Communism and Capitalism

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<th>Communism</th>
<th>Capitalism</th>
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<tr>
<td>• &quot;Father&quot; of communism-&gt; Karl Marx</td>
<td>• &quot;Father&quot; of Capitalism-* Adam Smith</td>
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<tr>
<td>• German economist, historian, philosopher, social scientist, revolutionary</td>
<td>• Scottish economists and philosopher, University Professor</td>
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<td>• Communist Manifesto</td>
<td>• TheWealth of aNation</td>
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<td>• Communism: economic system developed in response to the abuses of the Industrial Revolution</td>
<td>• Capitalism-* economic system that helped bring on the Industrial Revolution</td>
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<td>• Based on ideas of socialism-* public ownership-* factors of production (land, labor, capital) for the benefit of all</td>
<td>• Private ownership-* factors of production for private property</td>
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<td>• &quot;Collective Ownership&quot;</td>
<td>• Based on the ideas of &quot;Laissez Faire&quot; and the &quot;invisible Hand&quot; and &quot;Free Market&quot; economics</td>
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laissez-faire l,leza 'fe(s)r; l,jezal noun: a policy or attitude of letting things take their own course, without interfering.
• Economics abstention (an instance of declining to vote for or against a proposal or motion) by governments from interfering in the workings of the free market: [as adj.] laissez-faire capitalism.
DERIVATIVES laissez-faireism l,fe(9)r,izaml noun; ORIGIN French, literally 'allow to do.'

The term "free market" means a self regulating system in which all parties are completely free to transact with one another, and where force, fraud or injury damages one party, the government's role is only to punish those who commit such offenses and to vindicate the rights of the other party, which protects the integrity of the free market.

"Invisible Hand" coined by Smith in his book, The Wealth of a Nation follows the principles that individuals try to maximize their own good (and become wealthier), and by doing so, through trade and entrepreneurship, society as a whole is better off. Furthermore, any government intervention in the economy isn't needed because the invisible hand is the best guide for the economy.

Communism vs Capitalism
Capitalism and communism are different in their political and economic ideologies. Capitalism and Communism never go together.
One of the major differences between capitalism and communism is with regard to the resources or the means of production.

In Communism, the community or society solely owns the resources or the means of production. On the other hand, in capitalism, the resources or the means of production lies with a private owner.

While the profit of any enterprise is equally shared by all the people in communism, the profit in a capitalist structure belong to the private owner only. While the private party controls the resources in capitalism, it is the society that controls the whole means of production in communism.

For Communists, the society is above individuals. But for capitalists, individual freedom is above the state or society. While capitalism is a self regulated economic system, communism is a government run economy. In capitalism, the individual has full control over production and decides on the price structure. Contrary to this, it is the society or the government that determines the price structure in communism.

Communism stands for equal sharing of work, according to the benefits and ability. But in capitalism, an individual is responsible for his works and if he wants to raise the ladder, he has to work hard.

While Communism stands for abolishing private property, Capitalism stands for private property.

Moreover, communism stands for a class less society, which doesn't see any difference between the rich and the poor. On the other hand, capitalism divides the society into rich and poor. Capitalism can be said to be the exploitation of the individual. While every one is equal in communism, there is a great divide of the class in capitalism.

**Summary**

1. In Communism, the community or society solely owns the resources or the means of production. On the other hand, in capitalism, the resources or the means of production lies with a private owner. While the profit of any enterprise is equally shared by all the people in communism, the profit in a capitalist structure belong to the private owner only. While the private party controls the resources in capitalism, it is the society that controls the whole means of production in communism.
For Communists, the society is above individuals. But for capitalists, individual freedom is above the state or society.

While Communism stands for abolishing private property, Capitalism stands for private property.

**Communism vs capitalism:**

The terms capitalism and communism may be overly familiar to many while other may be extremely baffled and confused by these two words. And yet, communism and capitalism are two terms from which one cannot diverge from when speaking of financial and social systems. Communism and capitalism can be stated as the exact opposite political ideologies that contradict each other in every possible way. In fact, it might be interesting to know that communism was created with the sole idea of countering against capitalism which was engulfing the world at the time. Thereby, this article seeks to provide the facts and the information that will enable the reader recognize each term in a clearer light.

**What is communism?**

Developed by Karl Marx and Friedrich Engels in the year 1917 through their book Communist manifesto which was published right after the Bolshevik revolution, communism can be best described as a social, political and an economic ideology that focuses on the establishment of a society which is structured upon common ownership. In this concept, there will be no significant classes, money, social status or hierarchy in the society and everybody will be treated the same as every individual in the society shall be considered as equals. Communism discusses the idea of power being vested within the people who decide what is best for their society by themselves as a community. Communism discusses the possibility of a socialist world. In communism, the society is given the supremacy. There will be no rulers who will be treated above the rest. Everybody will be equals in the society and every profit, every production shall be distributed equally among the community members with the aim of developing the community as a whole.

**What is capitalism?**

First emerged in the 1600s as the successor of feudalism, capitalism can best be defined as a financial and a social system that recognizes individual property rights, individual consumption and approves of the private ownership of capital. It gave rise to the industrialization and is based on the rights of the individual and allows individuals unlimited opportunities in creating wealth for themselves. Capitalism also encourages the individual to own as much property and goods that they can afford to buy which in turn results in inequality. This inequality then results in each citizen striving to accumulate more wealth in order to stand above the rest and yet, each individual is supposed to respect the rights of other individuals. Any act of violence or aggression on an individual’s part is considered as illegal and is thus punished by law. The citizens of a capitalist society are provided with equal opportunity when competing as sellers or buyers of goods or property, with the government playing no part in it except setting up certain rules and regulations regarding the process. Capitalism is honest competition and letting the marketplace decide who has the better product for better prices and one sees no oppression of the individual here as a result.
What is the difference between capitalism and communism?
Capitalism and communism are two political theories which can be stated as the complete opposite of one another as their fundamental ideologies contrast each other in the most prominent ways. For example, capitalism is the embodiment of private enterprise and individualism whereas communism is based on the belief that individual gain must be scarified in order to achieve collective gain. Thus communism shuns private ownership of land, property or any other resource, thus allowing the state or the community the ownership of all goods and services with the intention of promoting a common ownership. Capitalism on the other hand is all about private ownership and the belief that every man should earn his or her own means of income. While the owner of the land or the business shall get all the profit earned from the business, the workers shall get a smaller share in the form of wages which once again will depend upon the thoughts and wishes of the owner.

Capitalism as mentioned earlier gives more emphasize and importance to individual aspirations and as a result, appeals to the inherent selfishness of the man. Communism on the other hand, appeals to the more saintly side of man that harbors the noble thought of selflessness that goes against the inherent selfish quality of the human species. Communism thus preaches of a classless, egalitarian society where everybody is treated equally and everybody is given an equal standing. Capitalism on the other hand, promotes class distinction where the gap between the rich and the poor is highly emphasized. This is a society where the rich get richer and the poor get poorer as a result of the rich people yielding power when the poor are forced to live under their reign.

Summary
Capitalism promotes private ownership. Communism shuns private ownership.
Capitalism appeals to the more selfish side of man. Communism goes against the inherent selfishness of the mankind.
Under capitalism, the rich get richer and the poor get poorer. Under communism, everybody is treated equally.
Communism promotes a classless, egalitarian society. Capitalism promotes class distinction.