

TOPIC: HISTORIC ROLE OF THE ECONOMY

- ◆ **Economy:** Social institution in which society's _____ are produced and exchanged.
- ◆ As societies have progressed through time, economies have _____ due to technology.



GUIDING QUESTIONS

- How does the economy create and sustain inequality?
- How do societal changes influence the patterns of the economy?

Pre-Agricultural Revolution

- _____ economy → materials were used as they were produ-

~ 3000 BC



Agricultural Revolution → Farming in permanent settlements.

- _____ the economy as a social institution:
 - Surplus could be saved or _____.
 - Occupational specialization → greater variety of services.

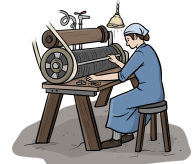


1750



Industrial Revolution → Work became centralized in urban areas.

- _____ the economy:
 - Production shifted to factories.
 - New energy sources and machines – _____ productivity and mass production.
 - Reshaped _____ structure – creation of working class and capitalist class.
 - Advances in transportation _____ national and global markets.



1950



Information Revolution → Computer technology.

- **Postindustrial Economy:**
 - System based on _____ work and technology.
 - Growth of professional (white collar) jobs → expanded _____ class.
 - Increased _____ interdependence.



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EXAMPLE

Match each statement in the box with the period of the economy it describes.

Agricultural revolution:	
Industrial revolution:	
Information revolution:	

- a) Work moved from farms to factories.
- b) Most jobs were in the service sector.
- c) Start of specialized labor.
- d) Created divide between working and capitalist classes.
- e) Permanent settlements allowed for trade.

PRACTICE

During which period did the economy emerge as a social institution?

- a) Prehistory.
- b) Agricultural Revolution.
- c) Industrial Revolution.
- d) Information Revolution.