



**Capitalism Socialism
Communism**

...and the industrial revolution

We found out that some humans didn't fare so well during the Industrial Revolution

- Long workdays of 12-16 hours
- Low pay...\$5.50 per week for a man and less for women and children
- Dangerous working conditions



This is a 10 year old boy who works in coal mines....does he look like the 10 year olds you know?



Textile workers often contracted "white lung" from inhaling cotton fibers

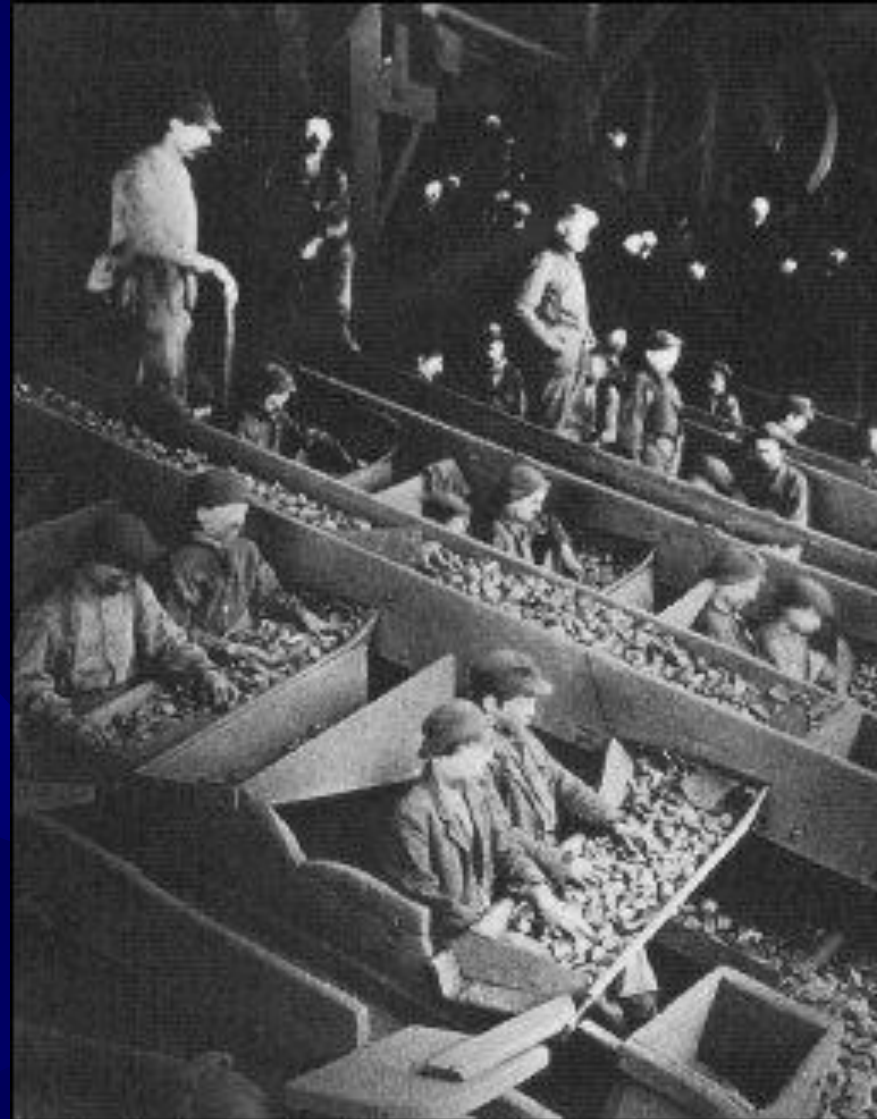
Machines could maim or kill workers, who were then fired and were unable to find another job



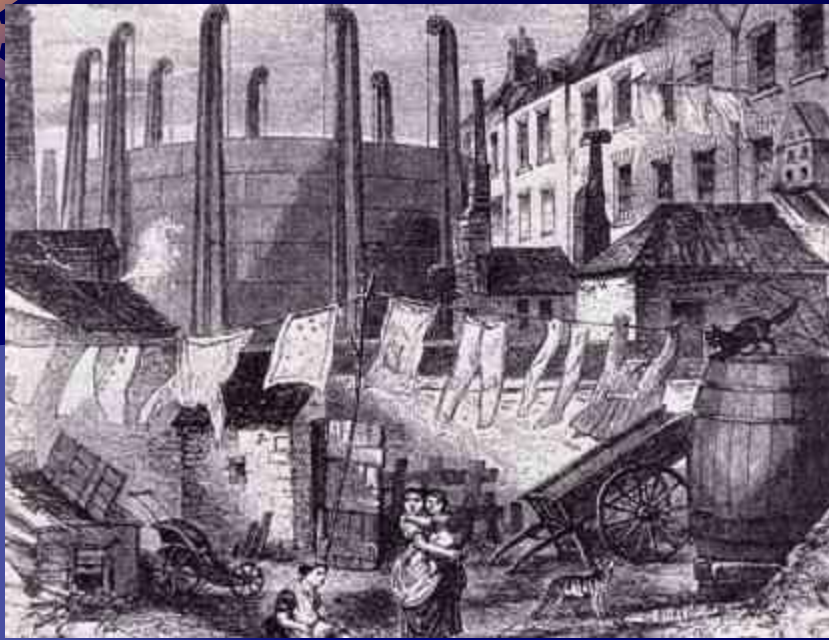


Replacing bobbins on machinery

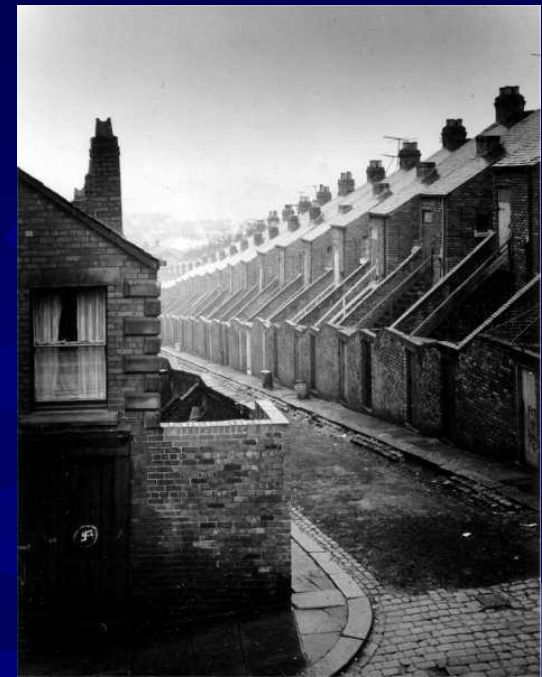
Kids At Work, Russell Freedman, Scholastic, 1994. Photo by Lewis Hine



Under the watchful eye of the boss man and his whip, young boys pick slate from coal.



Most workers lived in crowded, poorly built apartments near the factories that were called “tenements”



Diseases such as typhus, dysentery, measles and tuberculosis (also called consumption) were rampant

These were caused by a lack of sanitation

There were no sewers to remove waste, no purified water, and no indoor plumbing

How did things
get to this
point?



Shouldn't
someone
stopped it? Like
the government?

Maybe, but the
governments in
most Western
European
countries
followed the
economic
philosophy of

Capitalism

This economic philosophy was based on the ideas of

Adam Smith



He published his ideas in his major work, Wealth of Nations (1776)

He thought that the economy should be left alone because the economy will always get the right combination of products

How does this happen????

The "invisible hand" ...



the economic choices made by the individual (the "invisible hand") should drive supply and demand and establish stability in the market

The government should stay out of business...keep their "hands off"

This is why Smith's ideas are usually called "laissez faire" economics....French for "hands off"

Capitalism rewards those who are more **productive** and more **innovative**....

Efficient workers get paid more than lazier or less able workers



New innovations leads to profits



And the individual gets to keep the fruits of his or her labor

Since workers benefit directly from their efforts, there is incentive to work hard or invent new things



This inventor has had 140 million dollars in sales since 1991

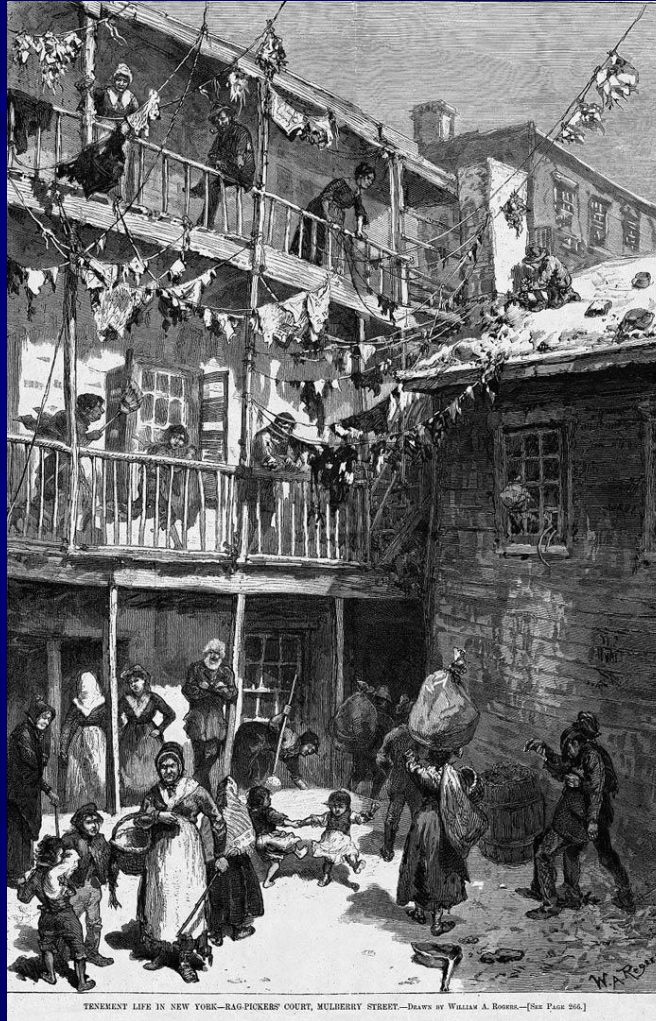


Apple had a 20 billion dollar profit just last year

Owners wanted to maximize profits, they had to minimize their costs.....



Which led to the worker abuse and a growing gap between the upper and lower classes



Some people thought that society should change because of all the negatives

Which is where **Socialism** comes in

The main idea is that society should be reorganized so that



everyone

divides
resources
(money, land)

equally



The Left vs. Right Political Spectrum

Left Wing

Right Wing



Anarchism



Communism



Socialism



Liberalism



Conservatism



Monarchism



Nazism



Fascism



Slavery

Freedom

Slavery

One of the most famous socialists was Robert Owen



He opened a factory at New Lanark in Scotland in the early 1800s

Before Owen

70% of the workforce was made from child labor (age 5 and up)

13 hour workdays

Unsanitary living and working conditions

Low wages

Owen's Reforms

Reduced workday to 10 hours

Youngest working age was 10

Established a school to educate children

Higher wages

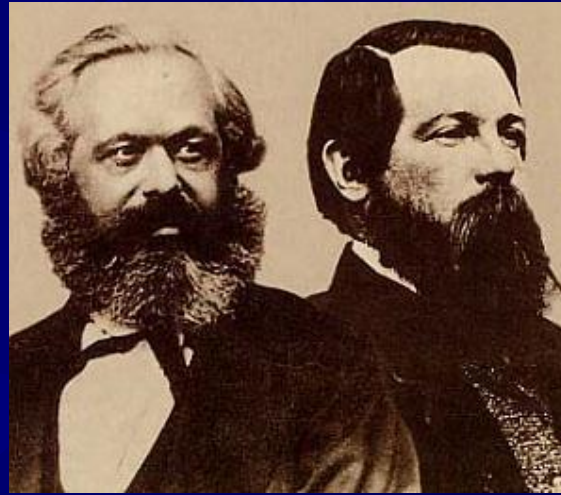
Improved housing

Sold necessities at a company store which didn't gouge workers

Others felt that this approach wouldn't work in the long term

The loudest critics of Utopian socialists were

**Karl
Marx**



**Friedrich
Engels**

Who published their views in 1848 with a little book called

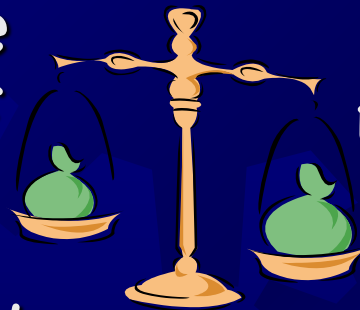
The Communist Manifesto

M & E believed that “the history of all hitherto existing society is the history of Class struggle”

In other words, society has always been divided into 2 groups.....

Haves

Who own the resources of the society




During the IR, the Haves were the factory owners and called the “Bourgeoisie”

Have-Nots

Who work for the Haves and help them become wealthier

While the Have Nots were the workers and called the “Proletariat”




Eventually the
Bourgeoisie would
abuse the
Proletariat so
much that they
would

And establish a
society without any
classes

There would be no
private property
....everything would
be shared by the
community

REVOLT

M & E envisioned a
chain reaction of
revolts around the
world...in fact, they
said "Workers of the
World Unite!" in the
Manifesto



Initially there would be a dictatorship to change things, but eventually no government would be needed

Everyone would be cooperating for the good of the society

But there is also not as much motivation to work hard because you can't benefit directly

Since no one had private property, there would be no reason for people to use more than they need

**Sounds great,
huh?**

...which tends to impact success. We'll find out about the results of Communist experiments later