Key Concept 5.1. Industrialization and Global Capitalism

Industrialization fundamentally altered the production of goods around the world. It not only changed how goods were produced and consumed, as well as what was considered a “good,” but it also had far-reaching effects on the global economy, social relations, and culture. Although it is common to speak of an “Industrial Revolution,” the process of industrialization was a gradual one that unfolded over the course of the eighteenth and nineteenth centuries, eventually becoming global.

I. Industrialization fundamentally changed how goods were produced.

A. A variety of factors led to the rise of industrial production. ***List at least 9 factors.***

B. The development of machines, including steam engines and the internal combustion engine, made it possible to exploit vast new resources of energy stored in fossil fuels, specifically coal and oil. The “fossil fuels” revolution greatly increased the energy available to human societies. ***Describe the previous types of energy sources and how they worked. Describe how “fossil fuels” work as an energy source.***

C. The development of the factory system concentrated labor in a single location and led to an increasing degree of specialization of labor. ***Compare the factory system to the Cottage Industry.***

D. As the new methods of industrial production became more common in parts of northwestern Europe, they spread to other parts of Europe and the United States, Russia, and Japan. ***Why did the Industrial Revolution start in England first and why did it take time for the Industrial Revolution to get to the United States, Russia, and Japan (different reasons for each country)?***

E. The “second industrial revolution” led to new methods in the production of steel, chemicals, electricity and precision machinery during the second half of the nineteenth century. ***Make a chart of top 5 inventions for the Industrial Revolution and 5 for the “second industrial revolution”***

II. New patterns of global trade and production developed and further integrated the global economy as industrialists sought raw materials and new markets for the increasing amount and array of goods produced in their factories.

1. The need for raw materials for the factories and increased food supplies for the growing population in urban centers led to the growth of export economies around the world that specialized in mass producing single natural resources. The profits from these raw materials were used to purchase finished goods. ***Describe the use of the resource, location of the resource (mine or plantation), and location of the market for the resource for the following products: • Cotton • Rubber • Palm oil • Sugar • Wheat • Meat • Guano • Metals and minerals***

B. The rapid development of industrial production contributed to the decline of economically productive, agriculturally based economies. ***Give a descriptive example of these (for example textile production in India, cotton production in US South)***

1. The rapid increases in productivity caused by industrial production encouraged industrialized states to seek out new consumer markets for their finished goods. ***Describe Europe’s, Japan’s, and the United States’ push to open new markets. (Imperialism for economic purpose, Sphere of Influence in China and Africa, and US demands on Japan).***

D. The need for specialized and limited metals for industrial production, as well as the global demand for gold, silver and diamonds as forms of wealth, led to the development of extensive mining centers. ***Describe the importance to the world market of the copper mines in Mexico and the gold and diamond mines in South Africa***

III. To facilitate investments at all levels of industrial production, financiers developed and expanded various financial institutions.

A. The ideological inspiration for economic changes lies in the development of capitalism and classical liberalism associated with Adam Smith and John Stuart Mill. ***Describe Adam Smith and John Stuart Mill and their ideologies.***

B. Financial instruments expanded. ***Describe each of the following examples of financial instruments: • Stock markets • Insurance • Gold standard • Limited liability corporations***

C. The global nature of trade and production contributed to the proliferation of large-scale transnational businesses. ***Describe each of the following large-scale transnational businesses: • The United Fruit Company • The HSBC — Hong Kong and Shanghai Banking Corporation***

IV. There were major developments in transportation and communication.

***Describe examples of developments in transportation and communication in each of the following: • Railroads • Steamships • Telegraphs • Canals***

V. The development and spread of global capitalism led to a variety of responses.

A. In industrialized states, many workers organized themselves to improve working conditions, limit hours, and gain higher wages, while others opposed capitalist exploitation of workers by promoting alternative visions of society. ***Describe the alternative visions to capitalism: • Utopian socialism • Marxism • Anarchism (Identify the leaders of each and what they are)***

B. in Qing China and the Ottoman Empire, some members of the government resisted economic change and attempted to maintain preindustrial forms of economic production. ***Describe how the Qing and Ottomans resisted (example: Boxer Rebellion)***

C. In a small number of states, governments promoted their own state-sponsored visions of industrialization. ***Describe the state-sponsored visions of industrialization from the following: • the economic reforms of Meiji Japan • the development of factories and railroads in Tsarist Russia • China’s Self Strengthening Movement • Muhammad Ali’s development of a cotton textile industry in Egypt***

D. In response to criticisms of industrial global capitalism, some governments mitigated the negative effects of industrial capitalism by promoting various types of reforms. ***Describe each of the following reform movements: • State pensions and public health in Germany • Expansion of suffrage in Britain • Public education in many states***

VI. The ways in which people organized themselves into societies also underwent significant transformations in industrialized states due to the fundamental restructuring of the global economy.

A. New social classes, including the middle class and the industrial working class, developed. ***Describe the social classes of the Industrial Revolution.***

B. Family dynamics, gender roles, and demographics changed in response to industrialization. ***Describe how the role of women and children in the workforce changed.***

C. Rapid urbanization that accompanied global capitalism often led to unsanitary conditions, as well as to new forms of community. ***Describe the living conditions in the industrial urban areas.***