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\*Broad and Shallow Knowledge for Intellectual Conversations\*

Vol 1. [Reality] Part 2. [Economics] Chapter 3.

> \*\*[Capitalism and Communism]\*\* - I grant thee a means of production

We can largely divide economic systems into two: Capitalism and Communism. Capitalism allows private properties, and Communism not. This is the common explanation, but it’s half right. You can own private property in Communist society. For example, concept of ‘mine’ exists in North Korea. There is definitely my chair, my clothes, my food, my furniture, my car, and they these are undoubtably my property. To see how different they are, we need to know the concept of ‘wealth’ and ‘property’.

‘Wealth’ has two parts. Means of production and surplus (excess products). We learned the difference between the two in the [History] chapter. For reminder, means of production is the bread factory worth million dollars, and surplus loaves of bread worth million dollars. Bread after use just disappears, but bread factory will continuously produce bread, and make him rich. Means of production are things such as factories, buildings, farms, machines, large capital, and they’re different from my chair, clothes, food, furniture, car. Means of production brings wealth, but surplus disappears after use.

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(Wealth & Property)

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means of production surplus

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So means of production becomes a problem. If someone monopolizes it, him or her receives massive wealth, but someone who doesn’t will have to earn a living through labor. Wealth gap(inequality) happens not because of surplus but means of production. Because of its social influence means of production creates, Communist society doesn’t allow individual to have means of production. Instead, they take capitalist’s means of production and return it to workers. Workers have \*common ownership\* of means of production, and country manages it. Like this, country managing means of production is called \*Nationalization\*. Conversely, allowing private ownership of means of production is called \*Privatization\*.

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[Admission of private ownership]

│ means of production │ surplus

Capitalism │ O │ O

Communism │ X │ O

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Communism prohibits private ownership of means of production, and manages them country-wise. Capitalism on the other hand allows private ownership of means of production. Now the difference is clear. The difference is ‘Admission of private ownership’. Capitalism allows both means of production and surplus. Communism allows surplus but not means of communism.

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Q: country/state