

HISTORICAL GLOBALIZATION AND IMPERIALISM

Social Studies 10: Chapter 7

Part 2 – Capitalism and Industrialization

Bell Work

Vocab Study

Capitalism

Early Capitalism

- You have learned that **mercantilism** is an economic system designed to increase a monarch's wealth. **Capitalism** is similar; it is an economic system for increasing an individual's wealth. It requires a relatively
- **free market**, open competition, the profit motive, and extensive private ownership of the means of production.



Capitalism

An economic system and ideology that is based on private ownership of the means of production and their operation for profit

Fast Facts

Totally free markets do not exist. In a totally free market, government would not regulate anything and would not own any businesses or property. In Canada, we have a *relatively* free market because government regulates the market in some ways. For example, it regulates safety on products for children.

To what degree do values affect the powers we give government?

The Key Ideas Behind Capitalism

Smith's *Wealth of Nations* and the writings of Malthus, Ricardo, Mill, and others became the foundation for the economic system of modern capitalism, which is in turn the foundation for globalization. These thinkers believed in four key ideas:

- Individual initiative and the desire for profit motivate people to work.
- People compete in their own self-interest.
- Individuals have the right to own private property and to accumulate wealth through development and use of that property.
- Most of the production, distribution, and ownership of the goods of a country should be in the hands of private individuals and companies.

Capitalism

An economic system based on **free markets**, private ownership of business and industry, and the **profit motive**

Free Market

An economy in which **government does not interfere in business activities**; supply and demand are not regulated, or are regulated with only minor restrictions

Monopoly

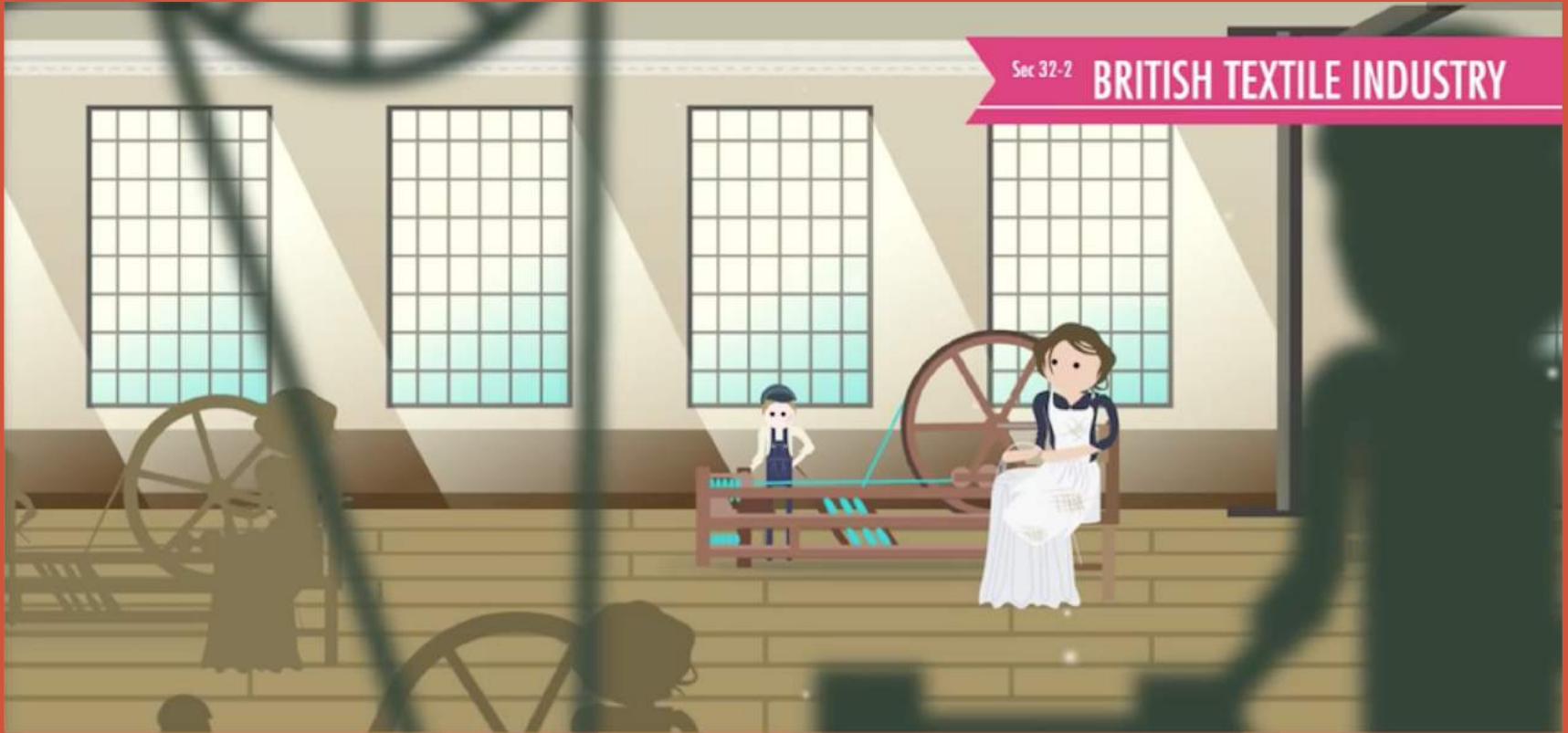
In the past: a monarch granted one individual or a single company the *sole right* to gather and trade in a particular good

Today: when a business *has no competition in a market*, such as when a product or service is controlled by one company



Sec 32-2

BRITISH TEXTILE INDUSTRY



Industrial Revolution

The Industrial Revolution

- Many European countries were shifting production techniques to an industrial model.
- We will consider Great Britain in this section, because it was the first country to do so. Its transformation in the 18th century was so dramatic that historians call it the Industrial Revolution.
- **Think about the values that allowed industrialization to take place. Consider whose interests were being promoted.**

Why Did Great Britain Become the Powerhouse of the Industrial Revolution?

- Hard work was encouraged and expected.
- Individuals were held responsible for improving their lives by working hard.
- There was no employment insurance, social insurance, or pensions for elderly people or people with disabilities. Everyone, even children, was expected to work unless he or she was rich.
- The government did not control competition in the economy.
- It protected the property rights of the large landowners, who evicted farmer-tenants even when they had held occupation rights for generations.
- The government did not regulate health or safety.
- It promoted free trade.
- New types of farming machinery led to healthier diets, which in turn led to population growth.
- The resulting population increase in the cities created a massive labour force of workers who had jobs but had to accept low wages and poor working conditions.
- The rising demand for goods drove manufacturing.
- The invention of the steam engine led to the railroad. Railroads made money transferring food to the cities.
- The strong British navy was used to protect merchant ships that supplied British factories with raw materials.

The Textile Industry

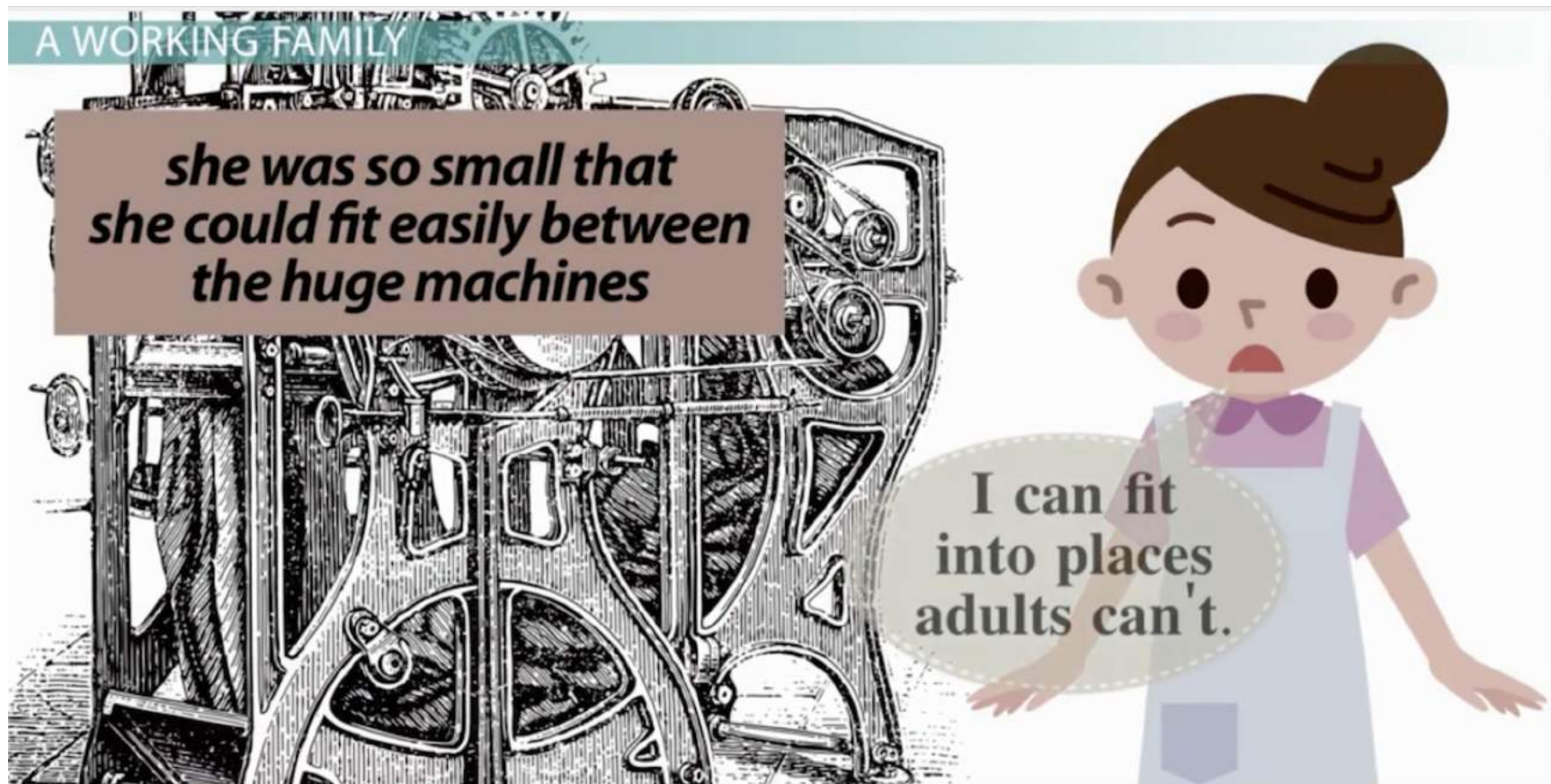
- Let's look at the effects of industrialization on people's lives in relation to one industry: textiles. At one time, textiles were produced on hand looms by weavers in their homes. A company would supply the workers with cotton or wool, and take away completed textiles.
- These businesses were called cottage industries. The invention of new machines, such as the flying shuttle, the spinning jenny, and the power loom made these cottage industries obsolete (out of date).
- The new machinery produced cloth of a consistent quality at a fraction of the cost of homespun (handmade) cloth. This production method reduced the cost of clothing for ordinary people. However, the weavers had no choice but to go to work in the factories, despite low pay and poor working conditions.

Industrialization

The shift of a country's **major economic activity** from **agriculture to manufacturing**



Working Class



A WORKING FAMILY

*she was so small that
she could fit easily between
the huge machines*

I can fit
into places
adults can't.

Working Conditions

- **Factory Act 1819 = Limited the hours worked by children to a maximum of 12 per day.**
- Factory Act 1833 = Children under 9 banned from working in the textiles industry and 10-13 year olds limited to a 48 hour week.
- **Factory Act 1844 = Maximum of 12 hours work per day for Women.**
- Factory Act 1847 = Maximum of 10 hours work per day for Women and children
- **Factory Act 1850 = Increased hours worked by Women and children to 10 and a half hours a day, but not allowed to work before 6am or after 6pm.**
- Factory Act 1874 = No worker allowed to work more than 56.5 hours per week.





This five-year-old boy worked at an oyster plant in 1911, running barefoot on cracked shells as he retrieved buckets of shellfish to shuck. The company hired many children of his age to shuck oysters for as little as 30 cents a day, approximately \$7 in today's currency.

If you've ever shucked an oyster yourself, you can appreciate just how dangerous this line of work can be, particularly for someone that young.



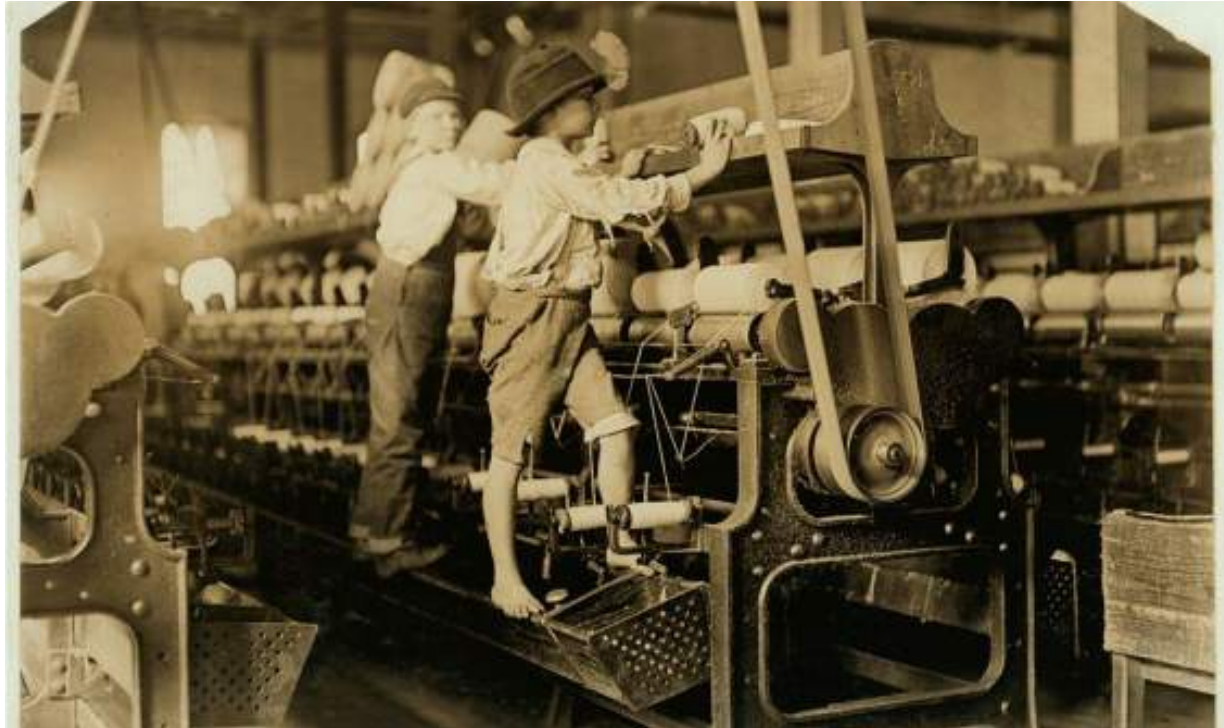
While there are quite a few children in this image of shrimp pickers, the youngest is eight years old and, while not pictured in this photo, the youngest boys employed by the company were only five.

These employees would stand over a trough all day shelling shrimp until their fingers bled, and of course the acid and salt water only worsened the pain.



These two berry hullers were only two and three years old, but they worked long, twelve hour shifts, just like the rest of their family members.

Hullers at the company would earn two cents per quart of berries finished, but there is no indication of how many quarts would typically be completed in a day.



This textile mill, photographed in 1909, commonly hired children too young to even reach the tops of the machines to mend the broken threads.

As a result, sights like this were common on the factory floor.

What do you already know about...

Employment Standards and Labour Laws in Alberta?

<https://www.alberta.ca/alberta-employment-standards-rules.aspx>

Questions

1. What do you think makes for ideal working conditions?
2. What are the working conditions like in your workplace? *(If you don't have a formal job, remember that being a student is your legal job according to the Education Act!)*

