

## CAPITALIST IDEAS

- ★Consumer Sovereignty - “the buyers rule” buyers determine what goods will remain in production by what they buy or don’t buy
- ★Progress results when individuals follow their own self-interest
- ★Businesses follow their own self-interest when they compete with one another for the consumer’s money.
- ★Each producer tries to provide goods and services that are better and less expensive than those of competitors.
- ★Consumers compete with one another to purchase the best goods at the lowest prices.
- ★Market economy aims to produce the best products at the lowest prices.
- ★Government should not interfere with the economy.

## MARXIST IDEAS

- ★The most valuable resource is labor, the value of a good is measured as the labor required to produce it
- ★Through their work, the working class add value to goods
- ★All great movements in history are the result of an economic class struggle
- ★The “haves” take advantage of the “have nots”
- ★The Industrial Revolution intensified the class struggle
- ★Workers are exploited by employers
- ★The labor of workers creates profit for employers
- ★The capitalist system will eventually destroy itself. The state will wither away as a classless society (Communism) develops

## PRO

- efficiency
- wide variety of goods
- economic freedom
- incentives
- information easily obtained
- simple economic policies

## CON

- inequality (inequity)
- instability - business cycle
- market failures
- monopolies
- public goods
- common resources (tragedy of the commons)

## PRO

- increased benefits for all people (health care, resources)
- “fairness”
- stability
- higher employment
- efficient (for the state to get things done)

## CON

- lack of competition makes innovation less likely
- higher taxes
- higher regulation
- less diversity in products
- lack of incentive to get rich (taxe\$)
- inefficient bureaucracies can mismanage