

Expanded definition

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Expanded Definition Assignment: Capitalism Capitalism is “ an economic system in which the means of production and distribution are privately or corporately owned and development is proportionate to the accumulation and reinvestment of profits gained in a free market” (Landauer & Rowlands, par. 1). It is the only moral political system because it is dedicated to the protection of individual rights. The earliest form of capitalism is mercantilism which is “ the distribution of goods to realize a profit” (Hooker, par. 2).

Capitalism has several properties. First, the environment is defined by the social, cultural and political rules. The environmental pressures in capitalism are provided by supply and demand. To be successful a capitalist society must be open and competitive. It also results in economic incentives (Free, par. 4).

As a practice, capitalism is characterized by the “ accumulation of the means of production (materials, land, tools) as property into a few hands. The accumulated property is called “ capital" and “ capitalists” are the property-owners of these means of production” (Hooker, par. 4). To produce the goods and distribute them, productive labor is needed. The capitalists are the ones who manipulate the means of production and labor through the use of rational calculation so that profits are realized (Hooker, par. 6).

Works Cited

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