

Political Philosophies: Capitalism, Socialism and Communism

Capitalism

According to the novelist William Makepeace Thackeray (1854), Capitalism is defined as having the ownership of the capital. It is defined as a system of governance where the government has to play various roles including administrative functionalities, and the facilitator of capitalism and the private players own and control the assets for private gain based on the laws of the country. It treats labours as human capital that is free to work for income and may further invest his money to generate more capital.

The theory originated in the 14th century as a result of the conflict between the landowners and the agricultural labourers. The landowners forced the labourers to produce, which is enough for their needs and not for the market. Thus, they took no interest in actually increasing production efficiency through the introduction of technology but expanded their power through military means.

Benefits of Capitalism

- It ensures economic growth through the open competitive market that provides equal opportunity for every player to maximise his/her profits.
- Supports technological advancement to increase efficiency and optimum utilisation of available resources, checking wastage and cutting the costs.
- It is a consumer-centric system which empowers the consumer to choose between various alternatives available, and in turn increase competition among the producers and leads to better products and services.
- It ensures the availability of all the produce at their best prices for the consumer, which further helps in improving their living standards.
- It leads to the creation of a win-win situation for both manufacturers and consumers, and this leads to the rotation of money in the market.

Criticism of Capitalism

- Over Capitalism tends to the accumulation of economic benefits in a few hands, and this, in turn, leads to further exploitation of labour class.
- One company's monopoly in the market leads to exploitation of consumers.
- The free market is a complex phenomenon and sometimes maybe unjust and unfair.

Effect of Capitalism on Society

- Capitalism ensures economic growth as it empowers both manufacturers and consumers and keeps money in rotation.
- It ensures the accessibility of goods and services on a competitive price and helps to improve the standard of living in the country.
- Capitalism paved the way for LPG reforms in the world and provided opportunities for the labour force to opt for global employment opportunities, which have further shrunk the global boundaries.

Socialism

Socialism is a politico-economic ideology which believes in the public ownership of means of production and distribution based on a plan formulated by a central authority. It regulates the finances and allocation of funds, equality of income and opportunity for all its citizens irrespective of their caste, creed, gender and age. The government owns all the sectors of the economy and utilises them in the greater public interest.

Socialism had its roots in the late 18th-century when a knowledgeable and working-class political movement disapproved the effects of excessive industrialisation and private ownership on civilisation. Various theories have been propounded since then.

Benefits of Socialism

- Help in making an equalitarian society a reality.
- Provides goods and services at an affordable price.
- Eradicates private monopoly in the society as well as the competition between the manufacturers.
- State-controlled production and distribution protect society from any of the business fluctuations as it does not depend on the free market tools.
- As both production and distribution are centrally planned, there is neither overproduction nor joblessness in society.

Criticism of Socialism

- Lack of competition in the market leads to a lack of choices for consumers, and they have to consume only those goods and services which are fixed by the State. Thus, Socialism encroaches upon consumer rights.

- Due to the lack of private firms in the system, even the employment is provided by the State only. Thus, restricts the employee his freedom to choose the work and the place of work.
- As the Socialist ideology promotes equality in work, i.e. equal pay for the same job, it demotivates the hard-working employees.
- Bureaucratic way of working allocates resources a lengthy and time taking process; thus, delays the real economic growth of the country.

Effect of Socialism on the Society

- Helps in creating a welfare society where all the basic needs of people (food, clothes and shelter) are fulfilled by the State on very affordable prices.
- Providing employment is the State's responsibility. Thus, everyone gets a job based on his/her capabilities, education and skills.
- All the profits go to the State, which utilises them for the wellbeing of the society by providing them with free education, improving public health amenities, ensuring social security etc.
- Establishes the supremacy of the State, thus, making them arbitrary.
- Lack of check and balance on the bureaucracy leads to increased corruption in society.
- People lack the fundamental right of freedom to choose what they want to consume and what and where they want to work. Socialism demeans their ability to grow economically in their career. Thus, people do not work for their personal growth but under the fear of State.

Communism

Communism can be defined as the ideology which leads to a classless society based on the equal rights for everyone, irrespective of the class they belong to (the labour or the bourgeoisie), on the means of production. This ideology believes in the radical uprooting of the wealthy ruling class to establish a democratic free society where class difference does not exist.

The prominent proponents of the theory of communism include Karl Marx and Friedrich Engels in the 19th century. They dealt with the idea in depth in the Communist Manifesto of 1848, which became the document of reference for the socialist moments of 19th Century Europe and during the Industrial Rebellion.

Benefits of Communism

- Ensures social welfare above everything else.
- Helps in building an equal society with strong social communities.

- Promotes universal education with knowledge, reaching to everyone in society.
- Supports women empowerment.

Criticism of Communism

- A too idealistic society, which in turn devalues the past and the present.
- Philosophy does not explain the proper way to run the communist economy.
- Diminishes humanity and the importance of the lives and rights of human beings.
- Communism is often seen as the fencing for dictatorship and oppression by the ruling party.

Effect of Communism on Society

- The ideology of communism supports a society without rulers, but until it is achieved all the power will lie with the dictator government so formed, which will further lead to their oppression. For example, the Rule of Hitler and the event of the holocaust.
- In communist nations, the difference between the official claims and societal realities is vast. The dictator government controls the flow of information and every sort of communication channel which cut-offs the society with the outer world.