

Informative essay on capitalism and socialism

[Government](#), [Capitalism](#)



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Different countries and different economic systems have different rates of technological innovation and adoption. For instance, many believe that Socialist countries have difficulties keeping up with technology advances when compared to Capitalist countries. What are the factors that contribute to a country's ability to innovate and adopt new technologies? What factors prevent these advancements? Which type of economy is best positioned to prosper in an economy that depends on technology and innovation? Please provide specific examples that illustrate your conclusions.

Capitalism promotes economic growth by providing an open competition in the market. Capitalism results in a regionalized economic system. In a regionalized economy, individuals are open to more options in business.

They are exposed to competition and have to face different challenges and have to find solutions to them to stay in competition. However, Capitalism depends on markets and competition to drive growth. Selfishness of individuals in capitalist countries drives economies to the greater good.

Socialism endeavors to only give people what they need, regardless of what they want, for the greater good (Colander, 2013).

It is within this thinking that Capitalism would lead the way in technology development, “ Out of the Box thinking” and trying for a competitive edge would drive technology advancements. Since corporations have moved a lot of jobs overseas to the lowest bidder the only way the United States is going to continue to strengthen the economy is through innovation. Capitalism is an economic and political system in which individuals own economic resources and industry, whereas under socialism, the state plans and produces goods among its citizens. (wisegeek, 2013)

The problem with is, what would be the point of working harder, being smarter by getting more education, sacrificing more, or even cashing in on God given natural talents if there is no incentive to do so? Socialism is an economic system based on individuals' "goodwill" towards others, not on their own self-interest, which in principle; society decides what, how and for whom to supply. (Colander 2010) Socialism has a higher cost than other governments, thus taxes are high in socialistic countries.

Those who criticize socialism observe that hefty taxation to provide equal social services for all citizens can hinder business owners from innovation and excellence, since the owner won't personally profit from his or her efforts. (wisegeek, 2013) Socialism provides Economic, Medical and Political equality, socialism attempts to equalize and provide the minimum for all people. Everybody has a job but there is no "out of the box thinking". Advancing technology would be enormously difficult as this takes money.

Socialistic countries have a tendency to have a much higher debt ratio per citizen, thus making technology advancements difficult. The Capitalist goal is to keep taxes low keeping social benefits at a minimum demanding the public to provide for themselves. There are those who think society is better off with this kind of driving competition. Critics of capitalism note that the marketplace can be unpredictable, presenting physical dangers to the wellbeing of those who are not wealthy or who are otherwise vulnerable. (wisegeek, 2013)

I think that new technology is by definition is almost nonexistence. At the moment of its inception, the new idea or good is the sole property of the original innovator. It takes time for others to catch up and to produce the

new goods on a large scale. Therefore, supply is characteristically low. The person or business with the original access to the new idea or good at the time of inception has a great gain. If the technology is attractive to consumers, the price point will be high, and the business with the most cutting edge technology will take in the highest profits.

It benefits businesses to be on the cutting edge of innovation in a capitalist society. In a socialist society, the price point will be set based on what's good for all of the people. The person or business that created the new technology doesn't see the same profits as in the capitalist society. As a result, Capitalist countries are in a better stand point to prosper. In those countries, there is a greater reward for technology and innovation. In my studies, I've read in history that once you give up all your money and decision making rights to a giant, it's really hard to get it back again...