

Workers on
break, London



The Struggle of the Working Class

Karl Marx and Friedrich Engels give their view on how the Industrial Revolution affected workers:

“Owing to the extensive use of machinery and to division of labor, the work of the proletarians has lost all individual character, and, consequently, all charm for the workman. He becomes [a limb] of the machine, and it is only the most simple, most monotonous, and most easily acquired knack, that is required of him. . . .”

—From *The Communist Manifesto*

Focus Question What new ideas about economics and society were fostered as a result of the Industrial Revolution?

New Ways of Thinking

Objectives

- Understand laissez-faire economics and the beliefs of those who supported it.
- Describe the doctrine of utilitarianism.
- Summarize the theories of socialism.
- Explain Marx's views of the working class and the response to Marxism.

Terms, People, and Places

Thomas Malthus	Robert Owen
Jeremy Bentham	Karl Marx
utilitarianism	communism
socialism	proletariat
means of production	social democracy

Note Taking

Reading Skill: Identify Main Ideas Write an outline like the one here to show the new economic and social theories.

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| <p>I. Laissez-faire economics</p> <p>A. Adam Smith and free enterprise</p> <ol style="list-style-type: none"> 1. 2. <p>II. Malthus on population</p> <p>A.</p> |
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Everywhere in Britain, British economist **Thomas Malthus** saw the effects of the population explosion—crowded slums, hungry families, unemployment, and widespread misery. After careful study, in 1798 he published *An Essay on the Principle of Population*. He concluded that poverty was unavoidable because the population was increasing faster than the food supply. Malthus wrote: “The power of population is [far] greater than the power of the Earth to produce subsistence for man.”

Malthus was one of many thinkers who tried to understand the staggering changes taking place in the early Industrial Age. As heirs to the Enlightenment, these thinkers looked for natural laws that governed the world of business and economics.

Laissez-Faire Economics

During the Enlightenment, physiocrats argued that natural laws should be allowed to operate without interference. As part of this philosophy, they believed that government should not interfere in the free operation of the economy. In the early 1800s, middle-class business leaders embraced this laissez-faire, or “hands-off,” approach.

As you have learned, the main proponent of laissez-faire economics was Adam Smith, author of bestseller *The Wealth of Nations*. Smith asserted that a free market—the unregulated exchange of goods and services—would come to help everyone, not just the rich. The free market, Smith said, would produce more goods at lower prices, making them affordable to everyone. A growing economy would also encourage capitalists to reinvest


profits in new ventures. Supporters of this free-enterprise capitalism pointed to the successes of the Industrial Age, in which government had played no part.

Malthus Holds Bleak View Also a laissez-faire economist, Thomas Malthus predicted that population would outpace the food supply. The only checks on population growth, he said, were nature's "natural" methods of war, disease, and famine. As long as population kept increasing, he went on, the poor would suffer. He thus urged families to have fewer children and discouraged charitable handouts and vaccinations.

During the early 1800s, many people accepted Malthus's bleak view as the factory system changed people's lifestyles for the worse. His view was proved wrong, however. Although the population boom did continue, the food supply grew even faster. As the century progressed, living conditions for the Western world slowly improved—and then people began having fewer children. By the 1900s, population growth was no longer a problem in the West, but it did continue to afflict many nations elsewhere.

Ricardo Shares View Another influential British laissez-faire economist, David Ricardo, dedicated himself to economic studies after reading Smith's *The Wealth of Nations*. Like Malthus, Ricardo did not hold out hope for the working class to escape poverty. Because of such gloomy predictions, economics became known as the "dismal science." In his "Iron Law of Wages," Ricardo pointed out that wage increases were futile because increases would only cover the cost of necessities. This was because when wages were high, families often had more children instead of raising the family's current standard of living.

Both Malthus and Ricardo opposed any government help for the poor. In their view, the best cure for poverty was not government relief but the unrestricted "laws of the free market." They felt that individuals should be left to improve their lot through thrift, hard work, and limiting the size of their families.

 **Checkpoint** Explain the response to laissez-faire economics during the nineteenth century.

Utilitarians For Limited Government

Other thinkers sought to modify laissez-faire doctrines to justify some government intervention. By 1800, British philosopher and economist **Jeremy Bentham** was advocating **utilitarianism**, or the idea that the goal of society should be "the greatest happiness for the greatest number" of its citizens. To Bentham, all laws or actions should be judged by their "utility." In other words, did they provide more pleasure or happiness than pain? Bentham strongly supported individual freedom, which he believed guaranteed happiness. Still, he saw the need for government to become involved under certain circumstances.



Population Theory

Thomas Malthus believed poor families should have fewer children to preserve the food supply. *What were the advantages of families with many children?*

Bentham's ideas influenced the British philosopher and economist John Stuart Mill. Although he believed strongly in individual freedom, Mill wanted the government to step in to improve the hard lives of the working class. "The only purpose for which power can be rightfully exercised over any member of a civilized community, against his will," Mill wrote, "is to prevent harm to others." Therefore, while middle-class business and factory owners were entitled to increase their own happiness, the government should prevent them from doing so in a manner that would harm workers.

Mill further called for giving the vote to workers and women. These groups could then use their political power to win reforms. Most middle-class people rejected Mill's ideas. Only in the later 1800s were his views

INFOGRAPHIC

"The population... is crowded into one dense mass of cottages. ...This is an atmosphere loaded with the exhalation of a large manufacturing city."

—J.P. Kay



▲ The Industrial Age brought harsh living conditions and poverty as people crowded into cities.

Owen's Utopia

The poverty and filth of the Industrial Age did not sit well with Robert Owen, a British social reformer. Like other Utopians, he believed there was a way he could change society for the better. To prove his point, he set up his cotton mill in New Lanark, Scotland, as a model village. He insisted that the conditions in which people lived shaped their character. Owen reduced working hours, built homes for workers, started a school for children, and opened a company store where workers could buy food and clothes. He showed that an employer could offer decent living and working conditions and still run a profitable business. Between 1815 and 1825, about 20,000 people visited New Lanark to study Owen's reforms. The complex eventually fell into decline but visitors can still wander the village today.

"...[I have never seen] so much order, good government, tranquility, and rational happiness prevail."

—Visitor to New Lanark



▲ Children attended geography classes and dance lessons at the school in New Lanark.


Thinking Critically

- 1. Make Generalizations** Based on the images, how did life for children at New Lanark differ from those who lived in industrial cities?
- 2. Recognize Ideologies** Do you think Utopianism was an effective solution for the challenges of the Industrial Age? Why or why not?

History Interactive

For: Interactive Village
Web Code: nap-1941

slowly accepted. Today's democratic governments, however, have absorbed many ideas from Mill and the other utilitarians.


 **Checkpoint** What did John Stuart Mill see as the proper role of government?

Socialist Thought Emerges

While the champions of laissez-faire economics praised individual rights, other thinkers focused on the good of society in general. They condemned the evils of industrial capitalism, which they believed had created a gulf between rich and poor. To end poverty and injustice, they offered a radical solution—**socialism**. Under socialism, the people as a whole rather than private individuals would own and operate the **means of production**—the farms, factories, railways, and other large businesses that produced and distributed goods. Socialism grew out of the Enlightenment faith in progress and human nature and its concern for social justice.

Are Utopians Dreamers? A number of early socialists established communities in which all work was shared and all property was owned in common. When there was no difference between rich and poor, they said, fighting between people would disappear. These early socialists were called Utopians. The name implied that they were impractical dreamers. The Utopian **Robert Owen** set up a model community in New Lanark, Scotland, to put his own ideas into practice.

Owen Establishes a Utopia A poor Welsh boy, Owen became a successful mill owner. Unlike most industrialists at the time, he refused to use child labor. He campaigned vigorously for laws that limited child labor and encouraged the organization of labor unions.

 **Checkpoint** What did early socialists believe?

Karl Marx Calls for Worker Control

In the 1840s, **Karl Marx**, a German philosopher, condemned the ideas of the Utopians as unrealistic idealism. He formulated a new theory, “scientific socialism,” which he claimed was based on a scientific study of history. He teamed up with another German socialist, Friedrich Engels, whose father owned a textile factory in England.

Marx and Engels wrote a pamphlet, *The Communist Manifesto*, which they published in 1848. “A spectre [ghost] is haunting Europe,” it began, “the spectre of communism.” Marx predicted a struggle between social classes that would lead to a classless society where all means of production would be owned by the community. In practice, however, **communism** later came to refer to a system in which governments led by a small elite controlled all economic and political life.

In *The Communist Manifesto*, Marx theorized that economics was the driving force in history. He argued that there was “the history of class struggles” between the “haves” and the “have-nots.” The “haves” had always owned the means of production and thus controlled society and all its wealth. In industrialized Europe, Marx said, the “haves” were the bourgeoisie. The “have-nots” were the **proletariat**, or working class.

According to Marx, the modern class struggle pitted the bourgeoisie against the proletariat. In the end, he predicted, the proletariat would be

Vocabulary Builder

formulated—(FAWR myoo layt id) *vt.*
devised or developed, as in a theory
or plan

triumphant. Workers would then take control of the means of production and set up a classless, communist society. Such a society would mark the end of the struggles people had endured throughout history, because wealth and power would be equally shared. Marx despised capitalism. He believed it created prosperity for only a few and poverty for many. He called for an international struggle to bring about its downfall. “Workers of all countries,” he urged, “unite!”

✓ **Checkpoint** What did Marx predict was the future of the proletariat?

Marxism in the Future

At first, Marxism gained popularity with many people around the world. Leaders of a number of reform movements adopted the idea that power should be held by workers rather than by business owners. Marx’s ideas, however, would never be practiced exactly as he imagined.

Marxism Briefly Flourishes In the 1860s, German socialists adapted Marx’s beliefs to form **social democracy**, a political ideology in which there is a gradual transition from capitalism to socialism instead of a sudden violent overthrow of the system. In the late 1800s, Russian socialists embraced Marxism, and the Russian Revolution of 1917 set up a communist-inspired government. For much of the 1900s, revolutionaries around the world would adapt Marxist ideas to their own situations and needs. Independence leaders in Asia, Latin America, and Africa would turn to Marxism.

Marxism Loses Appeal As time passed, however, the failures of Marxist governments would illustrate the flaws in Marx’s arguments. He predicted that workers would unite across national borders to wage class warfare. Instead, nationalism won out over working-class loyalty. In general, people felt stronger ties to their own countries than to the international communist movement. By the end of the twentieth century, few nations remained with communist governments, while nearly every economy included elements of free-market capitalism.

✓ **Checkpoint** How accurate did Marx’s predictions about social classes prove to be?



Workers of the World

An 1895 leaflet urges that “Workers of the World Unite,” the slogan of the socialist movement of Marx (above) and Engels.