



Cities and Corporations

# INDUSTRIAL REVOLUTION

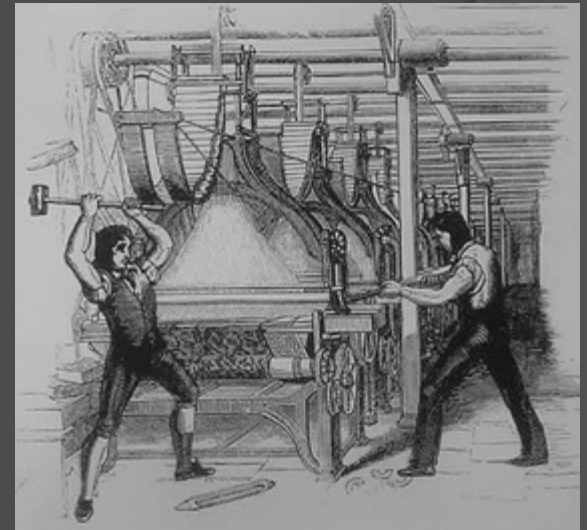
# Cities

- Urbanization – Movement of people to live in cities.
- Rural farmland had been bought by wealthy landowners.
- People need jobs in urban factories.



# The Middle Class

- In the cities, a new social class called the middle class was created.
- Middle Class – A social class made up of skilled workers, professionals, businesspeople, and wealthy farmers.



# Corporations

● In order to pay for their businesses, entrepreneurs sold stock of their company.

- Stock – Rights of ownership.



SLB	4.70	0.33	0.02%	0.01	0.01	0.01
MAL	4.36	-0.01	-0.02%	0.01	0.01	0.01
NE	2.42	-0.07	-2.9%	0.01	0.01	0.01
NV	5.64	0.32	5.7%	0.01	0.01	0.01
NV	2.95	-0.01	-0.3%	0.01	0.01	0.01
QTVV	9.13	-0.04	-0.4%	0.01	0.01	0.01
HYOS	11.61	-0.05	-0.4%	0.01	0.01	0.01
PLUG	21.14	-0.11	-0.5%	0.01	0.01	0.01
ESLR	26.37	-0.04	-0.1%	0.01	0.01	0.01
LMT	62.20	-0.01	-0.02%	0.01	0.01	0.01
CD	21.77	0.53	2.4%	0.01	0.01	0.01
IOC	26.6	0.13	0.5%	0.01	0.01	0.01
TT	19.59	-0.35	-1.8%	0.01	0.01	0.01
TT	49.06	0.09	0.2%	0.01	0.01	0.01
TT	39.16	0.27	0.7%	0.01	0.01	0.01

● Corporation – A company owned by stockholders.





Economic Theories

# INDUSTRIAL REVOLUTION



# Economic Theories

## ◉ Adam Smith

- Developed the natural laws of economics.
- Law of Self-interest
- Law of Competition
- Law of Supply and Demand



# Laws of Economics

# Capitalism

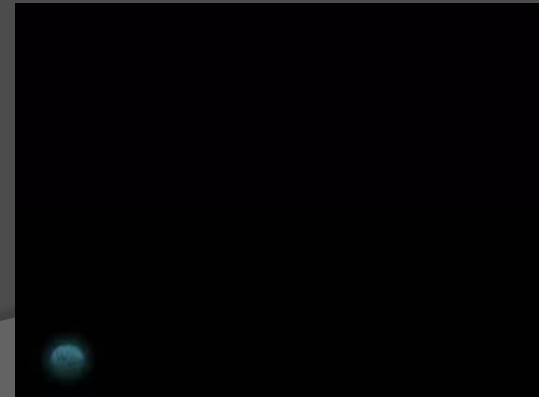
- ⦿ Capitalism is an economic system developed by Adam Smith.
- ⦿ Followed laissez faire (LEHS- AY-FAIR)
  - Laissez Faire – Letting owners of industries set working conditions without government interference.





# The Ford Pinto Story

- How is the Law of Self-Interest illustrated in the story?
- Give three examples of competition from the reading.
- What are some pros and cons of competition with regards to economics

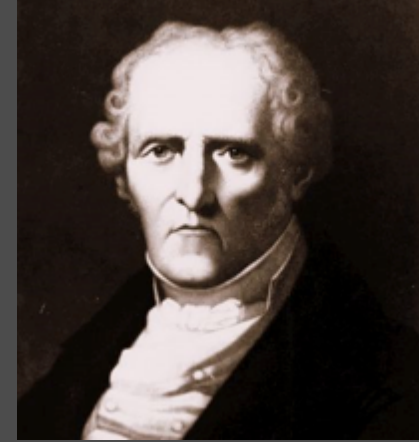


# What motivates capitalists?

- ◉ Adam Smith believed all capitalists were motivated by greed.
  - He called it the “invisible hand”

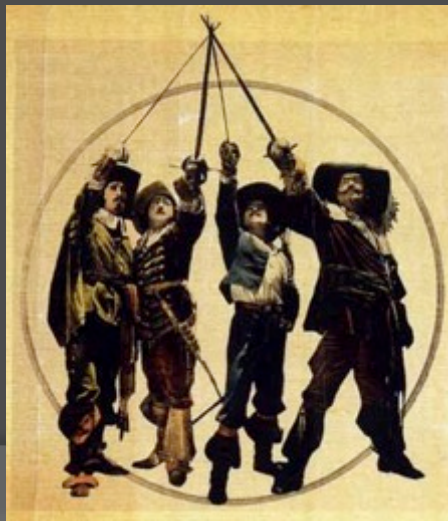


# Socialism



## ● Charles Fourier

- Tried to offset effects of industrialization with socialism.
- Socialism – Idea that the factors of production are owned by the public and work for the good of all.

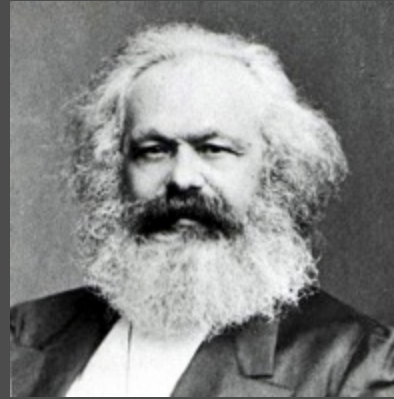


# What motivates socialists?

- Socialists are motivated by sharing the means of production as a community.
- *~No true socialist society exists because...*



# Communism



## ◎ Karl Marx

- Wrote about the class struggle between the “haves” and the “have-nots”.
  - Bourgeoisie – Haves; control the factors of production
  - Proletariat – Have-nots; perform the labor
- The “have-nots” will eventually overthrow the “haves” and create a socialist society.
- Communism – A government consisting of complete socialism where private property would not exist.



# What motivates a communist?

- ◉ Communists are motivated by a strong government.
  - The government then decides who gets what.



# Karl Marx: The Father of Socialism

- ⦿ In the 1840s, what was one of Marx's jobs? What was Friedrich Engel's job?
- ⦿ Identify and describe each of the four ideas Marx combined into his theory.
  - Materialist view of history.
  - Class warfare
  - Theory of surplus value
  - Dialectical change
- ⦿ Why wouldn't a country welcome someone like Karl Marx?