====================

\*Broad and Shallow Knowledge for Intellectual Conversations\*

Vol 1. [Reality] Chapter 2. [Economics]

> \*\*<Mid Chapter Checkpoint>\*\*

We’ve looked at the economic system so far. In particular, we saw that each economic system was classified according to whether the government intervened in the market. If the system is classified according to the degree of importance on market freedom or government intervention, it can be expressed as follows.

```

Early Capitalism

Neoliberalism (Social Democracy)

┆ Late Capitalism ┆ Communism

┆ ┆ ┆ ┆

Market ────┴────────────┴──────┼─────┴────────────┴───── Government

Capitalism 0 Socialism

```

But there’s one system we haven’t look at: social democracy. This system has its roots in socialism, but allows some degree of freedom of the market. Although it recognizes the freedom of the market, it is similar to late capitalism in that it seeks government intervention, and it is actually difficult to distinguish it. But there’s an obvious difference. If the root of late capitalism is capitalism, then social democracy is born out of socialism. Although their roots are radically different, they resemble each other in their eclectic and moderate aspects.

There are 2 reasons why we didn’t tackle it. First reason is that social democracy is closer to political system than economic. So we’ll look into this in [Politics] Part. Second reason is that we’re not familiar with social democracy. In Korean society it is very unfamiliar. Even though a lot of European countries including Northern Europe chose it. For some reason there seems to be only 2 economic systems for Koreans. Extreme capitalism and communism. In Korean society, in general, when we say capitalism, it implicitly refers to neoliberalism, and when we say communism, it refers to North Korea's distorted fascism system. Economic system is not a religion nor a matter of good or evil. Not right or wrong, but a matter of efficiency and benefit. We should be able to rationally choose which economic system is more helpful to you and to us. The sad thing is that in Korean society, the economic system has become an ideology and a religion. This should not happen in a rational modern society, where those who criticize the current system or talk about the possibility of other systems become heretical and undergo inquisition.

Among 4 economic system we’ve looked at so far, the two most controversial systems in Korean society today are neoliberalism and late capitalism. The perfect free market early capitalism suggests doesn’t exist, and such idea is well known to be nothing but a myth. And people who supports communism is minimal. These extreme systems today lost its persuasive power. In conclusion, the question that Korean society must choose is whether to orient today's Korean society in the direction of neoliberalism or post-capitalism. These two systems are known to us today as the problem of 'growth and distribution'. Let's look into it.

====================