

**The Industrial Revolution****Lesson 4****Reforming the Industrial World****Key Terms and People**

**laissez faire** economic theory that argues that governments should not interfere with business affairs

**Adam Smith** philosopher who defended laissez-faire economics

**capitalism** economic system in which people invest money to make a profit

**utilitarianism** belief that an idea is only as good as it is useful

**socialism** belief that businesses should be owned by society as a whole

**Karl Marx** economic thinker who wrote about a radical form of socialism

**communism** form of socialism in which all production is owned by the people

**anarchism** belief that people should be able to develop freely without government interference

**union** organized groups of workers that bargain with business owners to get better pay and working conditions

**strike** organized refusal to work

**Before You Read**

In the last lesson, you read about how industrialization spread to different nations.

In this lesson, you will learn about new ideas and reforms.

**As You Read**

Use a chart to summarize the characteristics of capitalism and socialism.

**THE PHILOSOPHERS OF INDUSTRIALIZATION****What is capitalism?**

Industrialization led to new ways of thinking about society. Some economists thought that the government should leave business owners alone. This view is called **laissez faire**.

**Adam Smith** argued that governments should not put limits on business. He and others, including British economists

Thomas Malthus and David Ricardo, supported a system called **capitalism**. In a capitalist economy, people invest their money in businesses to make a profit.

Smith and the others believed that society would benefit over time from this system. Supporters of laissez faire opposed laws to protect workers.

1. How does capitalism work?

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Lesson 4, *continued*

**THE RISE OF SOCIALISM;  
MARXISM: RADICAL SOCIALISM**

**What is socialism?**

Other thinkers challenged capitalism. One group was called the **utilitarians**. They thought it was unfair that workers should work so hard for such little pay and live in such poor conditions.

Some thinkers wanted society as a whole to own businesses. This way, all people would enjoy the benefits of increased production. This view—called **socialism**—grew out of a belief in progress and a concern for justice.

A German thinker named **Karl Marx** proposed a form of socialism that became known as Marxism. He said that factory owners and workers would struggle for power. Over time, he said, the capitalist system would destroy itself.

Marx wrote *The Communist Manifesto*. It described **communism**, a form of socialism in which production is controlled by the people.

**Anarchism** also gained popularity during this time. Anarchists believe government is harmful. Some believers went too far. Between 1890 and 1901, a number of politicians were killed and terrorist acts were carried out.

- How are the ideas of capitalism and socialism different?

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**LABOR UNIONS AND REFORM LAWS**

**How did workers take action to improve their lives?**

While thinkers discussed these ideas, workers fought to improve their lives. Many workers joined **unions**. A union is a group of workers that tries to bargain with employers for better pay and better

working conditions.

When employers resisted these efforts, the workers went on **strike**, or refused to work. British and American workers struggled for a long time for the right to form unions.

Britain also passed laws to limit how much work women and children could do. Groups in the United States pushed for similar laws.

- How did both the government and workers themselves try to improve workers' lives?

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**THE REFORM MOVEMENT SPREADS**

**What other reforms were taking place at this time?**

Ending slavery was a major reform movement of the 1800s. The British Parliament ended the slave trade in 1807. It then abolished slavery in British territories in 1833.

Slavery was finally abolished in the United States in 1865, after the Civil War. Spain ended slavery in Puerto Rico in 1873 and in Cuba in 1886. Brazil was the last country to ban slavery, in 1888.

Women were active in many reform movements. Many women fought for equal rights for women. In 1888, women from around the world formed a group dedicated to this cause.

Reformers took on other projects as well. They pushed to improve education and the conditions in prisons.

- Name two major reform movements of the 1800s.

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**Lesson 4, *continued***

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As you read about the age of reforms, take notes to answer the questions about the ideas of the philosophers and reformers of the Industrial Revolution.

<b>The Economic Philosophers</b>	<b>What were the basic ideas of each philosopher?</b>
1. Adam Smith	
2. Thomas Malthus	
3. David Ricardo	
<b>The Social Reformers</b>	<b>How did each reformer try to correct the ills of industrialization?</b>
4. John Stuart Mill	
5. Robert Owen	
6. Charles Fourier and Henri de Saint-Simon	
7. Karl Marx and Friedrich Engels	
8. William Wilberforce	
9. Jane Addams	
10. Horace Mann	