



## ADVANTAGES OF CAPITALISM

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In every two sides of the coin we can see that one differs from the other and the same holds true in capitalism, meaning there can be advantages and disadvantages too. Capitalism, as we all know is a social system that is based on the principle of individual rights. It is a system comprising economic and social factors wherein the main factors of production which are capital and land are in the individual hands. This only means that capitalism is an economy in which the entire economy is left in the private hands. It allows people to choose whatever kind of work they want to do and where they would like to work. So people can decide on what they will do with their money and where would they want to put or invest their money, that is, in a retirement account or in a stock market.

Apparently, we should be optimistic about what advantages can capitalism bring about. In capitalism, goods and services are traded in open markets and whatever profits it may yield is subject to taxation. Going back to the advantages of what this system brings, one of them is that capitalism encourages competition. Since goods and services are being freely traded in the open market, competition is bound to happen and this too results to the removal of cartels and monopoly. People are also given that chance to land a job. It follows then that labor is needed and therefore capitalism provides employment opportunities for people.

Yes, business becomes available in the open market and these are conducted by the traders who actually avail of a variety of goods and services, thereby increasing trade opportunities. The conclusion then would be that capitalism encourages trade. With this advantage creating a market place for the variety of goods and services, there is a need that arises. This leads to the fact that people need to specialize in an area where they feel they can perform better. Then another advantage of capitalism would be that it leads to the development of a person's skills.

Capitalism not only provides employment opportunities but it also gives room for investment opportunities. The capitalist will seek ways on how they can put their capital into use so as to make profits. As competition levels arise, traders are bound to organize themselves thereby setting a reasonable pricing method wherein all of them would benefit. Scaled down examples of capitalism are the flea markets, bazaars and black market trading. One more thing that holds true about it is that, as long as there is a belief or hope that a person can advance in this system, there will always be that incentive to participate.

Moreover, survival in the capitalist system requires innovation and flexibility to enable them to keep up with the changes of the demand and supply. These are the "good sign of a coin" that capitalism brings about. As a consumer or producer then, the major advantage of capitalism is that, you have the greatest possible freedom to do what you want and you've got the right to choose to buy and produce what you really want.

Questions for discussion:

1. Have you experienced capitalism in your country? Describe how true is this.
2. Do you want your country to practice capitalism? Why or why not?
3. Do you think disadvantages may arise if capitalism is not followed? Justify your answer,
4. Is it rewarding to become a capitalist? Why or why not?
5. Can you name one more advantage of capitalism? What will that be?