

## Unit 8: Reforming the Industrial World

### I. The Philosophers of Industrialization

#### A. Laissez-faire Economics

1. Laissez faire—economic policy of not interfering with businesses
2. Originates with Enlightenment economic philosophers
3. Adam Smith—defender of free markets, author of *The Wealth of Nations*
4. Believes economic liberty guarantees economic progress
5. Economic natural laws—self interest, competition, supply and demand

#### B. The Economists of Capitalism

1. Thomas Malthus and David Ricardo boost laissez-faire capitalism
2. Capitalism—system of privately owned businesses seeking profits
3. Malthus thinks populations grow faster than food supply
4. Wars and epidemics kill off extra people or misery and poverty result
5. Ricardo envisions a permanent, poor underclass providing cheap labor

#### C. The Rise of Socialism

1. Socialism—factors of production are owned and operated by the state for the people.
2. Socialists think government control can end poverty, bring equality

#### D. Radical Socialism: Marxism

1. Proposed by Karl Marx – German journalist
  - a. *The Communist Manifesto*
  - b. Marx and Engels believe society is divided into warring classes
  - c. Capitalism helps “haves,” the employers known as the bourgeoisie  
Hurts “Have-nots,” The workers known as the proletariat
  - d. Marx, Engels predict the workers will overthrow the owners
2. The Future According to Marx
  - a. Marx believed that capitalism will eventually destroy itself
  - b. Inequality would cause workers to revolt, seize factories and mills
  - c. Communism—society where people own, share the means of production
  - d. Marx’s ideas later take root in Russia, China, and Cuba
  - e. Time has shown that society is not controlled by economic forces alone.

## II. Labor Unions and Reform Laws

### A. Unionization

1. Unions—associations formed by laborers to work for change
2. Unions negotiate for better pay, conditions with employers
3. Sometimes they strike—call a work stoppage—to pressure owners
4. Skilled workers are first to form unions
5. Union goals were higher wages, shorter hours, improved conditions

### B. Reform Laws

1. British, U.S. laws passed to stop worst abuses of industrialization
2. 1842 Mines Act in Britain stops women, children working underground
3. In 1847, workday for women, children limited to 10 hours in Britain
4. U.S. ends child labor, sets maximum hours in 1904

## The Reform Movement Spreads

### A. The Abolition of Slavery

1. In 1833, reformers help end slavery in British empire
2. Slavery ends in the U.S. in 1865; ends by 1888 in the rest of the Americas

### B. The Fight for Women's Rights

1. Women pursue economic and social rights as early as 1848
2. International Council for Women founded in 1888; worldwide membership

### C. Reforms Spread to Many Areas of Life

1. Reformers establish free public schools in Europe in late 1800s
2. Public schools common in U.S. by the 1850s; prison reform also sought