

CAPITALISM VS. SOCIALISM

...THE REAL-WORLD DIFFERENCES

CAPITALISM	VS.	SOCIALISM
EXPLANATION... Capitalism is a free market of buyers and sellers that transact through MUTUAL VOLUNTARY EXCHANGE.	1	EXPLANATION... Socialism is about government dictating & Mandating economic transactions through COERCION, CONTROL & CONFISCATION.
GREED Human greed is channeled through production by profit. If people want to gain, they need to serve others first to earn the reward of profit.	2	GREED Human greed is about consumption. Everything that you ask for, the government takes by force what is produced by others.
THE RECORD... by rewarding production (profit), which in turn benefits consumption, Free-market Capitalism tends to create Relatively successful economies.	3	THE RECORD... Because Socialism rewards consumption and punishes production, it tends to create failing economies marked by oppression, scarcity and poverty.
CAPITALIST EXAMPLES... United States, Japan, Germany, Norway, Hong Kong, South Korea, Taiwan, Canada.	4	SOCIALIST EXAMPLES... North Korea, Venezuela, Zimbabwe, Sudan, Ethiopia, Soviet Union, Somalia, Yugoslavia, Mexico.
IMMIGRATION Capitalist countries have a problem with managing their borders. PEOPLE WANT TO GET IN.	5	IMMIGRATION Socialist countries have a problem because people suffer economically. PEOPLE WANT TO GET OUT.
PRODUCTION Because of profit, capitalism incentivizes society to produce so there is usually ABUNDANCE.	6	PRODUCTION Because of higher taxes and other disincentives, production suffers. With lower production and continued consumption, there is SCARCITY.
CONSUMPTION In capitalism, supply & demand are allowed to work so there is sufficient consumer goods and services for society.	7	CONSUMPTION Because Socialism promises free goods/services but punishes production, this harms supply and demand resulting in product shortages/ service delays.
GOVERNMENT IS REFEREE. The role of government is to counter theft, fraud and other involuntary acts so people can interact peacefully.	8	GOVERNMENT IS PARTICIPANT. The government intercedes in most aspects of the economy and thus becomes so powerful that people have no recourse.
POVERTY Free-Market capitalism reduces poverty. (see capitalist examples in #4)	9	POVERTY Socialism increases poverty. (see socialist examples in #4)
SOCIAL JUSTICE GAINS. When people are productive and self-reliant, they have more control over their lives. Free societies tend to preserve independence and civil rights.	10	SOCIAL JUSTICE LOSES. Tyrants and dictators are socialists (Hitler too). Socialism makes it very easy for people to become dependent and relinquish control to government.

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