

Socialism versus Capitalism:

A PPIAI Debate

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The industrial revolution was a major factor in the emergence and adoption of contemporary socialism. This was consequential of the practice of worker and community exploitation that led to a widening gap between minority-wealthy-business-owners and a majority-poor-working-class population. Although often associated with communism, there is a distinct difference between the concepts of both theories. The solution for exploitation is not capitalism, as Marx's theory suggests, a major flaw in a capitalist system is that elitists easily take advantage of the theory to benefit and enrich themselves at the detriment of others.

Ultimately, a sustainable reliance on earth's resources, on which human survival depends, can only be achieved through Socialism. In the past, the Brundtland Commission defined sustainable development as "the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs" (WCED 1987, 43). This universal definition identifies sustainability as an instrument that society needs to flourish perpetually or in continuity. According to Karl Marx (1894), from the standpoint of a higher economic form of society, private ownership of the globe by single individuals will appear quite as absurd as private ownership of one man by another. Even a whole society, a nation, or even all simultaneously existing societies taken together, are not the owners of the globe. They are only its possessors, its usufructuaries' (granted legal right to use public property), and, like boni patres familias (keeper of the estate) they must hand it down to succeeding generations in an improved condition". Socialism is therefore the most viable path to economic, environmental and social sustainability .

Conclusion: Triple Bottom Line Perspective

Economic: Multi-generational economic sustainability can only be achieved through Socialism. Wealth controlled by and distributed equitably in society, meeting individual needs will regulate consumption and provide a safe and peaceful environment where resources become sustainable. Sustainable development is however wrongly perceived by developing nations to be a construct for maintaining the wealth gap between nations (Mitcham, 1995:323).

Environmental: Socialism promotes environmental interests as communities are historically, socially and emotionally invested in their environments. Most communities derive their livelihoods from lands, forests and waters that are in their proximities and would rather see them preserved and sustained rather than compromised for profit. This helps to promote societal cooperation and sustainable development as these resources are successfully passed down from one generation to the other for sustenance.

Social Equity: Using the old barter system as an example, people basically exchanged different produces depending on needs rather than want. This extensively curbed waste and reduced the need to unnecessarily develop land for agricultural purposes. This equitable system catered for the individual needs of everyone in the society without compromising the sustainability of available resources.

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Free-market capitalism is not a perfect economic system, but for all its flaws, remains the best economic paradigm implemented to date.

The more the state intervenes in an economy, the more it distorts the market prices from their true values (as determined by supply and demand). For example, if the government decides to regulate a particular industry or set limits on the prices of certain goods or services, the spillover consequences will be felt all throughout the economy: any change in prices in one sector will inevitably result in alterations in other sectors, either through change in the costs of production and/or variation in demand.

If the economy becomes increasingly centralized, innovative human knowledge will be replaced by the flawed knowledge of the state. According to the Nobel laureate in economics Milton Friedman, "Government can never duplicate the variety and diversity of individual action" for the state "would substitute uniform mediocrity for the variety essential for that experimentation which can bring tomorrow's laggards above today's mean" (Friedman 1962).

Knowledge of the economic circumstances that should serve as the basis of our decisions is decentralized, as Friedrich Hayek pointed out in his 1945 article "The Use of Knowledge in Society". This implies that to attain the greatest economic efficiency, instead of trying to communicate this knowledge to the center, economic decisions should be left to those who are better acquainted with the local circumstances of "time and place."

Capitalism recognizes human fallibility, the belief that no individual or entity is capable of understanding reality in its entirety. In free markets, prices are determined not by imperfect human planners but by the combination of many opinions regarding the value of a particular commodity, as personified by the powerful forces of supply and demand. In both science and free markets, truth is the reflection of the efforts of many people and is attained via the interactions of *all the people in the market* instead of by a central planning board. This is why capitalism is the most democratic economic system: decision-making power is not concentrated in the hands of the state but is distributed among millions of actors. In capitalism, power is in the hands of the many; socialism puts the power in the hands of a few.

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When it comes to Crime and Punishment: Socialism is the better option!

The crisis and frictions of capitalism as foretold by Karl Marx (1818-83) are becoming evident as intellectuals are returning to debate comparative international issues in our auditoriums and lecture halls. The ideology of capitalism and its competitor is prompted by the various complex and sometimes, contradictory global forces in the dichotomous lenses of capitalism v/s socialism. Even in the criminology discourse, this debate is prevalent. This article will posit that socialist systems offer a better crime and punishment framework.

Since crime is a social phenomenon, it is an undeniable fact of life in any society as Vigh (1985) opines, 'crime is not alien to socialist society'. However, the core tenets of capitalism are ownership and control of production, and the owners of the production deriving their income from their ownership (Scott, 2006). As a result, capitalist aligned states are increasingly privatising their Criminal Justice Systems Agencies (CJA) and especially their Prison Services, rendering them profit making organisations, a phenomenon Fitzgibbon and Lea (2020) explores in their works *'Privatising Justice: The Security Industry, War and Crime Control'*. As Fitzgibbon and Lea (2020) clearly expound, the discussion on the illegitimacy of privatising Criminal Justice Agencies (CJA) and specifically prisons was explored at the jurisprudence level in the Israel Supreme Court in 2009 and that court's opinion was that the concept of a prison

operated under the sole mantra of profit making is indicative of lack of respect for the prisoner's status as human beings. (see Fitzgibbon and Lea, 2020:5-36). Therefore, we can deduce that, by capitalist states privatising their prisons, they place less emphasis on the prisoners' rights as human beings but view them as property to be owned. In the United Kingdom (UK), 17 out of the 117 prisons are managed by private organisations (MoJ, 2019). Although there is scarcity of studies discussing the private versus public prisons disciplinary record in the UK, Khan (2002) in a Guardian publication noted that 'Scotland's only private prison has the worst disciplinary record of any jail in the country'.

Comparatively, there is clear evidence of lower crime rates in socialist states like Cuba and Portugal compared to Capitalist states like the USA *(see note below)* and United Kingdom (UK). For example, the homicide rates per 100, 000 inhabitants in Cuba is 563 whilst in the USA is it 12, 996 (NationMaster.com, 2020). Going by these statistics, one is 23 times more likely to be killed in a Capitalist aligned country than in a socialist country. When it comes to gun crime per 100 residents, in 2014, Cuba had a rate of 4.8 whilst the USA had a rate of 88.8 (NationMaster.com, 2020) evidencing lower gun crime rate in the socialist approach system. Both of these countries are in the Americas. In Europe, the murder rate of Portugal (a socialist system) is 124 per 100, 000 inhabitants compared with the United Kingdom (a capitalist country) which is 6 times more at 722 per 100000 inhabitants.

In capitalist regimes, crimes committed by those in the lower economic classes are given more attention than corporate or white-collar crimes, while the causations of these lower-class crimes are never given much exploration. As D'amato (2010) quoting Russell Mokhiber, the editor of Corporate Crime Reporter, notes 'burglary and robbery cost about \$3.8 billion a year, whereas health care fraud alone costs somewhere between \$100 and \$400 billion per year'. This evidences the disparities in the application of justice in capitalist systems and the willingness to sacrifice the hopes and aspirations of millions to the greed of the few super-wealthy in capitalist societies.

When it comes to crime control, in capitalist states', their response is usually more prisons and harsher penalties whilst in socialist systems the answer to crime control is ensuring equitable provision of basic needs, and societal satisfaction through equitable health care, provision of basic needs, education, and housing. In comparison, in 2013, the prison population in Cuba was 210 prisoners per 100, 000 inhabitants whilst the USA was 716 for the same number of inhabitants (Alfonso, 2013), highlighting the high rates of imprisonment in capitalist regimes.

I, therefore, conclude that in a capitalist system, one is more likely to be a victim of gun crime, more likely to be murdered, and more likely to be imprisoned than in a socialist system irrespective of the continent. If nations can adopt the ideals of socialism into reform criminal justice doctrine, the evidence suggests the world will be a safer place.

****The U.S. is a mixed economy, exhibiting characteristics of both capitalism and socialism. Such a mixed economy embraces economic freedom when it comes to capital use, but it also allows for government intervention for the public good. This article will invoke the capitalist aspect of the US economy.***

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Rationale for Capitalism

Capitalism is often thought of as an economic system in which private actors own and control property in accordance with their interests, and supply and demand freely set prices in markets in a way that can serve the best interests of society. This is predicated on the essential feature of capitalism being the motive to make a profit. Its rationale to proponents and critics alike has long been recognised and characterised by innovations and, more subtly, a contradiction to the essence of a planned economy. This pushes a narrative maintaining that capitalism derives wealth from a system of labour exploitation (UNDP, 2019). Importantly, capitalism is built on the concepts of private property, profit motive, and market competition (Gilpin, 2018).

Capitalism as a Tool in Driving Innovation

The dynamism of capitalist economies has increased innovation in every industry. Innovations are exogenous and markets react constructively to them and this has forced companies who provide services to seek out employees who are experienced enough to influence market reactions to the services they provide (OECD, 2001).

Capitalism has proven to be the best system that works. Through education and continuous training, people tend to move from one job to another, meeting new challenges that force them to grow, learn new skills and compete with each other to attain higher positions (where in another system, factors like luck would probably play an important role (Rainie & Anderson, 2017)). Ultimately, capitalism supports innovation, spurring the emergence of technology, which enhances healthy competition amongst similar organisations, providing the market with varied quality of similar products and services.

Theory of Capitalism

Capitalism denotes an economic system where private actors own and control resources in accord with their interests, and demand and supply freely set prices in markets to serve the best interests of society. Capitalism is driven by the motive to make a profit. The capitalist theory supports the concept of competitive market where producers are allowed to produce goods and services. The capitalism theory allows the competitiveness of market forces to determine price via supply and demand dynamics. This theory is in contrast to an economic system where means of production are socially owned and are used to meet humans' needs, instead of creating profits which tend to make the society redundant (Costanza et al., 2012).

Capitalist Political Economy and Examples

The liberal critics argue that private ownership of the means of production and distribution is seen as creating a dependence of certain deprived classes of the society, which ultimately becomes a source of restriction of human freedom (Vrousalis, 2018). However, this is not the case as we have in recent times people change jobs to become entrepreneurs, innovators and even investors through accumulated expertise that emanated from past work experience (derived from capitalism).

As noted by some economists, capitalism is the world's greatest economic success story and is referred to as the most effective way to provide for the needs of people, thereby fostering their democratic and moral values in a free society. As a matter of fact, the USA, European countries (such as the UK and Germany), and Asian countries (Japan and Singapore) are successful examples of capitalist economies. However, the government of these nations have positioned themselves to be able to influence private companies through laws and regulations enforced by their state agencies.

Role of Government in Capitalist Economy

It is already noted that capitalism is based on individual initiative and favours market mechanisms over government intervention. Hence, in theory, the role of government is very limited in a capitalist economy. The main functions of government, as given by Adam Smith, are to maintain law and order in a country, make national defence stronger, and regulate money supply. According to Smith, the market system administers various economic functions. As we said earlier a capitalist economy is the most predominant in the current global economy.

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Socialism, as a preferred system of government, was rooted in the works of Karl Max and Fredrich Engels. These great scholars advocated for a system of government where all the populace in the country have and exhibit equal rights, making socialism an ideal political system that discourages alienation, oppression, and exploitation of massive workers by some set of powerful merchants in the economy (Niemietz, 2019). Consequentially, the socialist system bases its ideology on the premise of a classless society, community development, social justice, community ownership and control of resources.

The benefits of a socialist system of political economy manifest in numerous ways. From an economic perspective, a socialist system enhances the equitable distribution of income and wealth through progressive taxation on wealth inheritance, business income and wages (Ashok, et al., 2015). This is evident in most Scandinavian countries such as Sweden, Finland and Demark as they were ranked amongst the top ten countries in terms of income equality . More so, they have recorded an impressive per capita income. For instance, in 2019, these countries had a per capita income of about \$51, 610, \$48, 771, \$59, 822 respectively. Although these countries are not officially classified as socialist economies, their constitutional background is in strong favour of equitable societies (Almas, et al., 2016).

Socialist theories clearly point out that the collective ownership of resources enhances the equitable and free access to basic social amenities such as education, quality healthcare and infrastructural services. The access to quality and basic life amenities is reflected in the high score of the human capital index in Venezuela. The improved living standard will invariably boost peaceful co-existence amongst diverse people, thereby reducing incidents of crime, crisis and unrest (Niemietz, 2019). Furthermore, resource ownership tends to eliminate class barriers, thus weakening the concentration of wealth and exploitation of the masses who end up facing disproportionate outcomes. More so, collective resource control allows for efficient and effective utilization of resources which is subsequently beneficial towards the overall wellbeing of the masses.

An example of the socialist spirit in the contemporary era is workers come together to form unions in order to protect their rights. Unions became quickly popular and allowed workers to protect themselves and their communities from exploitation, thereby realising social justice . This is reflected in the increased life expectancy of these countries. For instance, Sweden had an average life expectancy of about 83 years between 2015 and 2019. The equal rights among citizens in the country creates an atmosphere that can be referred to as the economics of happiness which was attained through peaceful conduct and co-existence .

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