

Name _____

Capitalism vs. Socialism

The economic system called capitalism developed gradually over centuries, beginning in the late Middle Ages. Because of the ways industrialization changed society, some people began to think that capitalism led to certain problems, such as the abuse of workers. They responded by developing a new system of economic ideas called socialism.

| Capitalism | Socialism |
|---|---|
| <ul style="list-style-type: none"> Individuals and businesses own property and the means of production. | <ul style="list-style-type: none"> The community or the state should own property and the means of production. |
| <ul style="list-style-type: none"> Progress results when individuals follow their own self-interest. | <ul style="list-style-type: none"> Progress results when a community of producers cooperate for the good of all. |
| <ul style="list-style-type: none"> Businesses follow their own self-interest by competing for the consumer's money. Each business tries to produce goods or services that are better and less expensive than those of competitors. | <ul style="list-style-type: none"> Socialists believe that capitalist employers take advantage of workers. The community or state must act to protect workers. |
| <ul style="list-style-type: none"> Consumers compete to buy the best goods at the lowest prices. This competition shapes the market by affecting what businesses are able to sell. | <ul style="list-style-type: none"> Capitalism creates unequal distribution of wealth and material goods. A better system is to distribute goods according to each person's need. |
| <ul style="list-style-type: none"> Government should not interfere in the economy because competition creates efficiency in business. | <ul style="list-style-type: none"> An unequal distribution of wealth and material goods is unfair. A better system is to distribute goods according to each person's need. |

Directions: Read the chart above. Then fill in the chart below.

| Topic | According to....Capitalism | According to...Socialism |
|---|----------------------------|--------------------------|
| What is the goal of those who believe in this system? | | |
| What leads to progress? | | |
| How should people get goods? | | |
| What role should government have? | | |
| Who owns property and businesses? | | |

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| In what ways is this system good for people? | | |
| What problems can this system result in? | | |

Now consider different people in 19th-century Britain and whether they would be most likely to support Capitalism or Socialism, and why.

| Group of people | In 19 th -century Britain, most likely to support Capitalism or Socialism ? | Why? What experiences have they had that would influence their beliefs? Answer in 2-3 sentences. |
|--------------------|--|--|
| Factory Workers | | |
| Factory Owners | | |
| Unemployed Artisan | | |
| Shop Owner | | |