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TRENDS IN EMPYREAN MANUFACTURING

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NEXUS

Industrialization, War, and the Rise of the Capsuleer Bureaucracy

Among the many common themes of societal evolution in the Cluster few are so common to our collective history as the co-occurring events of industrialization and the rise of the structured state. Equally familiar as a theme is that these phenomena are often accompanied with, even caused by, the mobilization of national resources for war. We are most accustomed to this idea specifically in the national or planetary stage of development typically referred to as an Industrial Revolution. The process is most striking at this point because it is so easy to differentiate clearly between the preceding centuries, during which societies are loosely bound and the majority of human labor is consumed in basic agricultural and manufacturing tasks so the affairs of state and war are necessarily limited in resources and scope, and the time of the industrial boom, when the freeing of labor leads to sharp increases in innovation creating a virtuous cycle that sees a rapid evolution of societies' ability to refocus efforts on grander scales.

However, while the first so-called revolution is the most evident example, such shifts repeat many times on the path to the modern, space-faring civilization. One of the things that each of these developmental stages has in common is that, almost axiomatically, every new innovation must be marshalled towards the ability of a state to remain militarily competitive with its neighbors. Failure to do so almost inevitably leads to the eventual eclipsing of a nation to its better equipped, better organized rivals. This cycle has been in constant repetition across many worlds for thousands of years and is a lesson from history that can be reliably used for its predicative properties, insofar as anything can have such properties.

Today the nations in flux, those undergoing the revolutionary stage of adaptation to new technology and opportunity are not those of baseliners within the Empires or any of the satellite organizations meeting varying definitions of statehood. Today the groups acclimating to novel paradigms are Emphyreans, specifically of the Capsuleer variety. In a way the nullsec alliances and coalitions of Capsuleers are going through, almost act for act, the same story of the ancient Industrial Revolutions. They are learning the lessons of centralized leadership, state power, and the necessity of efficient industrial operations to war readiness.

Dependence to Pseudo-Independence

The analogy of Capsuleers to one-man nation-states is nearly as old as the union between the Capsule and the transneural burning scanner. In both a philosophical and practical sense Capsuleers are the freest individuals in human history. Political affiliation and citizenship are matters of choice rather than destiny or proscription. The average Capsuleer's abilities and desirability among potential employers means that income is easy and exorbitant. Even death itself is optional to the Emphyrean class. Either by circumstance or selection pressures among candidates, Capsuleers are accurately stereotyped as fiercely independent. However, over the past decade and a half the same competitive pressures that have exerted their influence on societies since ancient times now apply to Emphyreans.

Freedom-loving as they might be, Capsuleers, like all people, recognize that cooperation with others is an invaluable force multiplier in the pursuit of self-interest. In fact, the more control of their activities that they sacrifice to a governing authority the more successful they can often become. This principle was recognized early on but in recent years they have accomplished the same leaps and bounds that earlier baseliner civilizations took decades and centuries to navigate.

For most of the short time that Capsuleers have been on the scene they were heavily dependent on the infrastructure and security of CONCORD and the Empires of the Cluster. National and international police forces provided security for the industry and shipping that Capsuleer war machines were completely dependent upon. Even as organizations spread out into the largely empty spaces of the Cluster's periphery regions, beyond the umbrella of police and military forces, most of the activities that kept corporations and alliances supplied were conducted at least partially within high security space.

Capsuleers lacked the ability and willingness to properly police their space or to maintain the extensive infrastructure needed to relocate their industrial activity from empire space without suffering a decline in output. However, as with early civilizations, the uncomfortable plunging into new waters became a matter of not just success but survival. In the summer of YC 118 a coalition formed between an eclectic group of alliances united by a single objective: the destruction of a common enemy, the CFC. The CFC was a coalition lead by arguably the largest and most consistently successful Capsuleer group assembled, the self-styled Imperium. With effectively limitless funding and reserves of manpower the CFC, just months before seen as permanent and part of the firmament, disintegrated under heavy assault and retreated wholly from nullsec and relocated into the lowsec warzone. Seemingly an ignominious end. The prosecution of the war, while interesting both from a political and military perspective, is of little concern here. It is in the war's aftermath that we see the first steps of new levels of Capsuleer independence.

Under great pressure societies either thrive or disintegrate. CFC leadership had long become complacent in its dominant position and had suffered something of the ennui and brain drain that accompanies the non-dynamic attitude of established empires fearing no threat. The Imperium, now a second-rate alliance without a system to its name, directed its efforts to learning the lessons of the war and to adopting the economic principles of efficient productivity upon which any successful nation state of the modern era must necessarily be based.

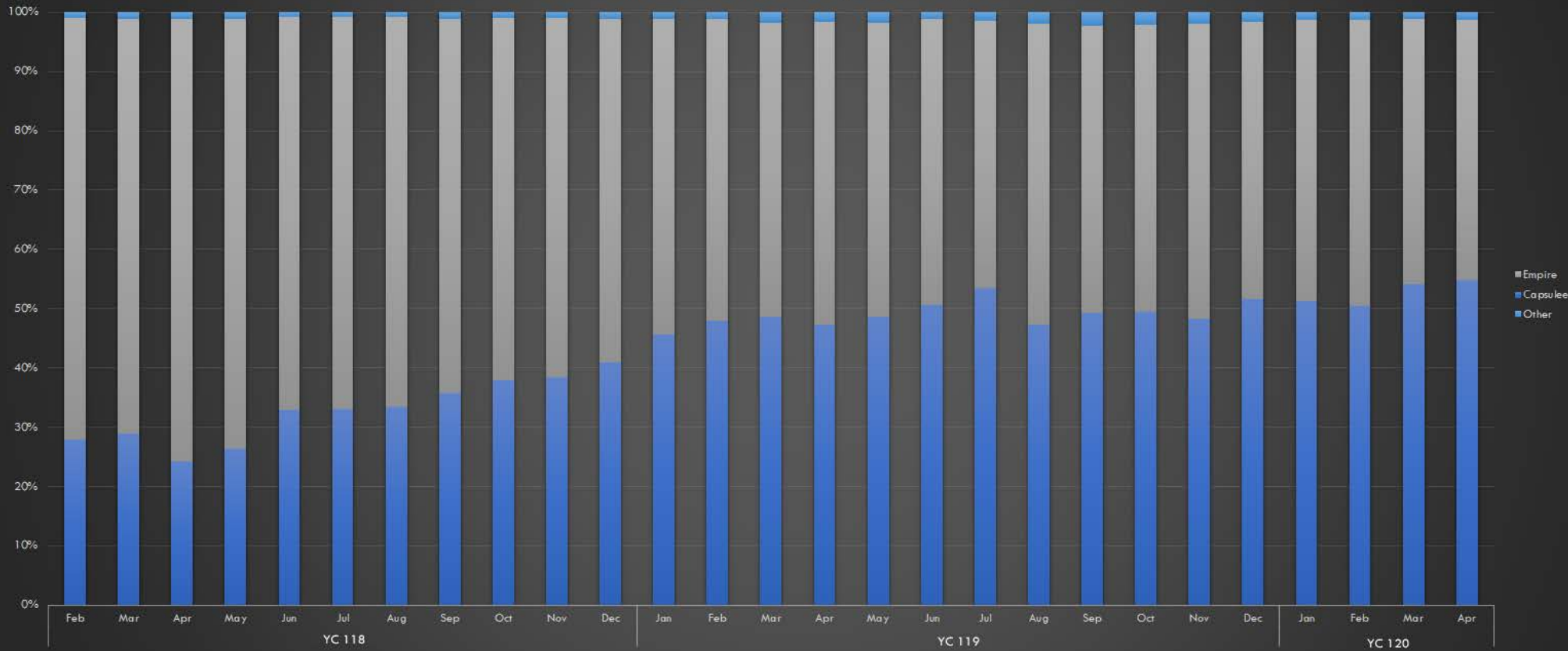
In the months and years leading up to the massive reorganization of nullsec by WWB the most consistently productive Capsuleer controlled region in the Cluster was Providence. On the doorstep of the Amarr Empire, ProviBloc, the loose alliance of Capsuleer entities which administered the region, was perhaps the entity most dedicated to properly developing the infrastructure and industrial base of the region it controlled. From February YC 118 to September YC 118 it was the most productive region of any in nullsec for every month except one. In September, the last month before it was permanently replaced by Delve as the most productive, it accounted for 11.1% of total Capsuleer region output (28.710 trillion ISK) and 3.1% of total Cluster output (102.761 trillion ISK). At the time this was an impressive level of output. However, in August the Imperium moved to reoccupy their traditional home of Delve in the southwest of the Cluster and, after doing so, put into practice a new policy of home production.

What had been a steady trend of total production share becoming less dominated by the Core regions underwent a sharp acceleration as, by the end of the year, the share of production occurring in Capsuleer space (which had hovered steadily within a few points of 30%) went from 33.40% to 40.95%. This bullish upswing continued unabated well into the next year and right up until the present. In June YC 119 nullsec output crossed the 50% level of total Cluster output for the first time. 50.66% of production occurred in Capsuleer space (77.048 trillion ISK on Cluster total of 152.090 trillion ISK). Of this a staggering 12.9% of production came from Delve alone. Clearly, the Imperium had taken to heart the historical lesson that an essential component of a strong military was an equally strong industrial base. A slight decline in the months following pushed null production beneath 50% of the total but since December YC 119 Capsuleer regions in total have always accounted for more than half of total Cluster production. As of this April it stands at 54.74% (112.381 trillion ISK) and seems poised to continue its upward trend.

Now, it might be of some use to take into account that the number of regions between Empire space and Capsuleer space is quite different. By the methodology used here there are only 19 regions in the core while nullsec has 35 regions available for Capsuleers to occupy. Should the reader wish she can apply a multiplier of 1.84x to the Empire total to weight regions equally (and a multiplier of 7x to the 5 regions reported here as "Other"). Utilizing this correction, Empire regions

remain about one third more productive than nullsec regions, but the limitations of this calculation should be apparent because, while this might create a proportional picture, it does not negate the reality that Capsuleer sovereign space is more productive in absolute terms.

Share of Production by Region Type



As individual regions go only the Forge, the traditional center of trade and industry among Capsuleers since the reworking of the Stargate network more than a decade ago which saw the trade hub of the Cluster relocate from Yulai to Jita, is any competition to the industrial output of Delve. Overtime it is expected that other Capsuleer alliances will emulate the regimented and centralized industrial operations currently on display by the Imperium in Delve if for no other reason than that they will become indispensable for the prosecution of wars. For some insight into regional comparisons consult the additional charts provided at the end of this document.

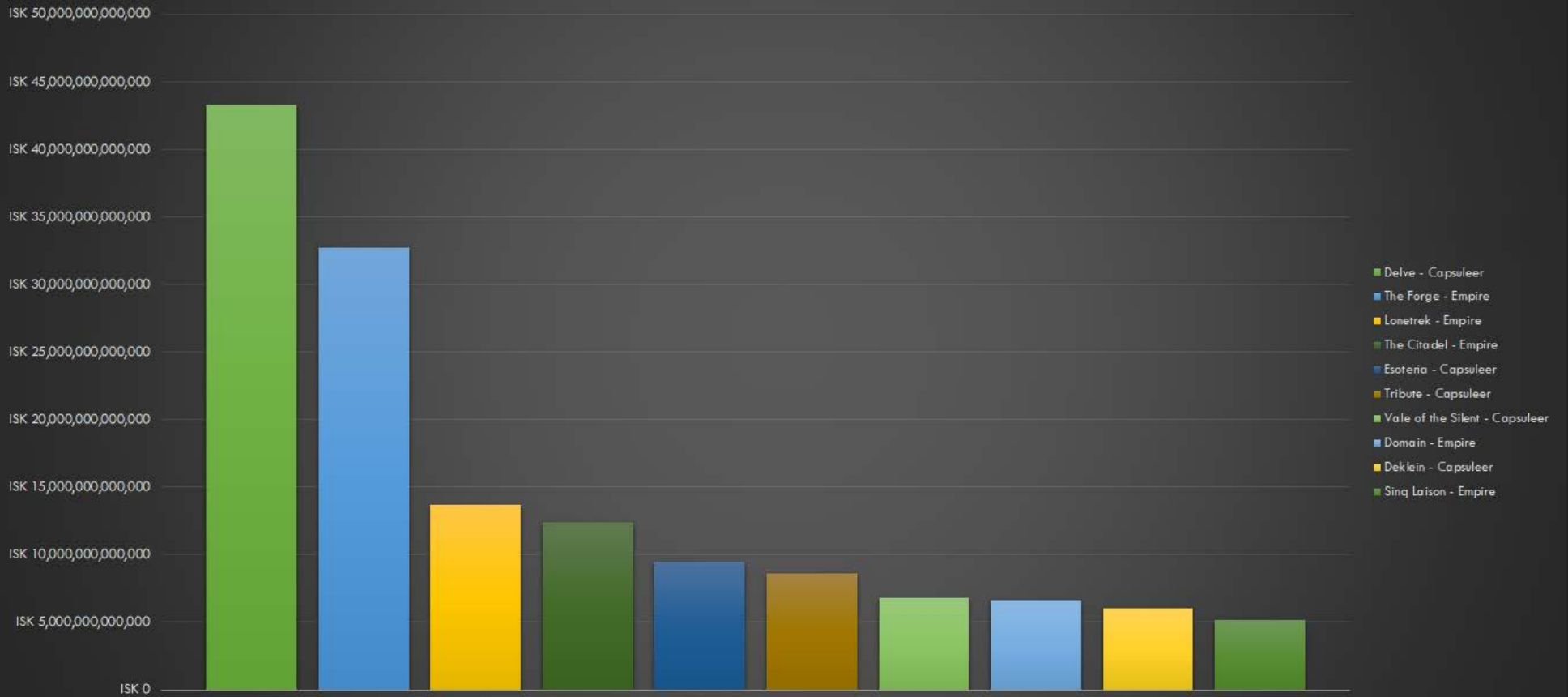
It might be tempting, considering what has happened to the largest Capsuleer organizations in the past few years, to conclude that we are witnessing the emergence of Capsuleer nation-states. This is an understandable mistake. However, such a conclusion misses a few essential underlying points all of which revolve around the fundamental relationship between Capsuleers and CONCORD (and, by extension, its constituent empires). Capsuleer infrastructure, sovereignty, and even Capsuleer lives are wholly dependent on CONCORD. As long as CONCORD possesses, if not exercises, these methods of control the emergence of truly independent Capsuleer political entities is an impossibility. Given CONCORD's primary mission of Cluster stability and the promotion of peaceful interaction it is hard to see how relinquishing these checks on Emphyreans is consistent with their goals. Instead of comparing alliances and coalitions to nation-states we might more aptly compare them to ancient joint-stock companies and chartered colonial corporations. Nullsec groups are privatized settlement and development organizations which operate with authority granted to them by the true sovereign entities of the Cluster.

Forward Guidance

Trends on display are clearly that more and more Capsuleer industrial and resource extraction activities will either be relocated to nullsec or supplemented by such operations in the periphery regions. Emphyrean organizations, while utilizing vast numbers of baseliners, are more responsive and dynamic than baseliner equivalents. While Capsuleer corporations and alliances are dwarfed by the capacity for production by the multinational corporations of the empires the rapid and adaptive growth displayed by Capsuleers means that well positioned investors stand to gain returns an order of magnitude larger than traditional investments over similar investment periods. The difficulty of entry and the risk profile for Capsuleer investments must be carefully considered, however, and only experienced investors should seek to enter Capsuleer markets or markets for services which support the underlying Capsuleer infrastructure and nullsec services and supply industries. For those that successfully navigate this obtuse space, however, there exists the potential for very high returns on investment given the growth tracked over the past 27 months.

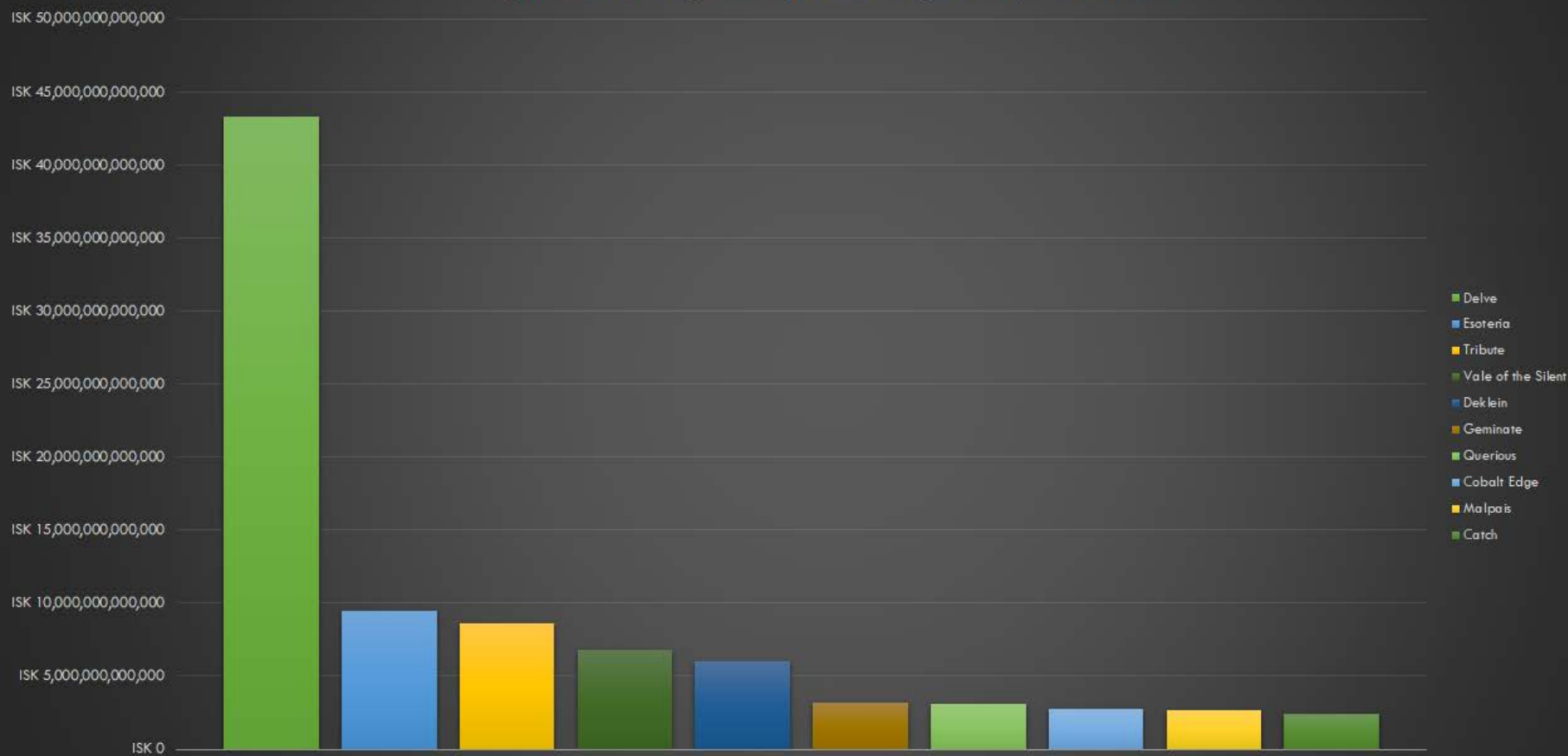
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April YC 120 Top 10 Regions by Production



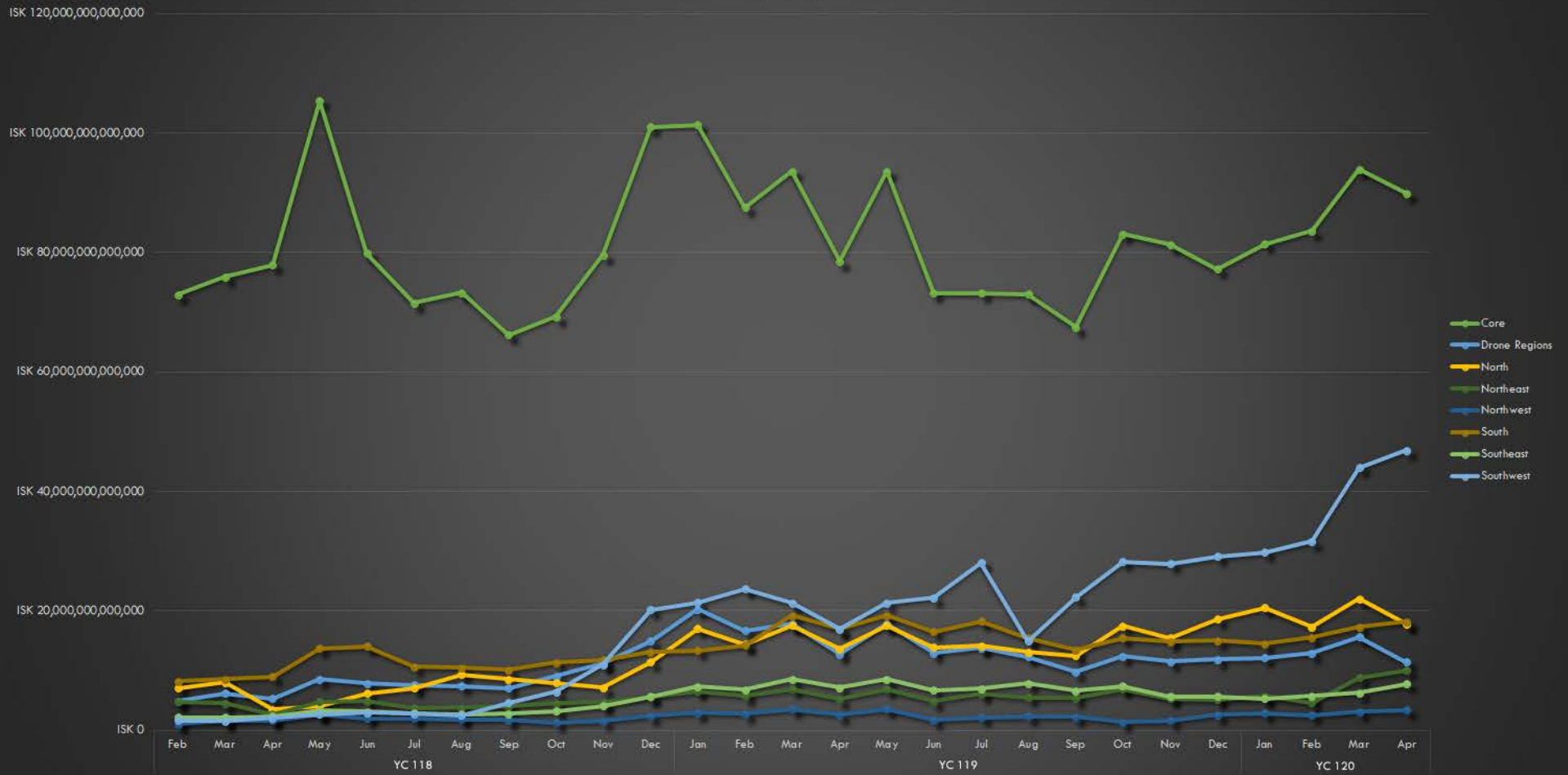
Delve is the dominant region for industrial output by Capsuleers with the Forge a close second. As of the latest economic data from the Central Bank and the SCC the top ten places are split evenly between empire and Capsuleer regions but the steep decline after the producers one and two is quite dramatic.

April YC 120 Top 10 Capsuleer Regions by Production



The difference between Delve and other Capsuleer regions is even more dramatic. The expectation is that over the medium to long-term this distribution might become more gradual as other Capsuleer groups adopt new methods of resource extraction and production by more efficiently organizing and deploying their membership.

Production Output by Cluster Area



The Core region of the empires and CONCORD continue to be the industrial powerhouse when the Cluster is grouped into the traditional cardinal subclusters of regions, but the sustained increase of the Southwest's output seems to indicate the possibility for something approaching parity with the Core in as little as four to eight quarters of continued growth.