

COMPARING MAJOR ECONOMIC MARKET SYSTEMS

	Communism	Socialism	Capitalism
Definition	A theory or system of social organization based on the holding of all property in common, with actual ownership ascribed to the community or state.	A theory or system of social organization based on the holding of most property in common, with actual ownership ascribed to the workers.	Market-based economy combined with private or corporate ownership of the means of production. Goods and services are produced to make a profit, and this profit is reinvested into the economy to fuel economic growth.
Philosophy	From each according to his ability, to each according to his needs. Free-access to the articles of consumption is made possible by advances in technology that allow for super-abundance.	From each according to his ability, to each according to his contribution. Emphasis on profit being distributed among the society or workforce to complement individual wages/salaries.	Capital (or the "means of production") is owned, operated, and traded for the purpose of generating profits for private owners or shareholders. Emphasis on individual profit rather than on workers or society as a whole.
Key People:	Karl Marx, Fredrich Engels, Vladimir Lenin, Leon Trotsky.	Robert Owen, Karl Marx, Fredrick Engels, Robert Owens, Charles Fourier, Saint-Simon, Louis Blanc	Adam Smith, Thomas Malthus, David Ricardo
Key elements	An enhanced form of the principle of "Production for use".	Economic activity and production especially are adjusted to meet human needs and economic demands. "Production for use": useful goods and services are produced specifically for their usefulness.	The accumulation of capital drives economic activity - the need to continuously produce profits and reinvest this profit into the economy. "Production for profit": useful goods and services are a byproduct of pursuing profit.
Key Ideas	Human societies have divided into conflicting classes. Existing class structures become unsustainable as the technology progresses, resulting in contradictions which can only be resolved by having the subordinate class overthrow the ruling class.	All individuals should have access to basic articles of consumption and public goods to allow for self-actualization. Large-scale industries are collective efforts and thus the returns from these industries must benefit society as a whole.	Laissez-faire means to "let it be"; opposed to government intervention in economics because capitalists believe it introduces inefficiencies. Free market produces the best economic outcome for society. Govt. should not pick winners and losers.
Economic Coordination	Economic planning coordinates all decisions regarding investment, production and resource allocation. Planning is done in terms of physical units instead of money.	Planned-Socialism relies principally on planning to determine investment and production decisions. Planning may be centralized or decentralized. Market-socialism relies on markets for allocating capital to different socially owned enterprises.	Relies principally on markets to determine investment, production and distribution decisions. Markets may be free-markets, regulated-markets, or may be combined with a degree of state-directed economic planning or planning within private companies.
Private Property	Abolished. The concept of property is negated and replaced with the concept of commons and ownership with "usership".	Two kinds of property, personal property, such as houses, clothing, etc. owned by the individual. Public property includes factories, and means of production owned by the state but with worker control.	Private property in capital goods is the dominant form of property. Public property and state property play a secondary role, and there might also be a limited number of collective property in the economy.
Ownership structure	The means of production are commonly-owned, meaning no entity or individual owns productive property. Importance is ascribed to "usership" over "ownership".	The means of production are socially-owned with the surplus value produced accruing to either all of society (in Public-ownership models) or to all the employee-members of the enterprise (in Cooperative-ownership models).	The means of production are privately-owned and operated for a private profit. This drives incentives for producers to engage in economic activity.
Free Choice	In a communist society, where a leader does not exist, everything is chosen freely. <u>In those that have been practiced though, all choices, including education, religion, employment and marriage, are controlled by the state.</u>	All choices, including education, religion, employment and marriage, are up to the individual. All health care and education is provided free to everybody.	All choices, including education, religion, employment and marriage, are up to the individual.
Social Structure	All class distinctions are eliminated.	Class distinctions are diminished.	Classes exist based on their relationship to the means of production: the ruling class, or "capitalists", own shares of the means of production and derive their income in that way. In contrast, the working class is dependent on wages or salaries.

Sources: http://www.diffen.com/difference/Capitalism_vs_Socialism and http://www.diffen.com/difference/Communism_vs_Socialism