

Capitalism

Capitalism is an [economic system](#) based on the [private ownership](#) of the [means of production](#) and their operation for [profit](#).^{[1][2][3][4]} Central characteristics of capitalism include [capital accumulation](#), [competitive markets](#), [price system](#), [private property](#), [property rights](#) recognition, [voluntary exchange](#), and [wage labor](#).^{[5][6]} In a [capitalist market economy](#), decision-making and investments are determined by owners of wealth, property, or ability to maneuver capital or production ability in [capital](#) and [financial markets](#)—whereas prices and the distribution of goods and services are mainly determined by competition in goods and services markets.^[7]

[Economists](#), [historians](#), [political economists](#) and [sociologists](#) have adopted different perspectives in their analyses of capitalism and have recognized various forms of it in practice. These include [laissez-faire](#) or [free-market capitalism](#), [anarcho-capitalism](#), [state capitalism](#) and [welfare capitalism](#). Different [forms of capitalism](#) feature varying degrees of [free markets](#), [public ownership](#),^[8] obstacles to free competition and state-sanctioned [social policies](#). The degree of [competition](#) in [markets](#) and the role of [intervention](#) and [regulation](#) as well as the scope of state ownership vary across different models of capitalism.^{[9][10]} The extent to which different markets are free and the rules defining private property are matters of politics and policy. Most of the existing capitalist economies are [mixed economies](#) that combine elements of free markets with state intervention and in some cases [economic planning](#).^[11]

[Market economies](#) have existed under many [forms of government](#) and in many different times, places and cultures. Modern capitalist societies developed in Western Europe in a process that led to the [Industrial Revolution](#). Capitalist systems with varying degrees of direct government

intervention have since become dominant in the [Western world](#) and continue to spread. [Economic growth](#) is a characteristic tendency of capitalist economies.^[12]

Etymology

History

Characteristics

Supply and demand

Types

Capital accumulation

Wage labor

Criticism

See also

References

Further reading

External links

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