

Is Capitalism a More Ideal Economic System than Socialism or Communism?

Name:

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A stable and profitable economic system is the basis for the successful existence of a country. History has witnessed different doctrines, such as capitalism, socialism, and communism, which have been implemented in all spheres of life. Before stating that one of them is a more ideal economic system, it is important to understand their main features, since many people tend to have only superficial knowledge about economic systems. The comparison of their ideas would solve this conundrum.

In its essence, capitalism focuses on the increase in capital and profit while making every economic decision. As a system, it is based on the rights of freedom and equality of private entrepreneurs who control their production and profit from their ownership (Amadeo, 2017a). In this way, they can effectively manage their property and bring substantial gains to the country. Competition in the market implies that private entrepreneurs sell their products at the most moderate price that increases only when the product has a demand. Capitalism as an economic system has an advantage that includes the maximum sales of products and profit without significant financial losses (Amadeo, 2017a). Nevertheless, it also means that there is no place in the market for those who are unable to meet competition; in addition to that, capitalism does not pay attention to possible environmental damages.

People have tried to find an effective solution while struggling with the issue of poor working conditions. Communism has appeared as a result of attempts to establish an economic system where a community is responsible for making economic decisions (“Reading,” 2015, para. 9). It can be said that communism is a response to capitalism, since its idea is to eliminate class struggle and the rule of private entrepreneurs with high requirements for competitiveness. As an economic doctrine, it has a positive basis, which includes every citizen of the country who

can work harmoniously without thinking about people in power (Kowalczyk, 2015, para. 4). Communism focuses on the abilities of a person and states that everyone should fulfill needs. Nevertheless, the joint venture of the whole community means that people do not always make a profit that corresponds to the work done. Hence, there is no desired harmony and stable economic situation.

One can confuse socialism with communism because of the common idea of working equality and justice. The main difference is that communism denies the existence of the working classes, while socialism makes this phenomenon as its basis. This economic system motivates people to work more because they can get more profit (Amadeo, 2017b). At the same time, some percent of their money is allocated to the needs of individuals who cannot work. Socialism implies the opportunity to do one's favorite work and the elimination of poverty. Nevertheless, this economic system is completely dependent on cooperation that can cause discontent among people who want to be competitive.

Taking all the aforesaid into consideration, it is possible to state that capitalism is a more ideal economic system than socialism or communism. The latter two systems are better considering the issue of the common good; nevertheless, they have utopian ideals that are based on a person's ability to cooperate. Capitalism considers competitiveness and has a careful approach to the sale of products. It does not eliminate the poverty, but it brings a stable income and motivates people to produce goods that will be in demand. With an idea of common good, socialism and communism do not exclude the possibility of a negative reaction on the part of people who aim at market leadership, causing considerable economic losses.

### References

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