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### Final

The subject of capitalism has long been both praised and criticized by some of the greatest scholars. But what exactly is meant by the term, “capitalism”? For all intents and purposes of this paper, capitalism will simply refer to the consolidation of such elements as private property, efficient markets, a hierarchical firm, commoditization, and exploitation within a society.

Capitalism is a social structure by which individuals benefit from the products of labor, even if that labor is not their own. It is both a morally objectionable system and one which allows individuals to profit greatly. Despite certain inequalities that emerge, capitalism is nevertheless the solution to the needs of the masses.

Inherent inequalities exist under capitalism because it can only exist in a class-structured society. There is an upper class that dominates, and a lower class that is exploited. The idea of this tiered society is fleshed out further in works presented by Karl Marx. An economist and philosopher by trade, Karl Marx labeled these divided classes as the “bourgeoisie” and the “proletariat”, respectively. The bourgeoisie consists of the capitalists who own property and the means of production, whereas the proletarians are the exploited laborers. Although this system may not sound fair, it ultimately serves as a great solution for many. People require wages to survive, and capitalism makes it far easier for most individuals to earn wages sufficient for survival. Those who would be unable to successfully earn on their own are able to exchange their labor for a

wage. Furthermore, capitalism encourages competition among workers, driving productivity and efficiency. The added benefit of this event is additional access to valuable goods, which ultimately makes everyone better off. Under capitalism, people are also able to own private property which can generate more wealth for the owner. Through means of labor, an owner is even able to intrinsically increase the value of their property. Coupled with efficient markets, individuals can earn more through exchanges and exponentially improve their quality of life. One last benefit of capitalism is it divides labor, and consequently power. Instead of one entity having all means of production, there is room for competition and the result is fair market values.

Some may argue that capitalism is not the best solution for many people. For instance, the more products a worker makes, the less demand there will be for that product, and the less demand for a product, the fewer the number of workers needed for it. In short, this keeps the proletarians in a constant state of worry over their job security because they depend on the bourgeoisie for their wages. It can also be argued that capitalism is oppressive since it rewards the owners disproportionately to the laborers. This is one example of alienation- a commonly referenced problem under capitalism. Laborers are alienated in many ways under capitalism; they are separated from the products they make, each other due to division of labor, and from free choice because they must work in order to survive. The inequality prevalent under capitalism does not go unnoticed and it is often not socially harmonious. To phrase it succinctly, a most unattractive aspect of capitalism is the alienation and discrepancy in compensation between owner and laborer.

Regardless of select rationalizations in opposition to capitalism, the overall impact of the social system is net positive on society. Capitalism promotes the division of labor in a class society and thus improves efficiency and production. Greater universal access to valuable goods and

fair market values makes everyone better off. The potential to generate unimaginable wealth and acquire private property under a capitalist society further serves the role of incentivizing the proletarians to work towards becoming a part of the bourgeoisie. Capitalism inspires hope in people. I maintain that even in spite of the aforementioned problems apparent with a capitalist social structure, it is the necessary solution to many peoples' issues. People require wages to survive, and owners are able to offer jobs that provide such wages. If workers wish to be compensated better for their labor, they are free to try to make it on their own volition but must absorb a much greater risk to their income. Capitalism commoditizes information in a society, so the laboring class is paid accordingly, and it provides those without the skill to do their own business fair occupational opportunity. For more people than not, capitalism makes it possible to earn a regular wage and maintain a higher quality of life.

As far as basic needs, such as housing, sustenance, and money are concerned, capitalism provides the means for many to have access to them. Does this mean it is a path for the majority to become exceptionally wealthy and exceed their wildest expectations? Not necessarily, however, it does allow for the possibility. Laborers compete amongst themselves for better wages and greater opportunities within their given economy. Productivity and owners benefit as a result. Capitalism promotes the possession of private property, which in turn generates wealth for the owner. Free markets allow people to exchange their private property as they please. Finally, the hierarchical firm exists to efficiently coordinate institutions and make operations run more smoothly. Capitalism determines fair rates through the price system, it offers opportunity and hope, and it can be very efficient so, although it has some notable flaws, it is on the whole a net positive social structure.