, which achieved political unification later than other major European powers, the Bank of Italy was created only in 1893. Its main task became the unification of fragmented regional financial systems and supporting the country's economic modernisation (Herger, 2021).

These differences in the development and functions of central banks reflected the different paths through which European countries moved towards capitalism. They also influenced the formation of national models of capitalism, determining the role of the state in the economy, the nature of interaction between the financial and industrial sectors, as well as the degree of integration into the international financial system. Antitrust regulation became a significant element of US government policy from the late 19th century. The passage of the Sherman Act (in 1890), the Clayton Act (in 1914), and the creation of the Federal Trade Commission (in 1914) were aimed at limiting market monopolisation and protecting competition (Steinbaum & Stucke, 2020). Nevertheless, the efficacy of antitrust legislation was frequently constrained by various factors (Hofstadter, 2012). In Europe, antitrust regulation developed more slowly and exhibited specific features across various nations. In Germany, for example, cartels were for a long time considered beneficial for economic development and were not subject to strict regulation. In Great Britain, antitrust legislation was only introduced after the Second World War.

The development of capitalism in the USA and Europe took place within diverse historical and geographical contexts, resulting in the emergence of divergent economic models in these regions. The USS, unburdened by feudal vestiges and endowed with abundant natural resources, were able to pursue a more dynamic path of economic development. This inherent advantage enabled American capitalism to accelerate quickly, creating a favourable environment for entrepreneurship and innovation. In contrast, European countries were compelled to overcome longstanding traditional social structures and function within resource constraints, hindering their economic advancement.

These fundamental differences influenced the role of the state in the economy of both regions. In the USA, a model characterised by limited state intervention emerged, although the government nonetheless played an important role in creating favourable conditions for business. Such a model fostered the development of private initiative and the formation of large corporations and trusts. European states, particularly continental ones, were compelled to intervene more actively in economic processes in order to overcome historical obstacles and stimulate development. This led to the formation of a more regulated economic system, where an important role was played by cartels and family businesses, particularly in countries such as Germany.

Different approaches to the role of the state and the structure of industry influenced the development of financial systems. In the USA, a stock market-oriented system emerged with a leading role for investment banks. This corresponded to the needs of large corporations for raising capital and fostered a culture of individual investment. In continental Europe, particularly in Germany, banks played a more active role in financing industry, which reflected closer ties between the financial sector and manufacturing. These economic differences had profound social consequences. In the USA, a culture of individualism and the American Dream developed, which emphasised the opportunities for personal success within a free market. European capitalism, confronted with more deeply entrenched social structures and limited resources, was often accompanied by sharper social conflicts, leading to the formation of strong labour movements and the development of ideas surrounding social protection.

While these distinctions are deeply historically rooted and persist in influencing the economic models of the USA and Europe, the forces of globalisation and technological shifts during the 20th and 21st centuries have led to a certain convergence of capitalist models. International competition, the exchange of ideas and technologies, as well as global economic challenges, have compelled both regions to adapt their economic systems. Nevertheless, despite these convergent processes, substantial differences between the American and European models of capitalism persist, reflecting the unique historical experience and cultural specificities of each region.

The evolution of capitalist models in the USA and Europe throughout the 20th and 21st centuries: A comparative analysis. Capitalist systems in the USA and Europe underwent significant transformations throughout the 20th and 21st centuries, in response to economic crises, political changes, and social challenges. These evolutionary processes exhibited both common features and substantial differences, shaped by historical, cultural, and geopolitical factors. In the USA, a turning point was the Great Depression of 1929-1933, which called into question the viability of the liberal economic model (Ardan, 2023). The response to the crisis was President Franklin Roosevelt's New Deal, which involved an unprecedented expansion of the federal government's role in the economy and the social sphere (Lehndorff, 2020). These reforms transformed American capitalism towards "social liberalism" by strengthening state regulation and expanding social welfare provisions.

In Europe, the reaction to the Great Depression was diverse. In Great Britain, the government pursued a more conservative approach, focusing on fiscal austerity. In contrast, in Sweden, the social democratic government initiated a programme similar to the American New Deal, which laid the foundations for the "Swedish model" of social welfare. In Germany, the economic crisis contributed to the rise of the Nazis to power, who implemented a system of state capitalism with elements of a planned economy (Ardan, 2023).

The post-war period was marked by the "golden age" of capitalism in both the USA and Western Europe. In the USA, the economy experienced unprecedented growth thanks to technological innovation, the expansion of the domestic market, and favourable international conditions (Gross & Sampat, 2023). This period was characterised by the expansion of the middle class, rising living standards, and the development of the social security system (Chancel *et al*., 2013).

In Western Europe, post-war reconstruction was accompanied by the formation of various models of the "social market economy" or the "welfare state", which entailed an active role for the state in the economy and a developed system of social protection (Katuninec & Diener, 2021). In Germany, the concept of the "social market economy" was introduced, which combined the free market with a strong system of social protection. France chose the path of "dirigisme" – active state intervention in the economy and planning (Hall, 1986). In Great Britain, the Labour government carried out large-scale nationalisation of key industries and created the National Health Service (Chick, 2020).

Processes of economic integration played a significant role in the post-war development of capitalism in Europe. The creation of the European Coal and Steel Community in 1951 and subsequently the European Economic Community in 1957 laid the foundations for the formation of a common market and the harmonisation of European countries' economic policies (Pomfret, 2021). The late 1960s and early 1970s were marked by a crisis of the post-war capitalist model in both the US and Europe. Rising inflation, the slowdown of economic growth, and the energy crisis of 1973 called into question the effectiveness of Keynesian economic policy (Aksakal, 2019). This created preconditions for neoliberal reforms in both regions.

In the USA, the neoliberal turn is associated with the presidency of Ronald Reagan (1981-1989). His administration implemented several market reforms aimed at deregulation of the economy, privatisation, and tax reduction (Rasmus, 2020). These changes contributed to economic growth and increased market efficiency, but also led to rising inequality and financial instability. In Europe, neoliberal tendencies also gained traction, but their implementation was more gradual and differentiated. In Great Britain, Margaret Thatcher's government (1979-1990) implemented sweeping market reforms, including large-scale privatisation and curbing the power of trade unions. In continental Europe, neoliberal ideas were implemented more cautiously, preserving elements of the "social market economy".

Economic globalisation in the late 20th and early 21st centuries had a significant impact on the development of capitalism in both the USA and Europe. Liberalisation of international trade, the growth of multinational corporations, and the integration of financial markets transformed the economic systems of both regions (Schoenbaum, 2020). For the USA, globalisation opened up new opportunities for American companies in foreign markets, but also exacerbated the problems of deindustrialisation and rising inequality (Callaghan, 2021). European countries also faced the challenges of globalisation, but their responses were different. Germany, for example, managed to preserve a strong industrial base thanks to high-quality products and investments in labour force training. The Nordic countries adapted their social welfare models to the conditions of global competition, while maintaining a high level of social protection and simultaneously increasing labour market flexibility.

The financial crisis of 2007-2008 and the subsequent Great Recession posed a significant challenge for capitalist systems on both sides of the Atlantic. In the USA, the crisis led to largescale state intervention to rescue the financial system and stimulate the economy (Jaffee, 2019). In Europe, the crisis revealed structural weaknesses of the Eurozone and led to a debt crisis in several Southern European countries (Baccaro & Bulfone, 2022). This prompted increased economic integration and the creation of new financial stability mechanisms within the EU. The evolution of capitalist models in the USA and Europe throughout the 20th and 21st centuries is characterised by both common trends and significant differences. These differences encompass a wide range of aspects of economic organisation, from the role of the state in the economy to the specifics of corporate governance and social protection. A comparative analysis of these key characteristics provides greater insight into the unique features of capitalism in both regions and their evolution over time (Table 1).

Table 1. Key aspects of capitalism in the USA and Europe: A comparative overview

Aspect	USA	Europe
Aspect	Limited	More pronounced, especially in NE
Ownership structure	Dispersed share ownership	More concentrated ownership
Corporate governance	Short-term orientation	Stakeholder orientation
Labour relations	Weaker trade unions	Stronger trade unions
Social protection	Fragmented system	More comprehensive systems, especially in SC
Healthcare	Primarily private insurance	Universal healthcare system
Economic integration	Absence of supranational structures	EU and the Euro
Impact of globalisation	Adoption of social protection elements	More flexible market regulation

Notes: CE – Continental Europe; SC – Nordic countries; EU – European Union
Sources: created by the author

In summary, the evolution of capitalist models in the USA and Europe throughout the 20th and 21st centuries demonstrates both capitalism's capacity to adapt to evolving circumstances and the persistence of national and regional characteristics of economic systems. The crises and challenges encountered by capitalist systems led to their transformation and reform, but not to a fundamental change in their nature. Contemporary challenges, such as rising inequality, technological change, the climate crisis, and the consequences of the COVID-19 pandemic, raise new questions about the future of capitalism in both the USA and Europe. The search for answers to these challenges is likely to lead to further evolution of capitalist models in both regions, potentially towards more inclusive and sustainable forms of economic organisation.

Contradictions and challenges facing capitalism in the USA and Europe. In the early 21st century, capitalist systems in both the USA and Europe are facing several serious problems and challenges which call into question their effectiveness and legitimacy. While some of these issues are shared across both regions, their manifestations and approaches to resolution often differ, reflecting the distinct paths of capitalist development in the USA and different European nations.

One of the most acute problems facing capitalism in the US is the growth of economic inequality and societal polarisation (Royce, 2022). In recent decades, a steady trend has been observed in the concentration of income and wealth in the hands of a small group of the wealthiest Americans, while middle and lower-class incomes have remained stagnant. According to research, the top 1% share of US national income increased from 10% in 1980 to 20% in 2016. Particularly striking is the growth in wealth inequality – the top 1% holds approximately 40% of total assets, while the bottom half of the population owns only 2% (Chancel *et al.*, 2022).

In Europe, the problem of economic inequality is also present, but its scale and dynamics differ from the USA. Overall, European countries exhibit lower levels of income and wealth inequality compared to the USA. For example, in Germany, the share of national income going to the top 1% of the population is one of the highest in Europe, standing at around 24% (Dao, 2020), while in the Nordic countries, this figure is significantly lower. Nevertheless, Europe as a whole has seen a trend towards increasing inequality, especially since the financial crisis of 2008.

The causes of rising inequality in both the USA and Europe are complex and include factors such as technological change, globalisation, the weakening of trade unions, changes in tax policy, and the education system. Nevertheless, the impact of these factors varies across regions. For instance, the USA exhibits a more marked trend towards lowering taxes for affluent segments of the population and corporations, whereas many European nations retain a more progressive taxation system. Deindustrialisation and structural changes in the economy represent another challenge for capitalism in both the USA and Europe. In the USA, over the last few decades, there has been a steady trend towards a reduction in the share of manufacturing in GDP and employment; conversely, the service sector's role has increased, particularly the financial sector and knowledge-based industries (High, 2020; Medeiros & Trebat, 2022).

In Europe, the process of deindustrialisation is also occurring, albeit with some variations. For instance, Germany managed to preserve a strong industrial base by virtue of high-tech production and an export-oriented economy. Italy, despite economic difficulties, retains a significant share of small and medium-sized enterprises in the manufacturing sector. Simultaneously, countries such as Great Britain experienced a deeper deindustrialisation, similar to the American one (Elhefnawy, 2021). The financialisation of the economy is a hallmark of contemporary capitalism in both the USA and Europe, although its scale and forms differ. In the USS, the financial sector plays a particularly prominent role in the economy, and its share of GDP and corporate profits has increased substantially over recent decades. This has led to increased instability and crisispronenes in the economic system, as vividly illustrated during the global financial crisis of 2007-2008 (Haldane *et al.*, 2010).

In Europe, the process of financialisation is also occurring, albeit with some distinctive features. In Great Britain, which has a powerful financial sector centred in the City of London, financialisation is most pronounced. In continental Europe, particularly in Germany, banks have traditionally been more prominent in financing the real economy, which has, to some extent, limited financialisation. Nevertheless, a growing role for financial markets and instruments is also evident in these countries. Environmental challenges represent a common problem for capitalist systems in the USA and Europe. The USA is one of the largest emitters of greenhouse gases globally, with a substantial share originating from industry, transport, and the energy sector. Notwithstanding rising investment in renewable energy and "green" technologies, numerous US companies still depend on fossil fuels and environmentally detrimental practices (Pascaris & Pearce, 2020).

European countries generally demonstrate a stronger commitment to tackling environmental challenges. The European Union has adopted ambitious targets for reducing greenhouse gas emissions and transitioning to a "green" economy as part of the European Green Deal. Countries such as Germany, Denmark, and Sweden are leaders in implementing renewable energy sources and environmentally friendly technologies. Nevertheless, Europe also faces considerable challenges associated with the transition to a sustainable economy, particularly in countries heavily reliant on fossil fuels, such as Poland. It should be noted, however, that similar policies pursued by certain green movements often prove short-sighted, leading to the accumulation of problems in the economies of EU countries. For instance, Germany, long considered a leader in implementing green technologies, has faced a recession, attributable in part to high energy costs and the loss of competitiveness of energy-intensive industries. Similarly, Great Britain is facing economic difficulties, which are partly related to ambitious targets for emission reduction and the transition to renewable energy sources.

The overall slowdown of the EU economy can also be partially attributed to the costs of the green transition. These economic difficulties are particularly acutely felt during periods of crisis, when the welfare of citizens is threatened due to high energy prices and job losses in traditional industries. Furthermore, policymakers actively promoting green policies often face falling approval ratings and a loss of voter confidence, especially when the economic consequences of these policies become apparent. This creates a paradoxical situation, where measures necessary for long-term environmental sustainability become politically unpopular in the short term. Thus, although European countries demonstrate leadership in addressing environmental problems, the implementation of these ambitious goals proves to be a complex task which requires careful balancing between environmental goals, economic growth, and social welfare.

Social challenges, particularly issues within the healthcare system, are also common to the USA and Europe, but manifest differently. In the USA, despite having the highest healthcare spending globally, a significant portion of the population lacks health insurance or is forced to bear an exorbitant burden of medical costs (Emanuel *et al.*, 2021). The COVID-19 pandemic exacerbated these problems and revealed the unpreparedness of the American healthcare system for large-scale challenges (Jarrett *et al.*, 2022).

In Europe, healthcare systems are generally more accessible and universal. Many European countries have state health insurance systems which ensure widespread access to medical services. Nevertheless, challenges are also present, such as long waiting lists for certain types of treatment, shortages of medical staff in specific regions, and issues related to demographic ageing. Despite their commonalities, the capitalist systems in the USA and Europe demonstrate significant differences in their approaches to resolving key economic and social issues. These differences encompass a wide range of aspects, from the level of economic inequality to the role of the state in the economy and approaches to globalisation. A comparative analysis of these characteristics provides greater insight into the unique characteristics of capitalism in both regions and allows for the identification of their strengths and weaknesses (Table 2).

Table 2. Key aspects of capitalism in the USA and Europe: A comparative overview

Aspect	USA	Europe
Economic inequality	Higher	Lower, especially in NC
Social protection	Less developed	More developed
Environmental policy	Less consistent, dependent on PA	More consistent and ambitious
Role of the state in the economy	Limited	More active, especially in CE and SC
Structure of the economy	Greater deindustrialisation	Retention of the industrial base in the SEC
Approach to international trade	Traditionally Free Trade, rising protectionism	Free Trade with emphasis on regulation

Notes: NC – Nordic countries; PA – Political administrations; CE – Continental Europe; SEC – Some European countries
Sources: created by the author

Despite these differences, the capitalist systems in the USA and Europe are facing many common challenges which require new approaches and solutions. Rising inequality, environmental problems, technological change, and global competition call into question traditional models of economic development. Debates are underway in both regions concerning the necessity of reforming the capitalist system to ensure more sustainable and inclusive development. In the USA, these debates often centre around the ideas of "progressive capitalism" or "stakeholder capitalism", which envisage greater attention to the social and environmental aspects of business. In Europe, concepts such as the "social market economy" and "green growth" are discussed. The COVID-19 pandemic served as a catalyst for rethinking many aspects of economic and social policy in both the USA and Europe. It exposed the vulnerabilities of global supply chains, the shortcomings of healthcare and social protection systems, and also deepened existing inequalities. In response to these challenges, governments on both sides of the Atlantic undertook unprecedented economic stimulus and social support measures.

In conclusion, it can be stated that the capitalist systems of the USA and Europe, despite their differences, face a common challenge – the necessity of adapting to the new realities of the 21st century. Addressing the problems of economic inequality, environmental sustainability, technological change, and social justice will require innovative approaches and, possibly, a substantial transformation of current economic models. The success of these efforts will be crucial not only for the future of capitalism in these regions but also for the global economic system as a whole.

Discussion

The results of this study revealed certain contradictions and mixed outcomes of capitalist development in both the USA and Europe. The analysis demonstrated capitalism's significant contribution to the growth of economic power and the enhancement of overall societal well-being in both regions. The capitalist system, based on private ownership, free markets, and entrepreneurship, facilitated rapid technological progress, the expansion of production and consumption, and the improvement of the quality of life for a significant portion of the population. Simultaneously, the study did not overlook the problematic aspects of capitalist development, notably the exacerbation of social contradictions and conflicts. In both the USA and Europe, the development of capitalism was accompanied by the intensification of the exploitation of wage labour, the growth of wealth inequality, and periodic economic crises. Nevertheless, these problems manifested differently in the countries studied and at different stages of development.

Primarily, the study highlighted the crucial significance of institutional transformations for the formation of capitalist systems in the USA and Europe. The analysis showed that the development of market relations in both regions was based on the purposeful development of legal and organisational mechanisms designed to ensure the functioning of private property, free competition, and entrepreneurship. Simultaneously, significant differences were found in the approaches to the institutionalisation of capitalism in the USA and various European countries.

This thesis resonates with the findings of D.J. D'Amico (2022), who emphasises the active role of the state in forming the institutional framework of capitalism. However, whereas that author concentrates predominantly on the American experience, the present research provides a comparative analysis of the institutional trajectories of the USA and key European economies. This enabled the identification of both common features and substantial differences in the formation of capitalist institutions on both sides of the Atlantic.

Specifically, the study deepened the understanding of the specific nature of state influence on the economy within different models of capitalism. It demonstrated that while a more liberal approach predominated in the USA, with an emphasis on antitrust regulation and limited social protection, in many European countries, the state played a more active role in coordinating economic activity, developing social partnership, and ensuring extensive social security. These institutional differences had a significant impact on the trajectories of economic development, shaping different models of capitalism with their own advantages and challenges.

These critical observations regarding the role of the state in the development of capitalism in the USA and Europe are in many ways consonant with the tenets of neo-Marxist theory, particularly with the concept of state-monopoly capitalism elaborated in the articles of F. Pollock (2020) and other representatives of the Frankfurt School. According to this approach, the active intervention of the state in the economy, characteristic of developed capitalist countries in the 20th century, is aimed less at resolving the inherent contradictions of capitalism and more towards their partial amelioration and stabilisation in the interests of monopoly capital. Consequently, the conclusions of this study regarding the contradictory and ambiguous impact of capitalism on societal development in the USA and Europe largely correspond with F. Pollock's (2020) critical analysis of statemonopoly capitalism. Nevertheless, in contrast to orthodox Marxism, this study avoids a simplistic opposition between state and market. Instead, it underscored the dialectical interplay and mutual conditioning of these institutions in the development of both the American and European variants of capitalism. The analysis showed that state regulation of the economy played an important role at all stages in the formation of capitalist systems on both sides of the Atlantic, by creating the necessary preconditions for the functioning of market mechanisms and simultaneously responding to their failures and negative consequences. This dialectic was particularly evident during the period of the Great Depression and post-war reconstruction, when states in both the USA and Europe assumed unprecedented functions in rescuing the economy and protecting the population socially.

Furthermore, the study revealed substantial differences in the forms and scale of state intervention between the USA and various European countries. Whereas in the USA, a model of "embedded liberalism" featuring restricted social welfare was prevalent, in Europe, various versions of the "social market economy" emerged with a more active role for the state in coordinating economic activity and ensuring social welfare. This nuanced approach, considering both shared tendencies and national particularities in state-market interaction, allows for a deeper understanding of the complex dynamics of capitalist development in the USA and Europe. This favourably distinguishes the present study from more dogmatic interpretations of neo-Marxist critique by offering a more differentiated view of the role of the state within different models of the capitalist economy.

A further significant finding of the research was the comparative analysis of the impact of capitalism on the growth of labour productivity and the formation of new economic institutions in the USA and Europe. The analysis showed that the development of capitalist relations, based on market competition, entrepreneurship, and innovation, stimulated the constant improvement of the means of production, the optimisation of resource utilisation, and the introduction of more efficient forms of work organisation in both regions. This was reflected in a systematic increase in labour productivity, which was one of the key factors of economic growth for both the USA and European countries throughout the 19th and 20th centuries.

At the same time, the study reveals certain differences in the pace and character of these processes. Specifically, the USA exhibited more rapid growth in labour productivity in the industrial sector, attributable both to greater access to natural resources and a more flexible system of labour relations. In contrast, some European countries, especially Germany and the Scandinavian states, achieved higher productivity levels in high-technology sectors and the service sector thanks to a more effective system of vocational education and more developed social partnership.

The emergence of capitalism in both regions was accompanied by the formation of new institutions designed to ensure the functioning of the market economy – ranging from commercial law and bank credit systems to stock exchanges, insurance companies, professional associations, and so forth. Nevertheless, some regional particularities were evident. Whereas in the USA, a more liberal approach towards shaping economic institutions was prevalent, focusing on market selfregulation, in many European countries, the state played a more active part in the creation and regulation of these institutions (Head, 2006).

These findings are to some degree consonant with the results of the study on the Tolai economy, conducted by T.S. Epstein (2019). Notwithstanding radical disparities in developmental level and historical-cultural context, both pieces of research highlight the critical importance of capitalist relations in modernising traditional societies and fostering economic expansion. In particular, that scholar points to the crucial role played by factors including the introduction of new technologies, the development of trade and credit, and changes in the organisation of production and the division of labour in increasing the productivity of the Tolai economy under the influence of their integration into the global capitalist system. These observations largely accord with the findings of the present research concerning the role of technological innovation, the development of financial institutions, and the transformation of labour relations in the emergence of capitalism in the USA and Europe.

These features led to a more rapid pace and more organic nature of capitalist modernisation in the USA and Europe compared to post-colonial societies in the "periphery". At the same time, this study also reveals substantial differences between the American and European models of capitalism. Specifically, the USA exhibited greater dynamism in market transformation and innovation, while in many European countries, capitalist modernisation occurred more gradually, with the retention of certain elements of traditional socio-economic structures.

This study pays significant attention to the diversity of capitalist models in Europe and the USA, as well as their impact on economic development. The analysis shows that significant differences exist between the liberal market economy of the USA and the coordinated market economies of certain European countries. These differences are evident in the role of the state, the structure of the labour market, the social protection system, corporate governance, and so forth. The study demonstrates that each model possesses distinct strengths and weaknesses, which variously influence economic growth, innovation, social equality, and adaptability to global challenges. These observations largely resonate with the conclusions of A. Johnston & A. Regan (2021) concerning the diversity of capitalist models within the European Union. The authors analyse the EU's capacity to integrate different models of capitalism, emphasising the existence of substantial institutional differences between member states. They identify liberal market economies (e.g., Great Britain), coordinated market economies (Germany, Nordic countries), and mixed market economies (Southern European countries). The authors argue that these differences create significant challenges for economic integration and policy coordination within the EU framework.

A particularly salient finding of this research is the comparative analysis of the role of slavery and colonial exploitation in the genesis of the capitalist systems of the USA and Europe. Drawing upon a wide range of historical sources, the study demonstrates that these forms of forced labour were not archaic vestiges of the past or aberrations from the main path of capitalist development. On the contrary, they constituted an organic component of the process of primitive accumulation of capital and the development of industry in both regions. In the case of the USA, the analysis shows that the plantation slavery of African Americans in the South played a key role in providing raw materials (primarily cotton) for the industries of the North, as well as in shaping the country's domestic market and financial system. The mass use of enslaved labour generated colossal profits for planters, which were invested in various sectors of the economy, fuelling the industrial revolution. As for Europe, the study highlights the role of colonial exploitation in the accumulation of capital and stimulating the economic development of the metropoles. In particular, the impact of the slave trade and plantation economies in the colonies is analysed on the development of port cities, financial centres, and industry in countries such as Great Britain, France, and the Netherlands.

These findings largely accord with the conclusions drawn by T. Burnard & G. Riello (2020), who support the contention regarding the key role of slavery in the genesis of not only American but also British capitalism. Drawing upon a wide range of sources and historiography, the authors show how the slave trade and the exploitation of enslaved labour in the plantation economies of the West Indies and the southern colonies contributed to the accumulation of commercial and financial capital, the expansion of the domestic market, and the stimulation of technological innovation in the metropole, laying the groundwork for the industrial revolution. Furthermore, this study offers a more differentiated analysis, identifying both common features and differences in the role of slavery and colonial exploitation in the economic development of the USA and various European countries. Specifically, it is underscored that whereas for the USA, slavery constituted an internal phenomenon closely linked to the country's political and social institutions, for European states, colonial exploitation was predominantly an external factor, influencing the economy indirectly.

This study examines the complex interaction between capitalism and the commons in the context of economic development in the USA and Europe. The analysis shows that the emergence of capitalist relations involved not merely the privatisation and commodification of resources, but also the creation of new forms of shared use and management of the commons. Particular attention is paid to the role of digital technologies in shaping new models of cooperation and exchange, which challenge traditional capitalist structures of ownership and production. These observations largely resonate with the findings of the study by A. Arvidsson (2020), who analyses the dynamics of the relationship between capitalism and commons in the modern era. Author argues that the development of information technologies and network forms of organisation creates new opportunities for the collective production and distribution of value beyond market mechanisms. He identifies various forms of "commons-based peer production", ranging from open-source software to collaborative urban projects, which demonstrate the potential of alternative economic models.

Furthermore, this study offers a more nuanced perspective on the role of the state and legal institutions in regulating the interaction between capitalist and non-capitalist forms of economic activity. It shows how legislation and policy in different countries have variously influenced the balance between private and public interests, shaping specific national models of capitalism. A. Arvidsson (2020), in contrast, pays more attention to the potential for self-organisation and horizontal forms of coordination within the framework of a "commons-based" economy. This study examines the impact of capitalism on economic development in the USA and Europe in a broad historical perspective, paying particular attention to the transformations of the capitalist system in the second half of the 20th and the beginning of the 21st century. The analysis shows that this period was characterised by significant structural changes in the organisation of production, the financial system, international economic relations, and the role of the state in the economy. The study reveals both common trends and differences in the development of the American and European variants of capitalism, particularly in the context of globalisation, technological innovation, and socio-economic challenges.

These observations largely resonate with the concept of "late capitalism", developed by E. Mandel (2024) and updated in his latest research. Author's views "late capitalism" as a particular phase in the development of the capitalist system, characterised by the growing role of the state in the economy, the intensification of processes of capital concentration and centralisation, the acceleration of technological innovation, and the globalisation of economic relations. He analyses these processes in the context of long-term cycles of capitalist development, paying particular attention to the mechanisms of crisis and recovery. Concurrently, there are also substantial distinctions between the pieces of research. This study offers a more empirically oriented analysis, drawing upon a wide range of historical data and specific examples from the economic development of the USA and European countries. Instead, E. Mandel's (2024) approach is more theoretical and generalising, aimed at identifying the fundamental laws of motion of the capitalist system. In conclusion, it can be stated that the results of this study significantly enrich and problematise contemporary scholarly understanding of the patterns and contradictions in the development of capitalism in the USA and Europe. Comparing the study's findings with the conceptual approaches of other authors demonstrates the heuristic value and the novelty of the research perspective offered.

The research draws upon a meticulous engagement with the theoretical contributions of contemporary historiography, creatively building upon the most fruitful concepts and approaches – from the new institutional economic history and neo-Marxism to the "new history of capitalism" and post-colonial studies. Concurrently, the research offers an original synthesis of these research traditions grounded in a systematic comparative analysis of the American and European historical experience. Such an approach allows for the creation of a holistic, multidimensional picture of the genesis and evolution of capitalism in the USA and Europe, encompassing its economic, politico-legal, and socio-cultural dimensions. Critically contrasting the research findings with the conclusions of other scholars not only validates established concepts but also exposes their limitations and inconsistencies, outlining new perspectives for further research in this field.

Conclusions

The study's analysis revealed that technological advancement and innovation constituted key drivers of economic growth in both regions, but with different approaches. The USA exhibited greater adaptability in technology adoption owing to a well-developed patent system and collaboration between universities and businesses. European innovation was frequently contingent upon state support and planning. Infrastructure development, particularly transport infrastructure, proved critical for economic growth. In the USA, this led to the large-scale construction of railways and roads, facilitating the formation of a unified market. In Europe, infrastructure development was subject to greater government control. Capitalism's influence on social structure varied; notably, in the USA, a culture of individualism emerged, which fostered a dynamic middle class but led to significant inequality. In Europe, more acute social conflicts spurred the formation of strong labour movements and more advanced social welfare systems, resulting in less economic inequality compared to the USA.

The study showed that the role of the state in the economy differed significantly in the USA and Europe. In the USA, a model of limited state intervention emerged, although the government nonetheless played an important role in creating favourable conditions for business. European states, particularly continental ones, were compelled to intervene more actively in economic processes, which led to the formation of a more regulated economic system. The analysis examining the evolution of capitalist models over the 20th and 21st centuries showed that both regions confronted the need to adapt to new challenges, such as globalisation, technological change, and environmental problems. The study also found that capitalist systems in the USA and Europe are facing several common challenges in the early 21st century. These include rising economic inequality, environmental problems, technological change, and global competition. Nevertheless, approaches to resolving these problems frequently vary, mirroring the historically shaped characteristics of the economic models in both regions.

Prospects for further research include a more detailed analysis of the impact of technological innovations on the development of capitalism in the USA and Europe, research into the transformation of capitalist models under the influence of globalisation and the digitalisation of the economy, and examining new forms of capitalism arising in response to modern challenges such as climate change and social inequality. Particularly relevant is research into the adaptation of capitalist systems to the conditions of the post-pandemic world and new geopolitical realities.

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