

# Capitalism: strengths and weaknesses assignment



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Capitalism Perhaps that greatest strength of capitalism is that collective individuals within the capitalist economy, the consumers, drive the marketplace; which in turn leads to a consumer oriented marketplace. In order for a business to be profitable in a consumer oriented marketplace, the business must provide the consumers with a quality service or product at a competitive rate. Businesses must also find innovative ways at improving and/or creating products and services, thus enhancing technology and the need for capital and labor.

All of this promotes economic growth. Another great strength of capitalism is that it promotes personal drive within individuals. In order for a person to reap the benefits of a consumer oriented marketplace he/she must have purchasing leverage. To gain purchasing leverage a person must acquire his/her own capital/money through entrepreneurial ability (creating the need for labor) or via wages obtained through labor (a required resource for businesses).

When you take into account that capitalism has a society that dictates what and how much the marketplace will produce and a marketplace that caters to society, coupled with individual personal drive to gain purchasing leverage, you have essentially created a self-perpetuating economy. Collective individuals steer the direction of services and products available. Businesses drive the need for labor. Labor provides wages to individuals, which provides them with leverage to dictate the marketplace. One weakness of capitalism is that if you don't have the means you won't be able to reap the benefits of the economy.

The more meaner you have the more meaner you can gain. The less meaner you have the less meaner you can gain, or quite possibly a loss of meaner. In other words, the rich keep getting richer and poor keep getting poorer.

Another weakness of capitalism is that it makes a society that is geared toward money. Making profits is the main goal of businesses. This profit seeking mentality of business can give way to unscrupulous and unfair competition practices, such as monopolizing an industry by buying out smaller businesses; effectually perpetuating the negative affect of those that have can those that don't can't.

Communism A strength of the communist society is equality for everyone. Regardless of a person's ability to work, or lack thereof, the government will provide for the needs of individuals. Therefore, if you are unable to work your needs will still be met. This equality approach eliminates the vast differences in socioeconomic statuses which is common within capitalism. Within a communist society there is a very low incentive to work, to create, or to innovate, since everyone's needs will be met regardless of how much or how little work you provide.

This weakness causes the communist society to have very low production, creating a shortage of even the most basic of needs; therefore hindering economic growth. Fascism Perhaps the best strength of fascism is the ideology behind fascism. The theory is that you have a society of individuals working together for a common goal which is the goal of the government; therefore, creating a stronger state. These goals are realized through a strong and authoritative government.

However, the basic ideology behind fascism removes a simple and basic trait of human nature, free will. I believe that this is its greatest weakness and the reason that fascist societies have been rather temporary. If you have a large group of people with different ideas of how to make the state stronger which differs than that of the government, it leads to civil unrest. Socialism A strength of socialism is its ability to create equality for everyone through social benefits. Social benefits within socialism are more elaborate than other forms of economic systems.

This strength creates an attitude of working for not only the good of you but also for the good of everyone; and, therefore creating a society working as one to promote themselves and their neighbor. This ideology creates an incentive to work. As a result of the social benefits available within a socialist economy the government requires more resources, which is subsidized through very high taxes imposed upon the middle class and the rich.

Basically the government penalizes entrepreneurial ability by distributing the benefits gained from personal effort to the poor.

This weakness of socialism promotes economic stagnation. My choice of "Isms" While all four of these economic models have their pros and cons, I prefer to live in a self-perpetuating capitalist society because it caters to my basic human need of free will. I am a firm believer in the fact that if you want something you have to work for it. I believe that your personal efforts should lead to personal gain. And I believe that I should have the free will to be able to decide what to do with my personal gain.