

Capitalism and Socialism

The world has seen many systems regulating socio-economic relationships between people, but the one that remains dominant is capitalism, with its main alternative being socialism. They mainly differ on the principles of ownership, although the implications are also significant enough to call the two each other's opposites. Throughout centuries, capitalism has been criticized for its vices, including poor treatment of workers, inequality, and irrationality, leading to global warming and financial crises. Meanwhile, socialism has been positioned as a viable alternative capable of resolving those issues. Considering that most of the problems associated with capitalism persist, socialism does seem a more humanistic system. This paper will contrast the two on such aspects as equality, the basis, and rationality.

One of the main points against capitalism is its poor treatment of workers, leading to inequality in the economic and social senses. While workers are legally free, their resources are limited, and owners, or employers, are enabled by the system to pay their subordinates less (Fraser & Jaeggi, 2018). It implies exploitation on the basis of possessing property, and the ones who own it are in a more advantageous position than other classes (Fraser & Jaeggi, 2018). The system also tends to reproduce itself by family inheritance, meaning that the general class landscape may remain static for generations (Ayres, 2020). Altogether, capitalism's reliance on private property leads to inequality, which tends to be inheritable.

The basis on which capitalism thrives can be described as greed or pursuit of personal interests, depending on whether one considers it a positive aspect. It is the main driver of social and economic processes, facilitating competition and profit-making (Ayres, 2020). One may argue that it is natural for humans to pursue their interests and strive to be the best, so capitalism offers the means to indulge in those activities (Ayres, 2020). The capitalistic incentives influence

one's decision-making concerning other aspects of life, such as migration choices (Shaikh, 2016). Overall, capitalism operates on the idea of satisfying one's interests by competing and making profits.

Despite functioning on seemingly logical principles, capitalism is prone to irrational decisions with disastrous outcomes. For instance, the pursuit of more goods within the context of a capitalist market accelerates climate change, which may have dire consequences for humanity (Halliday & Thrasher, 2020). Excessive consumerism and the government's unresponsiveness also contribute to the issue's expansion, although those factors could be the products of capitalism (Halliday & Thrasher, 2020). The irrationality also leads to economic crises, affecting the classes differently and further dividing them (Fraser & Jaeggi, 2018). Thus, capitalism has irrational tendencies, which negatively impact individual people, classes, and all humanity,

By abolishing private property, socialism wishes to establish a more or less equal society. Classes may still exist, but their influence will be diminished, and everyone will be provided with opportunities to improve their lives (Honneth, 2016). Unlike under capitalism, workers will not be exploited due to viable unions and different dynamics, which will not necessitate surplus value (Honneth, 2016). However, class inheritability will remain, although socialism will provide more opportunities to improve one's life (Harnecker, 2015). In conclusion, socialism has less prominent class distinctions and solid mechanisms to prevent worker exploitation, which lead to relative equality.

Socialism is not a monolith, producing many movements within it, but they all agree that cooperation is essential for its implementation. As private property is no more, people will have to cooperate and communicate while using it (Honneth, 2016). The capitalistic pursuit of personal interest is replaced with concerns about what is better for everyone, for society at large

(Honneth, 2016). However, competition does not necessarily become obsolete: it can serve other functions, such as quality control, which also exist under capitalism but cannot be separated from profit-making (Shaikh, 2016). Thus, socialism operates on cooperation and common interests, potentially retaining some capitalistic concepts for their secondary implications.

Socialism is a very concentrated system, enabling the government to possess all property, distribute it, or facilitate its utility during critical situations. Ideally, socialist states will not be prone to financial crises, but the shortage of resources and external factors are still likely to affect them (Honneth, 2016). On the other hand, such countries will not be bound by incentives and gravitate towards cooperation to resolve persisting global issues (Honneth, 2016). Although capitalist states are also capable of doing that, they take more time, as the interests of top corporations have to be considered (Halliday & Thrasher, 2020). During critical periods, all people living in a socialist state will probably experience the same difficulties and will not lose more than others, which is not always the case for capitalism (Halliday & Thrasher, 2020). Overall, socialism can be rational as far as the distribution of property is concerned, preventing crises and combining the resources to address major issues.

Most people probably live under a certain variation of capitalism with myriads of issues, and they may not realize that one may function in a healthier, more human-oriented system, which is socialism. It provides more equality and worker protection and blurs the lines between class distinctions, which may fuel capitalism in traditionalist countries. Socialism is based on shared property, which erases the constant pursuit of profits and focuses on public interests. The system is also less inclined towards irrational decisions caused by the drive to gain profits, as it concentrates property where necessary to avoid critical situations and resolve global problems. In

conclusion, socialism strives to achieve public good, and it prioritizes people over property or money, unlike capitalism with its profit-driven approach.

References

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