

# Capitalism, Socialism, Communism

## Capitalism

Capitalism believes in allowing private ownership of production. This creates an economy with lower taxes for the citizens and is free of heavy government regulation. The idea is that supply and demand will allow for the natural regulation of production without government oversight. The private owners of the companies determine prices and locations. This type of system depends on the power resting with its citizens. Countries that utilize many capitalist ideals are the United States, Great Britain, Germany, and Japan.

## Socialism

Socialism is an organization of the state and economy where the government controls most major industries instead of private ownership. Here, the wealth would be more equally distributed among the citizens. What sets socialism apart from communism is that there can still be private ownership of some things. The government would control education, healthcare, transportation, and citizens would pay higher taxes for these services. Countries that currently have a heavier socialist-styled economic system would be Greece, France, Norway, Netherlands, Latvia, South America, Venezuela, and North Korea (though no nation has achieved a total socialist government).

## Communism

The final economic system is communism. The idea of communism is that the government heavily regulates and controls all aspects of daily life. This would include transportation, education, agriculture, production, and labor. There will be little to no private ownership of anything, and all things will be shared equally among those living there. This eliminates social classes. The government regulates production, investment, wages, and prices. Communism is often associated with totalitarianism or autocratic regimes because of the government's control over production. Historically, all attempts at achieving a communist economic system have failed.

It is important to know that many countries will blend or combine different economic and political systems. China, for example, is run politically by the Communist Party and is a totalitarian state with government ownership of many core industries. However, it has adopted some free market economic policies as it allows for some private property ownership and individual investments. The United States, as a constitutional republic, is predominantly capitalist/free market but sometimes has elements of the economy that are government regulated, like utilities.