

Basic Characteristics of Pure Capitalism

Economic systems determine what to produce, how to produce and who will receive production. They must also adapt to changing economic environments. How will America's economic system adapt to changes caused by September 11 is an example. [Adam Smith](#) described early market based Capitalism in his 1776 book [The Wealth of Nations](#). It described 18th century English capitalism. See [Why is The Wealth of Nations So Important Video](#) econlib.org/library/Enc/bios/Smith provided by [textbooksfree.org](#) Print in landscape mode.

Basic characteristics described by Adam Smith

Private Property, Freedom of Enterprise, Free Use of Land, Labor, Capitalism and Enterprise, Individual Self-Interest, Competitive Market System and Limited Government ("[Laissez-faire](#)"). The important [Creative Destruction](#) ingredient was observed in mid-20th century by sociologist and economist [Joseph Schumpeter](#). It involves the process of technology and improved economic structures replacing inefficient economic structures. The resulting unmatched economic efficiency has led to confrontation among owners, labor, management and government as to who gets resulting income. For Schumpeter's thoughts read [Dynamic Economics](#) and listen on [YouTube](#) to Schumpeter.

Modern Capitalism

has increasing world-wide competition necessitating up-to-date technology requiring complex capital goods and decreasing specialized well-trained employees from a particular country.

The crony-capitalism index

Billionaire wealth as % of GDP
Ranked by crony-sector wealth, 2014



Sources: Forbes; IMF; World Economic Forum; *The Economist*

Economic Rent Seekers

increase their wealth using politics. Their influence has replaced that of monarchs and clergy during capitalism's development. Examples include [Corporate Capitalism](#) dominated by hierarchical, bureaucratic

corporations, [State Capitalism](#) driven by government as practiced in China, [Money Manager Capitalism](#) creates and distributed economic rent using financial

Rent-seeking sectors included in index

Casinos
Coal, palm oil and timber
Defence
Deposit-taking banking and investment banking
Infrastructure and pipelines
Oil, gas, chemicals and other energy
Ports, airports
Real estate and construction
Steel, other metals, mining and commodities
Utilities and telecoms services
Some would include SS, Medicare, Education

markets and [Crony Capitalism](#) which began in "the garden" many years ago. As a group these participants seek [Corporate Welfare](#). [Source](#)

[Pure Capitalism](#) described by Adam Smith has never been completely put into practice. Instead there have been [Mixed Economies](#) combining capitalism and socialism. For More Political Economy Visit [Quick Notes History Our Democratic Federalist Republic](#)

Criticism of Modern Capitalism

[Ida Tarbell](#) a [Muckraking](#) investigative journalist exposed [Standard Oil Trust](#) atrocities. Writing for [McClure Magazine](#) and other monthlies, Muckrakers educated the public from 1890 to 1929 [Progressive Era](#). This era demonstrates how the US democratic federalist republic has slowly catered to personal liberty over property interests.

[Michael Moore](#), a modern day investigative journalist, has been critical of capitalism and capitalists. Some question his estimated \$50 million net worth.

Philosophical Criticism Readings [Why Intellectuals Hate Capitalism, Is Capitalism Moral? A Commonwealth Club Podcast](#), [Coercive Power of Capitalism](#), [Capitalism and Inequality](#) Political Criticism Readings [Why China Does Capitalism Better than the US](#), [Hoodwinked](#) An Economic Hit Man Reveals Why the World Financial Markets Imploded--and What We Need to Do to Remake Them, by John Perkins, [How Will Capitalism End, Has Capitalism Reform Reached a Turning Point, Revisiting Old Argument About Impact Capitalism](#), [Economic Report of the President 2014](#) is positive, [The Great Recession](#) looks at a recent capitalistic failures.

Country Economic Policies

- [Colonialism](#) occurs when one nation economically gains from political over another nation. The practice has occurred throughout history and has existed with all economic and political systems. See [Greece and the Endgame of the Neocolonial Model of Exploitation](#). Was the creation of Israel an example?
- [Mercantilism](#) is economic nationalism used to build a wealthy powerful state. It is system of political economy designed to enrich the country by restraining imports and encouraging exports. Some feel [Neomercantilism](#) is practiced by Japan, China and Germany. Page 2 at explores [Our Democratic Federalist Republic](#). See more readings and videos at [Political Economy Readings](#).

Economic Systems

[Socialism](#) has collective ownership and management of some economic resources with equitable distributed of resulting production. [Democratic Socialism](#) as practiced in Western Europe had public ownership of key industries such as transportation and communication. Western Europe economies began moving away from socialism toward capitalism in the late 1970's. The change began with England's Prime Minister [Margaret Thatcher](#) soon followed by US President [Ronald Reagan](#). [Capitalism vs. Socialism is a Crash Course Video](#) explores government basics as does the [Laissez fair Capitalism vs. Socialism Video](#). See [Social Democracy](#).

[Communism](#) is the ideal of those practicing a "Marxian System." It was designed by 19th century philosopher [Karl Marx](#). Wealth is collectively owned and managed with a [planned](#) command economy. The [Paris Commune](#) government that led to the anarchy the late 18th century French Revolution has caused many governments and wealthy individuals to fear changes promised by liberal economic systems. Some equate communism with a totalitarian political system as a democratic communism has never existed.

[Fabian Economics](#) of [British socialist](#) organizations were [gradualist](#). These [reformists](#) did not want revolution. In Russia [Bolshevik](#) revolutionists eventually won political support over [Menshevik](#) gradualists.

[Feudalism](#) structures society around holding land relationships in exchange for service or labor. [New Feudalism](#) refers to a theorized contemporary rebirth of [governance](#), [economy](#) and public life reminiscent of a [feudal](#) society.

[Traditional economy](#) is directed by custom. [Oligarchy](#) is when power rests with a small number of people who may be distinguished by royalty, wealth, family ties, education, corporate, religious or military control. [US?](#) [Plutocracy](#) is when [wealth rules](#). Used by developing countries, [Plutocrats vs. Populist](#) is controversial. [American Dynasty](#) summarizes the Bush family plutocracy. [Kleptocracy](#) exists to increase the personal wealth and political power of government officials. [Russia?](#) [Theocracy](#) has deity recognition For more visit textbooksfree.org/Quick%20Notes%20History.htm

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