The interaction of market forces, particularly competition, and military force caused the greatly increased speed of technological and economic development observed since about 1500 thereby fundamentally shaping human society.

Since the earliest times, the ability to make war and the impediments to making war have driven the shape of human social structures. Changes in technology that shift the scarcity or cost of weapons lead to changes in the concentration of power and degree of hierarchy in human societies. The availability of natural resources needed for a given technology influence the relative power of competing societies.

Initially, societies organized their undertakings around the principal of command. The scarcity of food led to catastrophe for locals when fighting men arrived and ate local stocks. Taxation developed as a sort of insurance by which a known fraction of the harvest was given up each year to warriors to protect against the uncertain possibility of catastrophic attack. Surplus resources (namely food) were funneled to leaders who determined how the resources would be used, including warfare and public projects. Scarcity inculcated conservative values that prioritized warriors and farmers. Traders, though needed to supply natural resources from other regions were suspect. Food would remain the logistical limiting factor on campaigns until the 20th Century.

In China, in the 11th Century, for the first-time ideas of competition and market forces began to emerge as transportation networks improved. The central government later used its command power to undermine these ideas, but not before they had spread elsewhere.

The military-market nexus came into its own in Europe beginning in Italy in the 15th Century where military completion between trading city-states using hired bands of mercenaries lead to the beginning of modern warfare. Competition drove rapid improvements. Geography and the fortuitous discovery that earthen walls could absorb cannon balls prevented the unification of Europe in the age of gunpowder. Europe’s disunity both drove continued competition, which in turn drove continued military and technological improvement, and prevented any single ruler from crushing new ideas or undermining market principals. This situation drove the development of the naval and military technologies that allowed Europe to dominate the rest of the world over the coming centuries.

The interplay of technology and society caused the speed of military developments to ebb and flow generating conservative military establishment in the absence of intense completion (internal or external) or recent defeat. Population pressures generated either war and eventual reductions of birthrates to sustainable levels, or productivity increases through industrialization and emigration.

The great conflicts of the 20th Century lead to a fusing of ostensibly private enterprise with governments in an unprecedented way that mobilized incredible resources for projects but also seemed to herald a return to the dominance of command over the market.