

# Division of Labor and the Wealth of Nations

“The greatest improvement in the productive powers of labour, and the greater part of the skill, dexterity, and judgment with which it is any where directed, or applied, seem to have been the effects of the division of labour.”

*Adam Smith, “An Inquiry into the Nature and Causes of the Wealth of Nations” (1776), Book I, Chapter I, Paragraph 1*

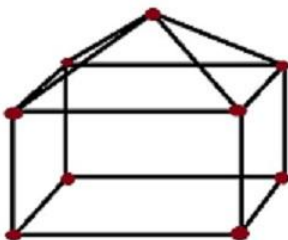
Adam Smith was not the first person to use the term “division of labour”. It appeared in a footnote by Sir Walter Petty, who was writing about the shipping trade, in 1690. What Adam Smith did do is develop the concept and what it means for modern market society in his sweeping, two-volume *Wealth of Nations*. Smith emphasized the significance of this human behavior, which leads to specialization and the growing wealth of nations.

In *Wealth of Nations*, Adam Smith uses the example of a pin factory to illustrate how the work of making pins could be broken down to dramatically increase the productivity of each worker in the factory.

This may seem like an odd example, but pins were used for many more things in 18th century England than we use them for today. Virginia Postrel writes, “In Smith’s time and for a century after, pins were a multipurpose fastening technology. Straight pins functioned as buttons, snaps, hooks and eyes, safety pins, zippers, and Velcro. They closed ladies’ bodices, secured men’s neckerchiefs, and held on babies’ diapers.”<sup>1</sup>

You can explore a pin factory as it existed in Adam Smith’s time at [AdamSmithWorks.org/Pin\\_Factory](http://AdamSmithWorks.org/Pin_Factory)

## Let’s Build Sheds!



In this activity, you will build “sheds” using 12 toothpicks and 9 raisins. Your goal is to build four sheds and arrange them on a piece of paper or “property”. You will do this over three “rounds” of building, which your teacher will time.

Go to your teacher to get your materials. If you can finish all four sheds in time, you will be given a second piece of property to keep building. How many can you build?

<sup>1</sup> Postrel, Virginia (2017). “Adam Smith Needs a Paper Clip”, *Reason.com*

## Debrief

1. What was challenging about the first round of building sheds on your own?
2. What changed when you built sheds in groups of three?
3. How did 10 people working together affect shed production?