

The oldest economic system in the world: capitalism

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



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Capitalism is a form of economic system in which government does not interfere in business. Capitalism is one of the oldest economic systems. Thousands years ago it was known as Mercantilism. Mercantilism can be defined as distribution of products to make profits. It was practiced in Rome and Middle East. This form of economic system expanded globally from Northern Africa to Asia (Hooker). This form of trading to gain profit developed and today it is known as capitalism.

Capitalism, spread across globe. World become more advance with technologic innovation, job creation and medical advance (Ditmar). Because each individual are free, they tend to try something new and as result creating something that facilitate people life. For example Bill Gates, he starts the Microsoft which made the computer more advance. He did that because he knows that if he is successful his hard work will be rewarded. In addition since he took risk to start his business, he expects to profit from it without government interfering with his plan. He is also creating more job opportunities for others.

Countries with capitalism system are more likely to be democratic and prosperous. For example Chile, Ireland and the United States . Country such as North Korea has a dictatorship regime and a rigid economic system (Reinch). Individuals in capitalism system make money independently from the state, as result giving them voice to speak against the state. Because of the power that each person has the nation is more likely to become democratic.

Mercantilisms that today we know as capitalism exist thousand years ago. People were free to trade their goods. As capitalism progress it brings technological innovation which in turn creating jobs opportunities. Last countries with dynamic democracy are more likely to have capitalism system. Capitalism promotes freedom, democracy and opportunities.

In a capitalist system people have choice. Each individual has the right to pursue his/her happiness whenever is possibly. According to the article “Capitalism, Democracy, Freedom, and Education” Each person in a capitalism system is owner of his/her own life and has the right to live his/her life in any manner he/she chooses as he/she does not violate the rights of others (Cereijo). This is what free countries are compose off. Individuals have the right to choose and capitalism do that by let people choose what kind of professions they want to pursue.

In a capitalist system government believe that each person seeking their own self-interest will benefit the community as whole. As it is expressed in the article “Capitalism” society is composed of people who can pursue their own interest and they should be free to do so, it will benefit the society as whole (Hooker). By allowing people to make their own decision are giving people their freedom which will lead to more opportunities.

One of the most important aspects of capitalism is that, it creates opportunities for each person to get ahead. According to the article “Capitalism Promotes Freedom and Opportunity” in a society where people can take risk to improve their life is also taking risk to improve life of others.

As result it will lead to more opportunities for everyone (Ditmar). For example if someone starts a company, he/she needs worker so he/she is able to employee others. He/she is putting his/her capital at risk but with idea of profiting from it. As result creating opportunities for those who could not take risk, otherwise would not have income.

People living in a capitalism system have more opportunities than those of non-capitalism system. As result those capitalist nation have higher GDP (Gross Domestic Products). According to a study conduct by James Gworthy and Robert Lawson, people living in capitalism system have higher annual income than those of non-capitalism nation (Charilaos). Nation where people have higher income is more likely to get an education and capitalism bring that opportunity..

In a capitalism system democracy is more likely to develop because each person is treated as individual and they can fight the system. It is expressed in the article “ Free Markets and Democracy: Can Capitalism Promote Political Freedom and Vice Versa?” that people are able to earn income independently from the state, which makes it possibly to question the state and even fight it (Charilaos). Because people are able to fight the state it will lead to more democracy and liberty.

For a Nation to become democratic it needs to balance the power, so that the power is not concentrate in one person and capitalism do that by distributing the power to everyone. The article “ Free Markets and Democracy: Can Capitalism Promote Political Freedom and Vice Versa?”

express that “ free markets provide a successful counterweight to central/planning and governmental decision making, thus mobilizing uncontrolled forces which tend to seize power from ruling elites and distribute to the masses (Charilaos). Democracy is achieved because capitalism takes power from high class and distributes it to the majority.

In the past there are many countries, which were capitalist but not free, for example Germany and Italy. Government did not interfere in business but they were not politically free. According to the article “ The Relation between Economic Freedom and Political Freedom” it is possibly to have an economic system that is fundamentally capitalist but politically not free such as Fascist Germany and Italy (Experts from Milton Friedman). History shows that Capitalism does not necessarily bring freedom. These two nation named above both had an economic system similar to capitalism but their people were not free in sense.

Capitalism is supposed to be free, each person has the right to do whatever they like as long does not harm others. United States is a capitalism nation whose people are not totally free. Citizens of United States are required to pay tax. If they don't, they are considered criminal and are persecuted. United States are taking away its citizens personal freedom.

Capitalism does not promote total freedom because there are many nations which has capitalism system but not free. According to the article “ The Relation between Economic Freedom and Political Freedom” United States citizens are not allowed to follow his occupation unless they can get a license

for it (Experts from Milton Friedman). United States are taking away its citizens freedom.

Even though United States might not be totally free but there is no other system that has come close to total freedom as the capitalism system. According to the article “ Capitalism Promotes Freedom and Opportunity” Muslim theocracies do not allow freedom of expression or creativity, this is due to lack of entrepreneurial motivation that lead to better economic condition (Detmar). Although United States economic system is not perfect, it provides more freedom than any other economic system.

In conclusion capitalism brings freedom by providing people with choice. People can choose to work with anyone they want. People create opportunities for each other to get ahead by creating jobs, as result is more likely for people in this economic system to attain high education. People with high education are more likely to question the state which leads to democracy. Capitalism is the only economic system that people can attain freedom, gain opportunity and democracy.