



Great Concepts
Capitalism

What?	An economic theory where individuals control the means of production and the markets set the prices.		
Where?	England, during the Industrial Revolution.		
When?	Early 1800's		
Who?	Adam Smith is credited as the father of Capitalism because of the book he wrote in 1776, <i>The Wealth of Nations</i> .		Capitalisms founder Adam Smith(left) and the dollar sign, unofficial symbol of Capitalism (above)
Why?	According to Smith the economies of nation-states functioned better when control of the economy was taken out of the hands of kings and lords and put into the hands of business owners. <i>(Laissez-Fairre)</i>	<u>Associated Terms:</u> 1) Laissez-Fairre, 2) Free Market, 3) Market Economy	
How it works:	<ol style="list-style-type: none"> 1) The government keeps it's "hands off" business 2) The invisible hand or the markets set prices 3) Business people will make wise decisions because they are based in self interest. 		
Quote:	"It is not from the benevolence (good heartedness) of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest." <i>Adam Smith</i> .		