

### **WHY STUDY IT?**

Understanding socio-economic systems is helpful to people who want their households/businesses/societies to be productive and successful. Leaders face an important question: How much control or direction does leadership need to provide in order for the group to be highly engaged, productive, creative, and successful? The three main socio-economic systems – capitalism, socialism, and communism – offer different answers.

### **GOALS**

1. I will **describe** a CAPITALIST economy. My description will include details about buyers and sellers, business ownership, and the role of the government in the economy.
2. I will **make inferences** (conclusions, predictions, or ideas based on evidence in a source) about the advantages and drawbacks of a CAPITALIST system.
3. I will **synthesize** (pull together) a full understanding of CAPITALISM from a group of sources. That understanding will include statements about the a) the values and vision of capitalism, b) the role of supply and demand in a capitalist marketplace, and c) the impact of capitalism on social hierarchy and relationships.

### **PROCESS**

Read and annotate the documents in this packet. As you examine sources, think about these questions:

- a) What is it like in a capitalist economy?
- b) Who would like capitalism, and why?
- c) What problems might arise in a capitalist system?
- d) Who/what has the power in a capitalist system?

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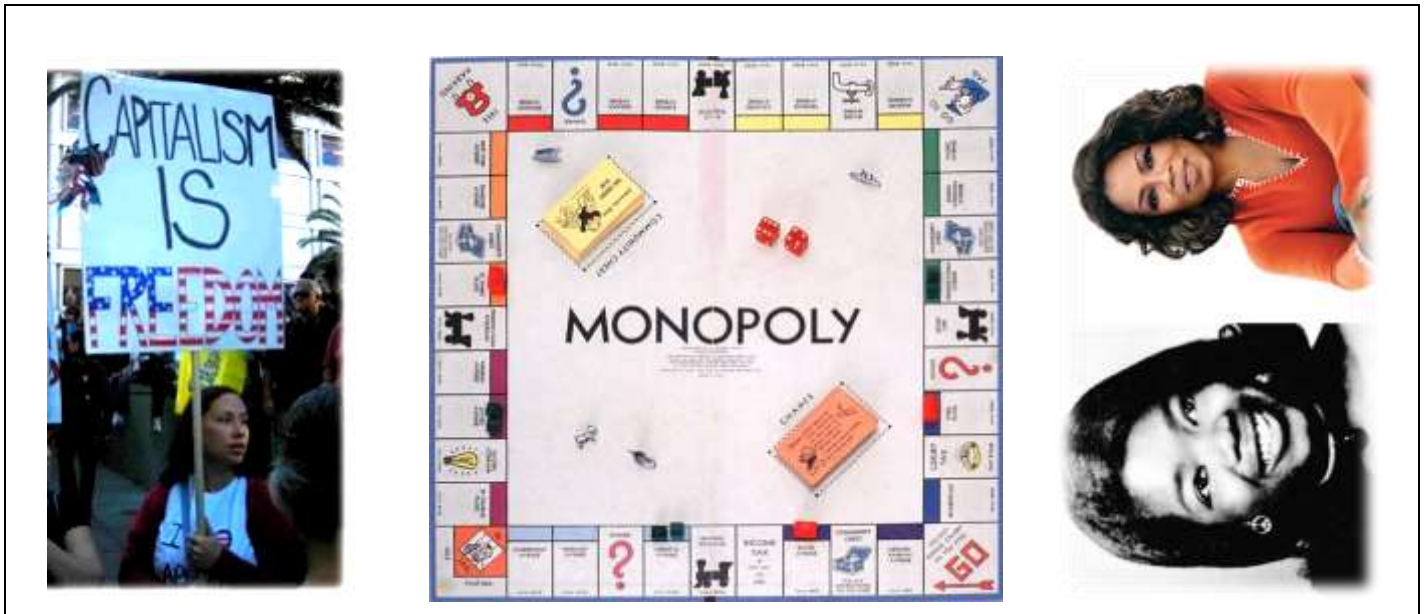
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### DOCUMENT #1

#### **The Guiding Principles of CAPITALISM**

- a) Hard work is the key to moving up the “success ladder.” It *is* possible to rise from poverty to wealth.
- b) People earn what they deserve; hard work and good results are worth more than lazy, unproductive work.
- c) Personal success is more likely in a free market where buyers and sellers can make their own decisions.
- d) Specialization, creativity, and productive competition are good for an economy.
- e) Privatization (business ownership by individual citizens) encourages productive competition.
- f) The best government policies for an economy are laissez-faire (*loz-ay-fare*; means “hands-off”). The more a State regulates businesses, directs buyers and sellers, and controls wealth distribution, the more the State discourages job specialization, creativity, and competition within the economy.

DOCUMENT #2



DOCUMENT #3



Consider

*A significant – and negative – critique of capitalism is that it produces a potentially harmful income gap between the wealthy upper class (the ownership class) and the lower working class.*

Directions

Read these song lyrics by artist Tracy Chapman. Imagine that she is anti-capitalism. What is she saying about capitalism? To whom is she speaking (who is the “you”)? What warning is she offering?

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*Talkin’ ‘bout a Revolution* (Tracy Chapman)

Don't you know  
They're talkin' 'bout a revolution  
It sounds like a whisper  
Don't you know  
They're talkin' about a revolution  
It sounds like a whisper

While they're standing in the welfare lines  
Crying at the doorsteps of those armies of salvation  
Wasting time in the unemployment lines  
Sitting around waiting for a promotion

Don't you know  
Talkin' 'bout a revolution  
It sounds like a whisper

Poor people gonna rise up  
And get their share  
Poor people gonna rise up  
And take what's theirs

Don't you know you better  
Run, run, run, run, run, run, run, run, run, run, run  
Oh I said you better  
Run, run, run, run, run, run, run, run, run, run, run

'Cause finally the tables are starting to turn  
Talkin’ ‘bout a revolution



# Central Concept: CAPITALISM

Larger study: Socio-Economic systems (the management of people, work, production, and wealth)

## Consider

*Industrial capitalism – the growth of highly productive, privately-owned factories and businesses – produced a small group of extremely wealthy families who dominated the American economy of the late 1800s and early 1900s. As the gap between wealthy owners and common workers widened, some critics of capitalism started calling these elite business owners “robber barons.” The term “robber baron” refers to someone whose greedy lust for power and wealth causes him to seek his own success by exploiting, or taking advantage of, the workers beneath him.*

## Directions

Read these song lyrics by artist Bruce Springsteen. What is he saying about capitalism and its *robber barons*? Who would this song appeal to? Do you see evidence of present-day *robber barons* affecting your *hometown*?

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### *Death to My Hometown* (Bruce Springsteen)

No cannonballs did fly  
No rifles cut us down  
No bombs fell from the sky  
No blood soaked the ground  
No powder flash blinded the eye  
No deafening thunder sounded  
But just as sure as the hand of god  
They brought death to my hometown  
They brought death to my hometown, boys

No shells ripped the evening sky  
No cities burning down  
No armies stormed the shores for which we'd die  
No dictators were crowned  
High off on a quiet night  
I never heard a sound  
The marauders raided in the dark  
And brought death to my hometown, boys  
Death to my hometown

They destroyed our families' factories and they took our homes  
They left our bodies on the plains  
The vultures picked our bones  
So listen up, my Sonny boy  
Be ready when they come  
For they'll be returning sure as the rising sun  
Now get yourself a song to sing and sing it 'til you're done  
Yeah, sing it hard and sing it well  
Send the robber barons straight to hell  
The greedy thieves that came around  
And ate the flesh of everything they found  
Whose crimes have gone unpunished now  
Who walk the streets as free men now

They brought death to our hometown, boys  
Death to our hometown, boys  
Death to our hometown, boys  
Death to our hometown

