

Free critical thinking on wealth of nations

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Division of labor

It is a process whereby people specialize in areas of production in which they are best fitted to work. A British economist of the 17th century Adam Smith is accredited to have developed the modern model of division of labor. He proposed that division of labor has caused greater increase in production than any other factor. (Smith, 1776). These differences are experienced in greater size in more developed nations with more industry and improved technology and they are the major causes of universal opulence in these countries. For example, industry is more amenable to division of labor than agriculture, causing poor nations to be ahead in the agriculture sector than the more developed nations (Smith, 1776). Division of labor rose naturally due to increased human want for exchange of goods he produces with others he needs but cannot produce. Division of labor led to development of talents where human beings specialize in their best area of production. However, division of labor is limited to the extent of the market since nobody would want to produce what others do not want. Also, limited opportunities for exchange of goods impede division of labor (Smith, 1776). In this case, water carriage encourages division of labor more than land carriage. Division of labor led to the origin of use of money to facilitate exchanges because of the advantage of flexibility, divisibility, and durability aspects of metals to solve various problems associated with the use of traditional methods of exchange. Marx proposed that increase in specialization of labor reduced workers' ability to perform tasks and hence reduces overall productivity. It leads to boredom and loss of rational human nature and it's an object that may starve human beings to death. He proposes that workers become more and

more specialized and work becomes repetitive, eventually leading to complete alienation from the process of production. He says that workers would be reduced into machine leading to loss of craftsmanship (Robert C, 1776). However, his arguments are based on economic labor. Marx and Smith have a common point in that Marx agrees that division of labor in some cases is due to technical necessities and others lead to social controls (Robert, 1907)

I tend to agree with Adam Smith's model of division of labor since he was able to demonstrate that division of labor leads to increased productivity. In a modern economy, human beings are dependent on each other and nobody can produce enough to satisfy necessities. Human beings are also rational and each will want to specialize in the area in which he is best suited for hence the desire for division of labor. As Marx argues, division of labor does not lead to loss of craftsmanship. It in fact leads to new inventions and innovations.

Human nature compels him to be in need of cooperation and assistance from other people to satisfy own self interests. Smith proposes that the general principle guiding human kind is that of negotiations in which one proposes to another in return of what he wants summarized as Give me this and I will give you what you want (Smith, 1776). When we propose to others, we do not mention our own self-interests but talk to them of the advantages they are likely to gain from our interaction. We tell them of the advantages they gain from what we propose to address their own self-love. No body in a civilized society expects to take free goods from another without offering exchanges. Accordingly, Adam Smith has presented the idea of capitalism as

cropping out nature but not an art of human wisdom. Human nature led to development of Capitalism where everybody is out to fulfill his own selfish interests while pretending to address the interests of others. Development of capitalism is advantageous to the society as it presents an opportunity to increase employment of specialization of labor leading to increase in productivity of goods and services (Smith, 1776)

In his account of human nature Marx tries to distinguish human beings from animals and what compels them to produce. Animals produced for their own needs and those of their young ones when nature demanded unlike human beings who produce their physical environment when they are both free and in want. Marx postulates that human beings are different from animals because of their way of reasoning, religious beliefs or other characters unique to human beings (Robert c, 1907). Man produced for all species according to the laws of nature and beauty and does so when he is free and in need of the need. Thus the idea of capitalism is that it is purposeful and planned and that human beings do not just produce for themselves but for others as well. Smith offers a better account of human nature and what compels them to develop capitalism. By their nature, human beings cannot produce for others as Marx claims unless they have direct benefits which they expect to gain from the others. Thus because of this character, human beings will specialize in production for their own wants and the excess they must exchange it with others. They produce only when in need of something or when need something with others in which they can exchange.

Webber argued that devotion into religion led individuals to reject earthly possessions. This included the persuasion of big possession and worldly

wealth. Marx used the writings of Benjamin Franklin that states in which he compares time and money (weber, 1876). Reformation affected protestants perception of work and believed that all professions were blessings from God like any other holy duty. In a capitalist economy, entrepreneurs would usually encourage more time spent in working by offering a better wage since they consider time spent as more valuable but laborers will spent less time working and have more time for leisure. He was able to note that spirit of capitalism were ideas that favored persuasion of economic gains and as a result protestant economies evolved more than economies with many catholic believers.

Smith in his theory of development of rational economy, he argued that in a given economy that is stable, individuals would respond to the incentive of earning more by specializing in the production in lines in which they are best suited for. (Smith, 1776). Individuals responded to the economic demands without human intervention. If a specific area of production lacked resources, individuals would respond to production of resources in respond to that area and as a result economy become more productive. People specialization in their areas of need led to emergence of capitalism economies where resource allocation is regulated by demand. Individuals would also be willing to exchange those goods deemed they consider less valuable to more valuable goods.

While weber emphasized that development of spirit of capitalism was influenced by religion and that protestants were more inclined to capitalism, smith postulates that development of capitalism was regulated by the demand of resources and individuals irrespective of their religion would

chose to produce resources in areas which they were insufficient supplied hence the two theories are not related simply because of the rationality approaches in which they argue the development of capitalism.

References

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