

The manufacturing trade industry economics essay

[Economics](#)



**ASSIGN
BUSTER**

Thus being taxed on a much larger sum, and consequently paying more than that portion was worth. You could say that the workers pay the taxes that the companies avoid. Another contribution to the wealth-gap is the way the manufacturing trade industry treats their employees. When they ship their manufacturing jobs over seas, they save a huge amount of money;. However do not have enough for the luxuries that the wealthy have. There is an obvious wealth-gap due to the taxation differences, the investment differences in stocks and bonds, and result of manufacturing companies cutting back on expenses and spending. Companies and corporations find a way to let go of a portion of their earnings so that they don't have to pay the taxes on them. Investment differences in stocks and bonds also contribute to the wealth-gap problem. " The Position of Poverty" A World of Ideas. the logical conclusion is that the large companies and corporations, being much more profitable, pay more taxes than the average middle or lower class. However, those employees who received " free money" do not have to pay the taxes for that bonus. This allows the labor costs for these products to be considerably lower. Another unfair fact is that in order for these companies to prosper they must expand. These companies are not required by law to offer them benefits. In conclusion, it has been proven by history that a free-market economy (Capitalism) increases the living standards of most people more than an economy controlled by the command of the state (Socialism). Despite those disadvantages, however, capitalist societies, historically, have done remarkably well in improving the human condition as a whole over the long run, while strict socialist societies have had severe declines in economic welfare. Characteristic Pure Socialism Modified Socialism Modified Capitalism Pure Capitalism Ownership of means

<https://assignbuster.com/the-manufacturing-trade-industry-economics-essay/>

of production All publicly owned Much publicly owned Most privately owned
 All privately owned LIMIT on accumulation of private property Severe Major
 limitation Small limitation No limitation Government REGULATION of
 economy Yes Yes Yes No Government MANAGEMENT of economy Yes Yes Yes
 No Government PLANNING of economy Yes No No No Size of welfare system
 Immense Quite extensive Small to moderate No welfare system
 Characteristic Pure Socialism Modified Socialism Modified Capitalism Pure
 Capitalism Ownership of means of production All publicly owned Much
 publicly owned Most privately owned All privately owned LIMIT on
 accumulation of private property Severe Major limitation Small limitation No
 limitation Government REGULATION of economy Yes Yes Yes No Government
 MANAGEMENT of economy Yes Yes Yes No Government PLANNING of
 economy Yes No No No Size of welfare system Immense Q

-----Bibliography. Personally,
 I am very glad to live in a free, Capitalistic society. More people will have
 access to wealth which means more power. Although Marx, the " Father of
 Modern Socialism" predicted that Capitalism would fail, actually Socialism
 has been the greater failure historically. In this form of government everyone
 has generally the same amount of money, which means the rich person's
 money goes to the poor so that everyone can be middle class. The Berlin
 Wall was erected by the East German government to keep their own people
 from defecting. The individual's pursuits of his own economic self-interest
 simultaneously benefits the economic self-interests of all others in the
 society. Socialism is a political and economic system which advocates
 collective or governmental ownership and the administration of the means of
 production and distribution of goods. Capitalism does not command people
<https://assignbuster.com/the-manufacturing-trade-industry-economics-essay/>

how to use their power or wealth. Since the socialist state holds a universal monopoly on labor and production, no economic incentive exists for the socialist state to provide anything more than minimum physical subsistence for the workers. This means that capitalism recognizes that each and every person is the owner of his own life, and has the right to live his life in any manner he chooses as long as he does not violate the rights of others. h and power between those who have capital (machines, factories, ships, land, etc. Capitalism is a political and economic system in which factories, companies, land, etc. are owned privately in order to create profit for the owners. Prices of goods and services fluctuate depending on the desire of the consumer and the availability of the goods (the law of supply and demand). In a capitalist society, there will be significant differences in wealth and power between those who have capital (machines, factories, ships, land, etc.) and those who do not. Capitalism is the only politico-economic system based on the doctrine of individual rights. This means that capitalism recognizes that each and every person is the owner of his own life, and has the right to live his life in any manner he chooses as long as he

What's capitalism? Capitalism is an economic system in which private individuals and business firms carry on the production and exchange of goods and services through a complex network of prices and market. Capitalism is the political economic system based on private property and private profit. In this system, individuals and companies own and direct most of the resources used to produce goods and services. Such resources include land and other natural resources, labor and capital. Capital includes factories, equipment, and money used in business activities. The term capitalism comes from capital. How capitalism worksA number of factors influence economic decisions under capitalism. The most important

<https://assignbuster.com/the-manufacturing-trade-industry-economics-essay/>

factors are (1) individuals, (2) businesses, (3) the market, (4) income, and (5) the government. Individuals influence the economy as consumers, workers, and investors. For example, if consumers show by their purchases that they prefer small cars to large cars, dealers will order more small cars and fewer large ones. Manufacturers, in turn, will step up production of small cars and cut production of large cars. Private investors provide much of the money that businesses need to grow. Businesses try to influence what consumers buy through advertising and by creating new and improved products. The driving force of a capitalist economy is the desire for profits. The desire for profits, called the profit motive, ensures that companies produce the goods and services that consumers are willing and able to buy. To succeed, businesses must sell enough of their products at a high price. Capitalism pressurizes private economic choices. People are free to decide how they will earn and spend their income. Companies may choose which goods and services to produce and how much to charge for them. They also compete with one another to sell products. Major economies which are based on capitalism include the United States, The government controls some aspects of the economy in every nation. But capitalism's emphasis on private economic decisions makes it different from the two other major economic systems Communism and mixed economies. In Communist or centrally planned economy, the government owns or controls most of the resources used in production and develops national plans for their use. In a mixed economy, the government does some economic planning and controls some industries, but it also allows some individual choice. Has capitalism worked? Advantages and disadvantages Capitalism has worked to a certain extent however with its own disadvantages and advantages. Advantages1.

government has limited control over business, which lets business compete.

2. advantages are free enterprise, private ownership, people get to own their own property, 3. everyone has a free opportunity to better themselves, 4. a competitive market helps to keep cost lower for the consumer-5. Capitalism provides room for investment opportunities as those with the capital seek ways to put their capital in use to make profits. 6.. Capitalism encourages self-organization. As competition levels rise, traders are bound to organize themselves and set a reasonable pricing method that benefits them all. 7. Capitalism provides employment opportunities for a people in form of labour. 8. Development of skills. Capitalism results in a variety of goods and services in the market place. This affords a people to specialize in an area that they feel they can perform better. 9. The advantage is that it provides people an incentive to produce work and innovate, which benefits all of society.

Disadvantages1. Anyone can become rich but not everyone so Inequality there's never going to be equality under capitalism2. rich get richer and the poor get poorer3. Waste4. Monopolisation - A capitalist economic system allows enough freedom for property holders to establish their influence in the markets without much restriction on the extent of this spread. This leads to monopolisation of markets by one or a few major players. This permits a handful of firms to dominate the market and govern prime factors like prices, quantity supplied and quality of the product without any opposition from other competitors. This also creates barriers to entry for other players in the market due to a high degree of control being exercised by the firms monopolising the markets. 5. might be premature to state that the disadvantages of capitalism are enough to make it fail as an effective economic system as predicted by Marx, the " father of socialism6. Starvation
<https://assignbuster.com/the-manufacturing-trade-industry-economics-essay/>

IN Third World countries, many are starving because they cannot afford to feed themselves, while those in Western countries fatten themselves with an excess of food, and waste the rest of it. There is enough food in the world to feed the entire world population.

7. Income equality Capitalist policies are based on the precipice of allowing capital holders the freedom to proceed with production activities as they please. There are minimal restrictions governing land and labour allowing capitalists the upper hand when it comes to production decisions. While this might be a great incentive to boost production and subsequently, economic growth in the country, it is often cited as the biggest criticism of the capitalist system. It gives maximum leverage to the capital holders, who can determine the course of production completely without having to take into account ethical dilemmas like workers conditions, compensation, environmental safeguards etc.

8. Propaganda You cannot escape capitalism, it's everywhere. On every billboard, on every TV program, you have someone telling you to buy something. When this is done by governments in dictatorships we call it propaganda, when companies do it, it's called advertising. They're both forms of brainwashing.

9. Some economists believe that capitalism may lead to a depletion of the resources on Earth, as it requires continuous economic growth.

10. Rich people create wealth for everyone because of the trickle-down effect

11. <http://www.rainreview.net/rain-040104.html><http://www.debtbombshell.com/http://ezinearticles.com/?Simple-Statistics-Proving-the-Inequities-of-Capitalism&id=827799><http://listverse.com/2010/12/24/top-10-greatest-benefits-of-capitalism/>http://www.academia.edu/1205784/The_Negative_Impact_of_Capitalism_on_the_Global_Societyhttp://www.academia.edu/1205784/The_Negative_Impact_of_Capitalism_on_the_Global_Society<https://assignbuster.com/the-manufacturing-trade-industry-economics-essay/>

http://edu/1205784/The_Negative_Impact_of_Capitalism_on_the_Global_Societyhttp://hem.passagen.se/nicb/marx.htm what marx thought it has references in Australia, the United Kingdom, France, Canada, Germany, Hong Kong, and Japan. Capitalism is sometimes called free enterprise or modified free enterprise because it permits people to engage in economic activities largely free from government control. Other names for capitalism include free market system, entrepreneurial system, and laissez-faire. josie. taberner@bsdc.ac.uk What is Marxism? http://www.nyu.edu/projects/ollman/docs/what_is_marxism.php Read asap Marxism is an economic and social system based upon the political and economic theories of Karl Marx and Friedrich Engels. While it would take veritably volumes to explain the full implications and ramifications of the Marxist social and economic ideology, Marxism is summed up in the Encarta Reference Library as " a theory in which class struggle is a central element in the analysis of social change in Western societies." Marxism is the antithesis of capitalism which is defined by Encarta as " an economic system based on the private ownership of the means of production and distribution of goods, characterized by a free competitive market and motivation by profit." Marxism is the system of socialism of which the dominant feature is public ownership of the means of production, distribution, and exchange. Karl Marx sought the answers to these questions by trying to understand how our capitalist society works (for whom it works better, for whom worse), how it arose out of feudalism and where it is likely to lead. Concentrating on the social and economic relations in which people earn their livings, Marx saw behind capitalism's law and order appearance a struggle of two main classes: the capitalists, who own the productive resources, and the workers <https://assignbuster.com/the-manufacturing-trade-industry-economics-essay/>

or proletariat, who must work in order to survive. "Marxism" is essentially Marx's analysis of the complex and developing relations between these two classes. Karl Marx was a German philosopher and political economist who lived in the 19th century. He published several books; the most famous being *The Communist Manifesto*. In it he went over class struggle and the fundamental problems of capitalism as well as outlining communism and what communists hope to achieve. Communism is an economic system of common ownership of the means of production (i. e. the workers (proletarians) own the factories and everything it produces, to use) as opposed to capitalism, which is the private ownership of the means of production (i. e. the rich and powerful (bourgeois) own the factories and everything it produces, to sell for profit).

Rate This Answer

Marxism is the system of socialism of which the dominant feature is public ownership of the means of production, distribution, and exchange

The Marxist Philosophy (The Basic Principles):

- A distinct social class struggle; the rich versus the poor
- Economics build the base of a society
- Bourgeois capitalism: Where the economy is controlled by only a few, the rich, who rely on the proletariat, the labor, to prosper.- This will result in the inevitable revolution by the workers to change the structure of the society in which they live.

Advantages of Marxism

1. Marxism tries to create a fairer society by state control of the economy instead of private ownership of businesses
2. forces an awareness of the needs of the working class and eliminates any aristocracy or wealthy class
3. Marxism failed because the world is too complex for a centrally controlled economy to maintain is only partially correct.

4. Disadvantage of Marxism

1. It will increase all kinds of economic crimes, people trying to get money illegally when legal means are not available.
- Distorted investment

<https://assignbuster.com/the-manufacturing-trade-industry-economics-essay/>

priorities, as wealth gets directed into what will earn the largest profit and not into what most people really need (so public health, public education, and even dikes for periodically swollen rivers receive little attention);

-
-
- Worsening exploitation of workers, since the harder, faster, and longer people work—just as the less they get paid—the more profit is earned by their employer (with this incentive and driven by the competition, employers are forever finding new ways to intensify exploitation);
-
-
- Overproduction of goods, since workers as a class are never paid enough to buy back, in their role as consumers, the ever growing amount of goods that they produce (in the era of automation, computerization and robotization, the gap between what workers produce—and can produce—and what their low wage allows them to consume has increased enormously);
-
-
- Unused industrial capacity (the mountain of unsold goods has resulted in a large percentage of machinery of all kinds lying idle, while many pressing needs—but needs that the people who have them can't pay for—go unmet);

-
-
- Growing unemployment (machines and raw materials are available, but using them to satisfy the needs of the people who don't have the money to pay for what could be made would not make profits for those who own the machines and raw materials—and in a market economy profits are what matters);
-
-
- Growing social and economic inequality (the rich get richer and everyone else gets poorer, many absolutely and the rest in relation to the rapidly growing wealth of the rich);
-
-
- With such a gap between the rich and the poor, egalitarian social relations become impossible (people with a lot of money begin to think of themselves as a better kind of human being and to view the poor with contempt, while the poor feel a mixture of hatred, envy and queasy respect for the rich);
-
-
- Those with the most money also begin to exercise a disproportional political influence, which they use to help themselves make still more money;

-
-
- Increase in corruption in all sectors of society, which further increases the power of those with a lot of money and puts those without the money to bribe officials at a severe disadvantage;
-
-
- Increase in all kinds of economic crimes, with people trying to acquire money illegally when legal means are not available (and sometimes even when they are);
-
-
- Reduced social benefits and welfare (since such benefits are financed at least in part by taxes, extended benefits generally means reduced profits for the rich; furthermore, any social safety net makes workers less fearful of losing their jobs and consequently less willing to do anything to keep them);
-
-
- Worsening ecological degradation (since any effort to improve the quality of the air and of the water costs the owners of industry money and reduces profits, our natural home becomes increasingly unlivable);

-
-
- With all this, people of all classes begin to misunderstand the new social relations and powers that arise through the operations of a market economy as natural phenomena with a life and will of their own (money, for example, gets taken as an almost supernatural power that stands above people and orders their lives, rather than a material vehicle into which people through their alienated relations with their productive activity and its products have poured their own power and potential; and the market itself, which is just one possible way in which social wealth can be distributed, is taken as the way nature itself intended human beings to relate to each other, as more in keeping with basic human nature than any other possibility. As part of this, people no longer believe in a future that could be qualitatively different or in their ability, either individually or collectively, to help bring it about. In short, what Marx called "ideological thinking" becomes general);

-
-
- The same market experiences develop a set of anti-social attitudes and emotions (people become egotistical, concerned only with themselves. "Me first", "anything for money", "winning in competition no matter what the human costs" become what drives them in all areas of life. They also become very anxious and economically insecure, afraid of losing their job, their home, their sale, etc.; and they worry about money all the time. In this situation, feelings as well as ideas of cooperation and mutual concern are

seriously weakened, where they don't disappear altogether, for in a market economy it is against one's personal interest to cooperate with others);

-
-
- With people's thoughts and emotions effected in these ways by their life in a market economy, it becomes very difficult for the government, any government, to give them a true picture of the country's problems (it is more conducive to stability to feed people illusions of unending economic growth and fairy tales of how they too can get rich. Exaggerating the positive achievements of society and seldom if ever mentioning its negative features is also the best means of attracting foreign investment. With so much of the economy depending on " favorable market psychology", the government simply cannot afford to be completely honest either with its own people or the rest of the world on what is really happening in the country);

-
-
- Finally, the market economy leads to periodic economic crises, where all these disadvantages develop to a point that most of the advantages I mentioned earlier simply dry up —the economy stops growing, fewer things are made, development of the forces of production slows down, investment drops off, etc. (a close look at the trends apparent in the disadvantages of the market should make clear why such crises are inevitable in a market economy). Until an economic crisis occurs, it is possible to take the position that the advantages of a market economy outweigh its disadvantages, or the

opposite position, and to develop a political strategy that accords with one's view, whatever it is. But if a crisis does away with most of the important advantages associated with the market, this is no longer possible. It simply makes no sense to continue arguing that we must give priority to the advantages of the market when they are in the process of disappearing.

<http://www.123helpme.com/search.asp?text=marxist+view>