

1-5 myths of capitalism

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Myths of Capitalism Personal Post The speaker, Jeff Miron, has an interesting take on capitalism and common myths that are associated with capitalism. The first myth is eye opening as most people generally believe that capitalism is bets for businesses. This is actually false as businesses tend towards monopolies as opposed to competition so as to ensure increased profit margins (Liberty Learning). As a result, businesses are always looking to regulate their respective industries by encouraging laws and policies to govern certain aspects of the industries. The second myth is also one that is widely held. Capitalism seeks to reward effort and productivity, and as such is a fair type of market. However, capitalism allows for the creation of programs to help the poor (Liberty Learning). Finally, capitalism did not cause the recent financial crisis and economic recession. This is true as the speaker shows how government interference through market regulation is the true cause of the recent financial crisis.

Reaction to Student Post

The student has chosen to look at the argument from the consumer's point of view. This is the essential viewpoint of capitalism as it seeks to favour the consumer by providing variety of products and services at affordable and competitive prices (Liberty Learning). The student has particularly cited the government's interventions into the private sector by mediating risks. The counter argument to this point is that, while government could potentially withdraw its role in mediating risks, it will have exposed the general public, its citizens, to these risks. To safeguard the interests of its citizens, government will only allow the market to regulate itself to some point. When the welfare of the citizen is threatened, government will have to step in through legislation and industrial policies and laws.

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Works Cited

Top Three Common Myths of Capitalism. Dir. Learn Liberty. Perf. Jeff Miron.
2011. Electronic Source. 15 May 2014. .