

## Inquiry Assignment

### How Should Wealth be Divided?

30 points informal grade ( 5 points annotations-5 points chart-20 points answers in complete sentences and at least 3 sentences per answer)

Take a look at the two images below,



Allia, Claudio. *A View of the Mathare Valley Slum* (Photo by Claudio Allia). Wikimedia Commons, Nov. 2009, [commons.wikimedia.org/wiki/File:MathareValleySlum.jpg](https://commons.wikimedia.org/wiki/File:MathareValleySlum.jpg).



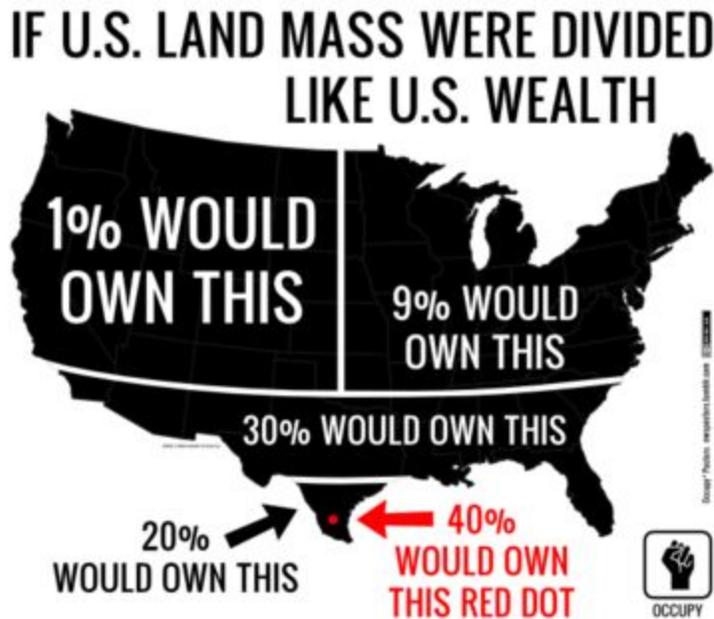
“This 36,000 square foot mega mansion, called Palais des Anges, is located in Beverly Hills, California. It is on the market for \$49.5 million.” *Source: Homes of the Rich*

Should we live in a world where the rich are rewarded with beautiful houses while the poor live in slums? How should wealth be divided?

## Capitalism

Capitalism is defined as an economic system in which a country's trade, industry, and profits are controlled by private companies, instead of by the people whose time and labor powers those companies. Capitalism rewards those who earn money by allowing them to keep profit. Like all economic systems there are positives and negatives to this system.

Take a look at the image below. What happens to the poor in this system? How does Capitalism impact people?



Ewen, Stephen. "If-Us-Land-Mass-Were-Distributed-like-Us-Wealth." *Wikimedia Commons*, 22 July 2013, commons.wikimedia.org/wiki/File:If-us-land-mass-were-distributed-like-us-wealth.png.

Read the following argument,

“Capitalism takes the position that “greed is good,” which its supporters say is a positive thing — greed drives profits and profits drive innovation and product

development, which means there are more choices available for those who can afford them. Its opponents say that capitalism is, by nature, exploitative, and leads to a brutally divided society that tramples the working classes in favor of fattening the rich's wallets."

### Is Capitalism fair?

Read the following quote,

" [Without government interference] the obvious and simple system of natural liberty establishes itself of its own accord. Every man ... is left perfectly free to pursue his own interest in his own way.... The [ruler] is completely discharged from a duty [for which] no human wisdom or knowledge could ever be sufficient – the duty of superintending [guiding] the industry of private people, and of directing it towards ... the interest of the society....

As every individual, therefore, endeavours as much as he can both to employ his capital [money] in the support of ... industry, and so to direct that industry that its produce may be of the greatest value; every individual necessarily [contributes to] the annual revenue of the society as great as he can. He ... neither intends to promote the public interest, nor knows how much he is promoting it.... [H]e intends only his own gain, and he is in this ... led by an invisible hand to promote an end which was no part of his intention.... By pursuing his own interest he frequently promotes that of the society more [effectively] than when he really intends to promote it.

*Adam Smith the Wealth of Nations [Adam Smith is one of the founders of capitalist thought]*

### What does the quote says about Capitalism? What are some examples of Capitalism in the U.S?

Read the following quote,

“A market economy based on private property, buttressed by the rule of law, is truly the best environment for mankind. People will work harder and with ingenuity if they know they have earned rewards from that labor. When the rewards are given to them for nothing, there is frustration and despair. Capitalism benefits more people than any other economic system. To work for oneself and reap the rewards is a basic human aspiration.” -*Sally Julian*

*Julian, Sally. "Articles: The Case For Capitalism." American Thinker, 15 Aug. 2010, www.americanthinker.com/articles/2010/08/the\_case\_for\_capitalism.html.*

**Is Sally Julian in favor of Capitalism? Why or why not?**

Take a look at the image below,



<https://www.pinterest.com/pin/16395986116149509/>

**Why would child labor be a result of capitalism?**

Read the following Chart,

## Capitalism

Pros	Cons
<ul style="list-style-type: none"><li>• <b>Incentives to be rich encourage innovation.</b></li><li>• <b>Firms have incentives to be efficient.</b></li><li>• <b>Consumers free to choose products they desire.</b></li><li>• <b>Prevents large bureaucratic government.</b></li><li>• <b>Better than alternatives</b></li></ul> <p><a href="http://www.economicshelp.org">www.economicshelp.org</a></p>	<ul style="list-style-type: none"><li>• <b>Firms can gain monopoly power and exploit consumers</b></li><li>• <b>Firms with monopsony power can pay low wages</b></li><li>• <b>Externalities can damage the environment</b></li><li>• <b>Tends to lead to large inequality</b></li><li>• <b>Prone to 'boom and bust' in economic cycles.</b></li></ul>

Pettinger, Tejvan. "Pros and Cons of Capitalism." *Economics Help*, 10 July 2017, [www.economicshelp.org/blog/5002/economics/pros-and-cons-of-capitalism/](http://www.economicshelp.org/blog/5002/economics/pros-and-cons-of-capitalism/).

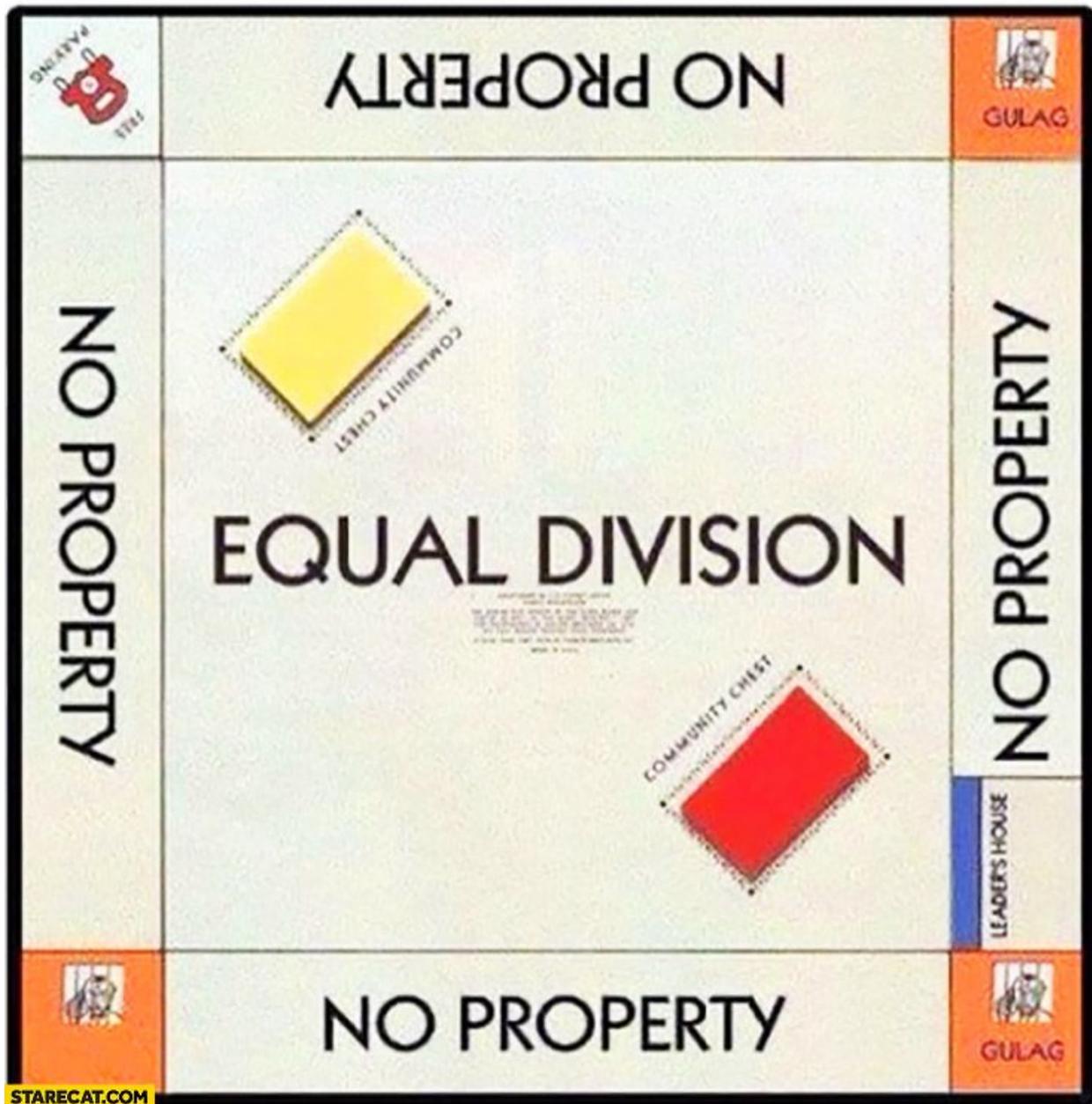
**Do the benefits (pros) of capitalism outweigh the downsides (cons)?**

## Communism

One response to Capitalism was communism. The basic argument for this system is that since the workers do all the work they should receive the rewards equally instead of the factory owner gaining the most benefits.

The game Monopoly was originally a criticism of Capitalism because one player ended up with all the money. Below is Monopoly reimaged as a Communist game.

# SOVIET MONOPOLY



“Communism iPhone Case.” *StareCat.com*, [starecat.com/memes/communism/page/2/](http://starecat.com/memes/communism/page/2/).

Does this system work? Why or why not?

Read the following statement,

Marx and Engels used a couple of terms here that need to be clarified:

**bourgeoisie** referred to the new business and industrial class that had emerged in the last few centuries before his time (as opposed to the traditional landed aristocracy and middle class during the French Revolution)

**proletariat** referred to the workers in these factories (owned by the bourgeoisie), who, in Marx' view, were "wage slaves," bound to work for wages lest they starve ...

Now read the following quote,

" Our epoch, the epoch of the bourgeoisie, possesses, however, this distinctive feature: It has simplified the class antagonisms. Society as a whole is more and more splitting up into two great hostile camps, into two great classes directly facing each other bourgeoisie and proletariat...

Workingmen of all countries, unite!" *Karl Marx Communist Manifesto*

*Rittman, Paul. "Communist Manifesto." www.paulrittman.com/CommunistManifestoExcerpts.pdf.*

### How does Karl Marx view the Bourgeoisie and Proletariat?

Read the following statement,

" Marx and Engels in their critique of capitalism pointed out that ruthless competition and heartless pursuit of money are immoral as they create exploitation of the masses by the very few privileged ones. As an alternative, they envisioned a classless society, without hierarchy, without currency, without personal property, where people would work in harmony, resolve their problems in friendly discussions, produce enough goods and services, and where each would contribute according to his abilities and receive according to his needs. This community-centered form of social order is called communism."

Kowalczyk, Henryk A. "Capitalism, Socialism and Communism." *The Huffington Post*, TheHuffingtonPost.com, 10 Nov. 2015,

[www.huffingtonpost.com/henryk-a-kowalczyk/capitalism-socialism-and-\\_b\\_8523486.html](http://www.huffingtonpost.com/henryk-a-kowalczyk/capitalism-socialism-and-_b_8523486.html).

### Does this system sound good?

Read the following arguments,

## Pros and Cons of Communism in Cuba

### ARGUMENTS FOR:

- Universal literacy and a good education for all with one teacher for every 10 Cuban students, compared with one per 15 in the United States.
- Excellent free healthcare system which attracts patients from the US and elsewhere for treatments ranging from drug dependency to melanomas, generating more than \$40m in revenue. Infant mortality is lower than America's and Cuba has twice as many doctors per 1,000 patients as the US.
- There is very little serious crime.
- A rich sporting life in schools with promising children given the chance to become well-rewarded professional athletes and emulate the efforts of their world-renowned Olympic medal-winners and sporting stars.

### ARGUMENTS AGAINST:

- Grinding poverty where half the population survive on less than \$1 a day. Good gardeners in Miami can make \$20 an hour.
- A pitiful transport system. Perfectly adequate roads served by a completely inadequate public transport which leaves the verges lined with desperate hitchhikers spending hours to accomplish quite short and simple journeys.
- Repressive regime which has at least 400 political dissidents imprisoned for up to 20 years. Homosexuals are severely harassed. Restrictions on freedom of speech, assembly and movement.

## Do the pros outweigh the cons?

Romania was a communist nation during the Cold War. Below is a poem from Ana Blandiana, one of the citizens who did not like the system. ( Romanian language on the left side, English language on the right side.) *Blandiana, Ana. "Totul." Ana Blandiana - Total; Poetry against Ceausescu and Communism in Romania, Beyond the Forest , www.beyondtheforest.com/Romania/RSR4.html.*

A few comments on the 'list':

'Totul' = 'Everything', a word used constantly by Ceausescu in his speeches, stressing that everything has been done by the party, that the people owe him everything.

There was no shortage of words, leaves or tears

The shelves of the supermarkets were bare, all that was left were tins of food

Cats - there was a rumour that an alley cat attacked and injured Ceausescu's beloved dogs when he went to survey the site for his Centru Civic -

he ordered it to be caught and destroyed but it was impossible; "only a cat may look at a king"

Trams ... only from time to time and then they were always full!

Queues for flour ... and for everything else: bread, oil, meat, petrol, eggs, sugar ... etc

Weevils - in the flour, the pasta, etc

Empty bottles - stock-piled for deposits, to bottle your own fruit etc, or when going out for oil etc

Speeches: no shortage of hot air from the conductor, he was known for his endless, monotonous speeches

Elongated images - TV reception was very poor and the pictures distorted

Colorado beetles: the scourge of potato crops, but there was nothing to combat them with

Petrol: produced from Romanian oil-fields but mainly for export; strictly rationed and very expensive for the home market

Pennants: hanging everywhere for local football clubs, gymnastic teams, and of course waved for the Conducator

European Cup: the nation was obsessed with football - sport was not political

### Totul

*Ana Blandiana, 1984*

... Frunze, cuvinte, lacrimi  
Cutii de conserve, pisici  
Tramvaie câteodata, cozi la Faina  
Gargarite, sticle goale, discursuri  
Imagini lungite la televizor  
Gîndaci de Colorado, benzina  
Stegulete, Cupa Campionilor Europeni  
Masini cu butelii, portrete cunoscute  
Mere refuzate la export  
Ziare, franzele  
Ulei în amestec, garoafe  
Întîmpinari la aeroport  
Cico, baloane  
Salam Bucuresti, iaurt dietetic  
Tiganci cu Kenturi, oua de Crevedia  
Zvonuri  
Serialul de Simbata, cafea cu înlocuitori  
Lupta popoarelor pentru pace, coruri  
Productie la hectar  
Gerovitalul, baietii de pe Calea Victoriei  
Cîntarea României, adidasi  
Compot bulgaresc, bancuri, peste oceanic  
Totul.

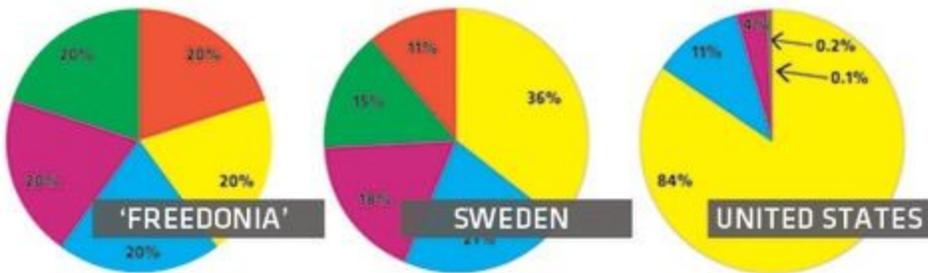
### Everything

... Leaves, words, tears  
Tinned Food, Cats  
Trams from time to time, queues for flour  
Weevils, empty bottles, speeches  
Elongated images on the television  
Colorado beetles, petrol  
Pennants, the European Cup  
Trucks with gas cylinders, familiar portraits  
Export-reject apples  
Newspapers, loaves of bread  
Blended oil, carnations  
Receptions at the airport  
Cico-cola, balloons  
Bucharest salami, diet yoghurt  
Gypsy women with Kents, Crevedia Eggs  
Rumours  
The Saturday serial, coffee substitutes  
The struggle of nations for peace, choirs  
Production by the hectare  
Gerovital, the Victoriei Avenue Mob  
The Hymn of Romania, Adidas shoes  
Bulgarian stewed fruit, jokes, sea fish  
Everything.

## Why did the poet not like this system?

### Socialism

Socialism is a response to Capitalism like Communism, but it is less extreme. Everyone especially the wealthy pay higher taxes to provide service to all. However, this system also has its costs.



Freedonia is fictional Communist country, Sweden is Socialist, and The US is Capitalist. Yellow is the income the richest 20% have, the light blue is the the richest 40-21%, the purple is the middle 20%, the green is the poorest 40-21%, and the red is the poorest 20%.

Solman, Paul. "Sweden's Super-Duper Rich." *PBS*, Public Broadcasting Service, 17 Aug. 2011, [www.pbs.org/newshour/arts/embedvideo1266-482-304-turns](http://www.pbs.org/newshour/arts/embedvideo1266-482-304-turns).

### Is Socialism the best system to divide wealth?

Read the following statement,

Sweden is a modern example of a socialist country. [Most] Swedes' personal income tax ... will pay between 49 and 60 per cent through a combination of local government and state income tax. ... [Benefits for the high tax rate include, school] lunches are free, ... universal kindergarten coverage, Swedes enjoy free schools - public and private - free health and dental care for under-18s, ... Parents enjoy a joint parental leave lasting 480 days. For 390 days they receive 80 per cent of their income, capped at 440,000 kronor a year (\$68,000), while for the remaining 90 days they receive 180 kronor (\$28) a day. ... If you earn an average salary of 260,000 kronor (\$40,000) a

year, you will receive about 55 percent of your salary as pension,' says Arne Paulsson, a pensions expert at Sweden's Social Insurance Agency. 'About 90 per cent of Swedes have occupational pensions on top of that, which amounts to 15 per cent of their salary. So in total, people get about 70 per cent of their income when they retire. ... In case of unemployment, most individuals receive 80 per cent of their previous salary for the first 200 days of inactivity - up to 680 kronor (\$106) a day - dropping to 70 per cent for the next 100 days.

*Fouché, Gwladys. Where Tax Goes up to 60 per Cent, and Everybody's Happy Paying It. The Guardian, 15 Nov. 2008, [www.theguardian.com/money/2008/nov/16/sweden-tax-burden-welfare](http://www.theguardian.com/money/2008/nov/16/sweden-tax-burden-welfare).*

## Is the higher tax worth the benefits in socialism?

Read the following,

Until 2014, thirty-two of the thirty-three developed nations had universal health care, with the United States (until the Affordable Care Act also known as Obamacare) being the lone exception

Country	Date	Country	Date
Norway	<a href="#"><u>1912</u></a>	Luxembourg	<a href="#"><u>1973</u></a>
New Zealand	<a href="#"><u>1938</u></a>	France	<a href="#"><u>1974</u></a>
Japan	<a href="#"><u>1938</u></a>	Australia	<a href="#"><u>1975</u></a>
Germany	<a href="#"><u>1941</u></a>	Ireland	<a href="#"><u>1977</u></a>
Belgium	<a href="#"><u>1945</u></a>	Italy	<a href="#"><u>1978</u></a>

United Kingdom	<u>1948</u>	Portugal	<u>1979</u>
Kuwait	<u>1950</u>	Cyprus	<u>1980</u>
Sweden	<u>1955</u>	Greece	<u>1983</u>
Bahrain	<u>1957</u>	Spain	<u>1986</u>
Brunei	<u>1958</u>	South Korea	<u>1988</u>
Canada	<u>1966</u>	Iceland	<u>1990</u>
Netherlands	<u>1966</u>	Hong Kong	<u>1993</u>
Austria	<u>1967</u>	Singapore	<u>1993</u>
United Arab Emirates	<u>1971</u>	Switzerland	<u>1994</u>
Finland	<u>1972</u>	Israel	<u>1995</u>
Slovenia	<u>1972</u>	United States	<b>2014</b>
Denmark	<u>1973</u>		

*"List of Countries with Universal Healthcare." True Cost – Analyzing Our Economy, Government Policy, and Society through the Lens of Cost-Benefit, 9 Aug. 2009, [truecostblog.com/2009/08/09/countries-with-universal-healthcare-by-date/](http://truecostblog.com/2009/08/09/countries-with-universal-healthcare-by-date/).*

## Why is national health care seen as socialist?

## What else should be paid for by the government and free for citizens?

Read the following quote,

“I would much prefer to bring [the Socialist Labor party in England] down as soon as possible. I think they've made the biggest financial mess that any government's ever made in [England] for a very long time, and Socialist governments traditionally do make a financial mess. **They always run out of other people's money.** It's quite a characteristic of them. They then start to nationalise [government ownership of business] everything, and people just do not like more and more nationalisation, and they're now trying to control everything by other means. . .

Look at the large numbers of people who live on council estates [government owned homes]. Many of them would like to buy their own homes. Oh, but that's not approved of by a Socialist government ... . oh no! But that's absurd. Why shouldn't they?” Margaret Thatcher

*Llew Gardner. “TV Interview for Thames TV This Week.” Margaret Thatcher Foundation, 5 Feb. 1976, [www.margaretthatcher.org/document/102953](http://www.margaretthatcher.org/document/102953).*

## How does Margaret Thatcher feel about Socialism?

Socialist song

The Red Flag lyrics below.

Listen to the song via this link

<https://www.youtube.com/watch?v=UeX-SzAICdw>

The Red Flag by Jim Connell

This recording is from the Songs of Irish Labour CD

Complete Lyrics

The people's flag is deepest red,  
It shrouded oft our martyred dead,  
And ere their limbs grew stiff and cold,  
Their hearts' blood dyed its every fold.

(chorus)

Then raise the scarlet standard high.  
Within its shade we live and die,  
Though cowards flinch and traitors sneer,  
We'll keep the red flag flying here.

Look round, the Frenchman loves its blaze,  
The sturdy German chants its praise,  
In Moscow's vaults its hymns were sung  
Chicago swells the surging throng. (chorus)

It waved above our infant might,  
When all ahead seemed dark as night;  
It witnessed many a deed and vow,  
We must not change its colour now. (chorus)

It well recalls the triumphs past,  
It gives the hope of peace at last;  
The banner bright, the symbol plain,  
Of human right and human gain. (chorus)

It suits today the weak and base,  
Whose minds are fixed on self and place  
To cringe before the rich man's frown,  
And haul the sacred emblem down. (chorus)

With head uncovered swear we all  
To bear it onward till we fall;  
Come dungeons dark or gallows grim,  
This song shall be our parting hymn.

**Describe the struggles between the rich and poor in this song.**

**Which system is best?**

**Which system do you prefer?**

**Why?**

Read the following data,

Percent who agree that people are better off in free market economy, even though some people are rich and some people are poor

Country	2002	2007	2012
United States	72	70	67
Japan	43	49	38

France	61	56	58
Russia	45	53	47
China	70	75	74
Italy	71	75	50

Data from the Pew Research Center

“Pervasive Gloom About the World Economy.” *Pew Research Center's Global Attitudes Project*, Pew Research, 12 July 2012, [www.pewglobal.org/2012/07/12/pervasive-gloom-about-the-world-economy/](http://www.pewglobal.org/2012/07/12/pervasive-gloom-about-the-world-economy/).

### What may you infer from the data?

Read the following chart,

GDP/Capita compare the relative wealth per person in a nation. *Data taken from: “Contact CIA.” Central Intelligence Agency, Central Intelligence Agency, 1 Apr. 2016, www.cia.gov/library/publications/the-world-factbook/.*

Nation	Economic type	GDP/Capita
North Korea	Communist	\$1,700
Cuba	Communist	\$11,900
United States	Capitalist	\$57,400
Hong Kong	Capitalist	\$58,300
Sweden	Socialist	\$49,800
Canada	Socialist	\$46,400

### Which system or systems are making enough money for their countries?

Complete the following chart,

Capitalism	Communism	Socialism
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Pro + <ul style="list-style-type: none"><li>•</li></ul>	<ul style="list-style-type: none"><li>•</li></ul>	<ul style="list-style-type: none"><li>•</li></ul>
Con - <ul style="list-style-type: none"><li>•</li></ul>	<ul style="list-style-type: none"><li>•</li></ul>	<ul style="list-style-type: none"><li>•</li></ul>
Definition		

**How should wealth be divided? Which system would you use and why?**











