

Social Studies 30-1 Workbook
Unit 2

To what extent is resistance to liberalism justified?

The Big Questions

- *To what extent is resistance to liberalism justified?*
- *To what extent can classical liberalism impact a society?*
- *To what extent did classical liberalism meet the needs of society?*
- *To what extent is the rejection of liberalism justified?*
- *To what extent do contemporary economic policies and practices reflect the principles of liberalism?*
- *To what extent is modern liberalism continuing to evolve?*

The Main Topics

- How did classical liberalism evolve?
- What is the difference between classical and modern liberalism?
- How did modern liberalism evolve from classical liberalism?
- What are the alternatives to liberal economies?

Associated Chapters: 3, 4, 5, 6, 7, 8

Key Terms and Concepts

Classical Liberalism	Socialism	Modern Liberalism	Neo - Conservatism
Business Cycle Capitalism Classical Liberalism Free Enterprise Iron Law of Wages Industrialization Industrial Revolution Inflation Invisible Hand Laissez-faire Mercantilism Nouveau riche Privatization Profit Motive Price System Private Property Recession Social Darwinism Adam Smith John Locke John Stuart Mill Thomas Malthus	Bourgeoisie Classical Conservatism Class system and conflict Collectivism Collectivized Farms Communism Democratic Socialism Glasnost GOSPLAN Marxism Nationalization New Economic Policy Perestroika Planned Economy Proletariat Socialism Utopian Socialists Edmund Burke Karl Marx Lenin Robert Owen Stalin	“Cradle to Grave” Deficit Financing Demand-side economics Fiscal Policy Flat Tax Rates Indicative Planning Keynesian Economics Mixed Economy New Deal Progressivism Progressive Taxation Tariffs Unions Universal (e.g. Health Care) Welfare Capitalism Welfare State F.D. Roosevelt J.M. Keynes Theodore Roosevelt	Deregulation Flat Tax Rates Monetarism Neo-conservatism Privatization Reaganomics Stagflation Supply-side Economics Milton Freidman Ronald Reagan Ralph Klein

Introduction to Economics

What is economics?

What is scarcity?

Factors of Production. *For each factor, provide a definition, at least two examples of, and draw an image to represent the concept.*

1. Land

2. Labour

3. Capital

How do the three main economic systems answer the main economic questions?

	What to Produce	How to Produce it?	Who gets what (how to distribute it?)
Capitalism / Free Market Economy			
Mixed Economy			
Controlled/ Centrally Planned Economy			

Critical Thinking

Which economic system do you agree with the most? Which do you disagree with? Why?

Economics and You

Draw an image of yourself in the middle of this page. Around yourself, indicate the choices you make in relation to your consumption of goods and services. Additionally, include your thoughts about the three economic systems and which one seems the most logical to you.

Economic Spectrum

What are the three economic systems? Draw a continuum and label the following: the three economic systems, where each system sits on the continuum, the degree of government involvement, at least one country that uses that economic system, and the economist who is associated with that system. Underneath your diagram, define and list the characteristics of each economic system.

Critical Thinking

What is your opinion of the government choosing to ban or warn against some products (like cigarettes or fatty foods)? How does it impact your quality of life? Explain your answer.

Multiple Choice Practice

Identify the choice that best completes the statement or answers the question.

Read the following passage and answer question #1

Speaker#1: "Traditional family values are the foundation of our society and they must be protected and preserved in order for our nation to continue to be strong, free and successful."

Speaker#2: "Free enterprise is the most efficient and effective way to run an economy."

Speaker#3: "High taxes, high government spending and a high level of government regulation of business decreases initiative and harms the economy."

Speaker#4: "The government has a right to use our money as they see fit to redistribute the wealth, decrease economic inequality, and create new programs as they see fit."

1. Which of the speakers could be most accurately described as a supporter of a mixed economy?
 - a. Speaker #1
 - b. Speaker #2
 - c. Speaker #3
 - d. Speaker #4

2. Which of the speakers could be most accurately described as a supporter of true free market economy?
 - a. Speaker #1
 - b. Speaker #2
 - c. Speaker #3
 - d. Speaker #4

3. In mixed or market style economies where consumer behavior helps drive the economy, the role of marketing companies can best be described as:
 - a. Providing information about products in an entertaining way to consumers.
 - b. Helping ensure good practices and protecting the safety of consumers.
 - c. Helping ensure that all people meet the minimum standard of living by informing consumers about their options regarding essential services.
 - d. Creating demand by encouraging use of non-essential goods and services.

4. Consumers' decisions can have consequences for
 - a. the price of products
 - b. product availability
 - c. quality of life
 - d. all of the above

5. A movement from a free market economy towards a mixed economy is a
- shift right
 - shift left
 - shift up
 - shift down

Use the following information to answer question #6

“We should continue to sell off Crown corporations in Canada.”

6. This person would probably agree with...
- The purchase of Petro Canada by the Canadian government
 - Placing more regulations on private enterprise
 - Decreasing the number of privately-run postal outlets
 - Selling shares in Air Canada to the private sector
7. _____ of a product involves producers. Demand for a product involves consumers.
- price
 - consumers
 - supply
 - markets
8. Which of the following characteristics is part of a free market economy?
- jointly owned
 - publicly owned
 - privately owned
 - publicly and privately owned
9. Select the statement that BEST describes why a government would become involved in a mixed market economy.
- more government involvement would help combat the effects of a recession
 - more government involvement would create a policy to equalize company growth
 - more government involvement would create a balance between the rights of the individual with the rights of the group
 - none of the above
10. The G.S.T. is a federal _____ which everyone in Canada must pay.
- sales tax
 - income tax
 - levy
 - none of the above

Use the following information to answer question 11

Gregory has just graduated university with a business degree. He is trying to decide where to live and establish himself and a successful business. Gregory supports the capitalist concept of a free market economy, but he also thinks that a degree of government regulation is needed to protect the environment, the consumer and the welfare of society as a whole.

11. Based on these values, the type of economic system that would fit Gregory best is a:
- Command economy
 - Welfare state
 - Mixed economy
 - Market economy

12. Which of the following best describes the health care system in the United States?
- profitable
 - public
 - private
 - provisional

13. Decisions regarding the development of the oil sands affect Alberta's
- environment
 - economy
 - employment rate
 - all of the above

14. Which of the following is a decision by consumers to stop buying a product?
- rejection
 - boycotting
 - empowerment
 - prosperity

15. Many environmentally friendly products, such as organic foods and "green" cleaning supplies, were created in response to
- government legislation
 - consumer demand
 - both A and B
 - neither A nor B

16. Your choices as a consumer can affect
- the jobs people have
 - economic growth
 - the environment
 - all of the above

Use the following information to answer question 17

Economic System	Resources	Economic Decisions
System A	Publicly owned (owned by the government)	Made by the government.
System B	Privately owned (owned by individuals)	Made by individual consumers.
System C	Privately owned (owned by individuals)	Made by the government.
System D	Publicly and privately owned (owned by both government and individuals)	Made by individual consumers and the government

17. Which of the following economic systems shown in the table above best describes a market economy such as is used in the United States?

- a. System A
- b. System B
- c. System C
- d. System D

18. Supply of a product involves producers. Demand for a product involves

- a. Price
- b. Consumers
- c. Commitment
- d. Markets

Adam Smith

For each concept, provide: a definition, a real-life example of, and draw a picture to represent the big idea.

1. Laissez-faire:

2. Supply and Demand:

3. Invisible Hand:

4. Price System:

5. Decentralization:

6. Profit Motive:

Tie it Together

Who is Adam Smith? In a detailed paragraph response describe his economic theory, including links to his writings. Be sure in your response include all of the terms above.

Classical Liberalism

What is Classical Liberalism?

List the principles of Classical Liberalism:

Explain the origins and rise of Classical Liberalism.

Capitalism Vs. Socialism/Communism

Pros of Capitalism	Cons of Capitalism
Cons of Socialism/Communism	Pros of Socialism/Communism

Personal Connections

Are you more capitalist or socialist/communist? Justify your answer by providing two pros of the ideology you support most and explain why. Additionally, include one value of the ideology you do not support as much and explain why.

The Industrial Revolution

Explain how the Industrial Revolution began in Britain.

What impact did the Industrial Revolution have on British and European Society?

How did the Industrial Revolution give rise to the ideas of capitalism?

Use the following list to answer question 1

Mercantilism
Capitalism
Entrepreneurs
Explorations
International Trade

1. Which of the following best describes the relationship between the terms?
 - a. All of the terms are extensions of economic theories
 - b. All of the terms are justifications of the policy of assimilation
 - c. All of the terms are motivations for, or outcomes of imperialism
 - d. None of the terms have any tangible links between them

1. Mercantilism is characterized by all **except** the following
 - a. Governments strictly control trade policies
 - b. Governments encourage colonies to accumulate wealth
 - c. Governments try to achieve a favorable balance of trade
 - d. Governments try to obtain colonies rich in natural resources

2. One of the differences between mercantilism and capitalism is that
 - a. Capitalism results in higher prices for consumers than mercantilism
 - b. Mercantilism is more effective in increasing the productivity of a country than capitalism
 - c. Mercantilism is based on competition between countries and their colonies and capitalism is based on competition between individuals
 - d. Capitalism is a system designed to increase the wealth of individuals while mercantilism is designed to increase the wealth of the country

3. In order to for industrialization to occur each of the following must be present **except**
 - a. Efficient machinery
 - b. Sufficient labor
 - c. Markets
 - d. Mercantilism

The Luddites

Who were the Luddites?

Why did they oppose the changes brought on by the Industrial Revolution?

Do you believe they were justified in their beliefs? Why or why not?

Why is the term “Luddite” considered an insult nowadays?

Source Analysis – Planning Practice



The Chartists

What was the Chartist movement?

Outline the six points of the People's Charter of 1838 and explain why each one was significant for the time period.

What caused the Chartist movement to fail?

Define
Charter

Manifesto

Socialism

Define Socialism

Why did socialism reject the lack of equality and humanitarianism in brought on by classical liberalism?

What are considered socialist values? Draw images alongside your descriptors.

Utopian Socialism

Define Utopia

Proponents of Utopian Socialism - Robert Owen

What were the goals of Utopian Socialists?

What are aspects of Socialism in Canada?

Source Analysis – Planning Practice



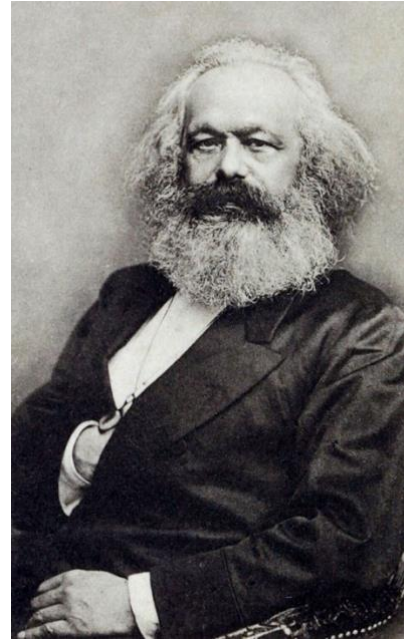
J.A. Mitchell, *Appeal to Reason*, December 29, 1906, based on painting by Balfour Ker.

Marxism

The impact of Karl Marx upon the socialist movement has been unparalleled. Marx and his colleague Friedrich Engels are considered to be two of the most important radicals of the nineteenth century. Both Marx and Engels wanted fundamental and extreme changes made in government and society.

Marxism is both a political and economic ideology that attempts to provide an overall philosophy of life.

Like the earlier Utopian Socialists, Marx came into contact with the cruelest features of capitalism (Classical Liberal economic beliefs) created by the Industrial Revolution. However, he disagreed with the Utopian Socialists' explanation of these conditions and with their solutions. He insisted, until the ruling class had been replaced by the workers life would never improve.



A person's life was determined by the individual's relationship to the means of production: land tools, and factories required by people to engage in industry and agriculture. He believed the history of the world was a history of class conflict between the owners of the means of production and the workers, between the exploiters and the exploited, and between ruling classes that oppressed classes.

According to Marx, the Industrial Revolution created two classes. The ruling class (Bourgeoisie)-the owners of the means of production who were wealthy financiers, large-scale merchants, and factory owners. The other class (proletariat)-who were hired by the bourgeoisie. Marx condemned both the profit motive and private property, which he believed were the major sources of conflict between the two economic classes.

The basic ideas that form the foundation of Marxism can be found in "The condition of the working Class in England in 1844," "The Communist Manifesto," and "Das Kapital."

Workingmen of all countries, unite!
You have nothing to lose but your chains.
You have the world to win.



Synthesis your answers about Utopian Socialists with Karl Marx – how are they similar? How are they different?

Why does Karl Marx oppose Capitalism?

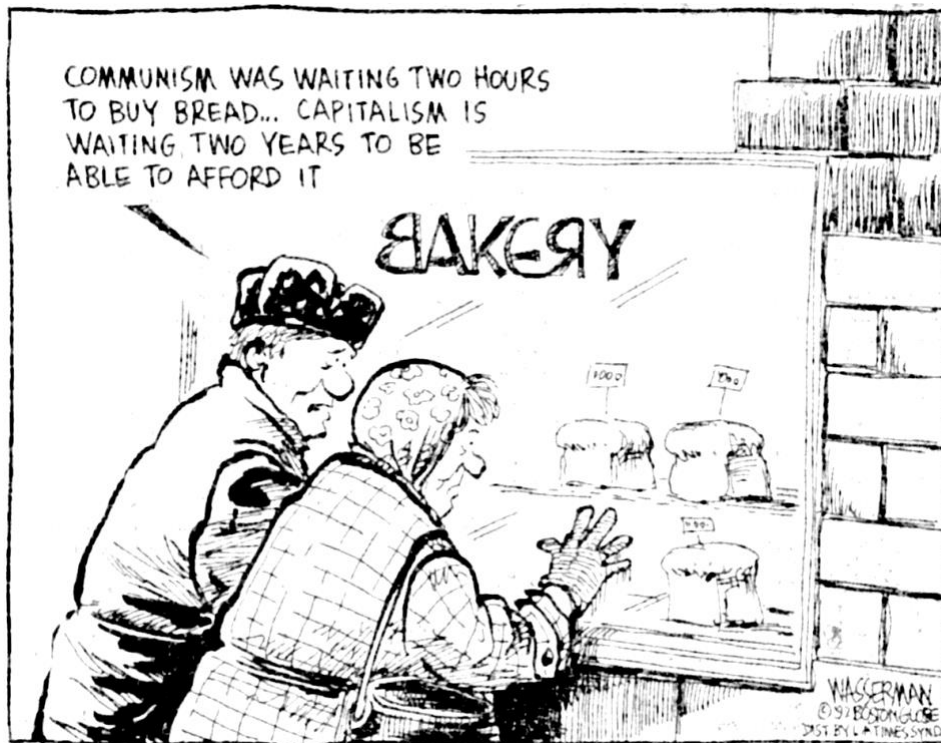
Explain Karl Marx's thoughts on the evolution of society.

Communist Beliefs		
Political Ideas	Economic Ideas	Social Ideas

Which of these ideas do you agree with the most? Which do you disagree with? Why?

	Socialism	Communism
Motto		
Method of Gaining Power		
Type of Government		
Degree of Public Ownership		
Means of Acquiring Public Ownership		
Private Property		
Dominant Influences on Human Actions		
Source of Beliefs		

Source Analysis – Planning Practice



Read each sentence and decide if it is an example of Communism or Capitalism and write the term in the blank space.

I grew 3 apples, the government took those apples, gave one to me and one to each of my two neighbors. _____

Your small business hit a rough patch and you lost all of your money. You have to close the business and find a job elsewhere. _____

As a mechanic, I make \$20,000 a year, so does the heart surgeon who lives down the street from me. _____

I go to Zehrs Foods and buy whatever groceries I want to buy. _____

I only make \$20,000 a year, but the teacher who lives down the street from me won the lottery and made 30 million in one day. _____

Your small business hit a rough patch and lost all of its money, you are still given your salary and may have a chance to get the business back on its feet. _____

I go to the grocery store and buy the same goods as everyone else in the store.

I have a great idea to improve computers, I will call it "Microsoft" and will sell it to millions of people and become one of the richest people in the world. _____

I have a great idea to improve computers, I will call it "Microsoft." The government will take my idea and make sure that I receive the same amount of money for my work as every other person. _____

I am a talented basketball player (seriously, NBA quality), I am going to go professional and make millions of dollars a year. _____

Write one of your own: