

The flaws of capitalism.

Capitalism is an economic system where capital, market and property are owned and controlled privately.¹ Capitalist ideology pushes the idea that competition benefits the world overall and has overarching ideals of freedom,² however the reality of capitalism is littered with inequalities. The failure of communism in Europe has likely led to the legitimization of capitalism in the West, but I found myself wondering whether this system is truly the best solution to the issues caused by communism. I intend to explore the perceived and indisputable benefits of capitalism, as well as the areas where capitalism fails despite its undeniable success.

Capitalist ideals of equality differ far from the communist ideals as they take a more individualist approach. Instead of eliminating all competition for the sake of equal standing, capitalism veers more towards equal opportunity for all. Under capitalism everyone is entitled to own property, land and other assets,³ competition within consumer markets creates a higher number of products to choose from,⁴ and this competition then bleeds into the job market, offering opportunity to switch jobs if better pay becomes available.⁵ These are only some of the benefits to a capitalist system, but they all felt impactful to me. For example, having the right to own property gives citizens a feeling of security that what they own will not be taken from them, and seeking out higher pay will give people a chance to better their living standards. However, having grown up in a capitalist country, it is clear that these ideals have ignored the inequalities and negative consequences that occur as a result of their implementation.

The inequalities of capitalism stem from the systems colonialist roots. Colonialism can be seen as an early form of capitalism due to its exploitation of slaves and labourers to make profit for wealthy elites.⁶ Even before large scale production was utilised, capital was acquired through theft as European expeditionists pushed forward in colonialist expansion.⁷ Nobility, monarchs and state representatives would support these expeditions as they would receive monetary gains if they were successful.⁸ Eventually colonialism shifted towards imperialism, and the countries that were colonised mostly remain poor to this day, while the colonisers who exploited them are considered rich.⁹

¹ Sarwat Jahan and Saber Mahmud, *Back to Basics: Economic Concepts Explained*, (International Monetary Fund, 2019), p. 2.

² Ibid., p. 2.

³ Ibid., p.2.

⁴ Ibid., p. 2.

⁵ Ibid., p. 2.

⁶ Boike Rehbein, 'Capitalism and Inequality', *Sociedade e Estado*, (2020) p. 699.

⁷ Ibid., p. 699.

⁸ Ibid., p. 699.

⁹ Ibid., p. 700.

This displays the disparity between those in power and normal people throughout the history of capitalism in their ability to make money and change social standing.

Examining the modern era of capitalism, it is evident that there is a huge wealth divide between social classes. It was reported in 2018 that the 26 richest men in the world owned an equal amount of wealth as the poorer half of the world,¹⁰ and in the UK, the top 10 percent hold 57 percent of all wealth.¹¹ Capitalism promises equal opportunity, but it appears that only those who are already rich can take advantage of competing for more capital, while everyone else is only able to consume what comes of that, thus making the rich richer.¹² Capitalism continues to be more successful than communism, but the lack of an authoritarian regime doesn't mean that this system isn't causing people to suffer. Even taking political action is difficult for normal individuals considering that politics is heavily influenced by the rich and powerful.¹³ There is little that can be done to make any reasonable change at this point.

Another major downfall of capitalism is the negative impact it has on the environment. Plastic, for example, is produced heavily under capitalist systems, used in almost everything we own and buy. We consume so much plastic that we are now at the stage of finding it within the human body.¹⁴ Capitalist systems sell consumers this ideal that plastic can be recycled, when in reality many countries send their plastic to Asia to be dealt with, and a lot of it ends up polluting rivers or being thrown in landfills.¹⁵ I find it horrifying that there are trillions of pieces of plastic in our oceans,¹⁶ and that the fault largely lies with greedy business people who care more about money than our planet. It is impossible to recycle the amount of plastic produced each year, yet we are encouraged to recycle because it shifts the responsibility to us, instead of the oil companies that benefit from its creation. That seems to be one of the most devious aspects of capitalism. We are lied to about destroying our planet simply to line the pockets of those who already have more money than anyone could imagine.

The core issue with capitalism is that it promises more than it can reasonably provide. The idea of equal opportunity looks good on paper, but through its implementation, it is evident that capitalism only exists to serve the wealthy. From its origins in colonialism to the modern-day wealth divide, the average person is only viewed as a consumer, and

¹⁰ Ibid., p. 696.

¹¹ James Norrington, 'Britain Has the Worst Kind of Inequality', *Investors' Chronicle*, (2026) <<https://www.investorschronicle.co.uk/content/ac6d3fe1-641d-4711-9096-aef4cf6cbb25>> [accessed 16 June 2026].

¹² Rehbein, *Sociedade e Estado*, p. 696.

¹³ Luiz Carlos Bresser-Pereira, 'Inequality and the Phases of Capitalism', *Forum for Social Economics*, 43.3 (2014), p. 6.

¹⁴ Nanjala Nyabola, 'Nothing Encapsulates the False Promise of Capitalism Like Plastic', *The Nation*, (2023) <<https://www.thenation.com/article/environment/plastic-recycling-capitalism/>> [accessed 16 June 2026].

¹⁵ Ibid.

¹⁶ Ibid.

there is little consideration for what can be done to better their lives. There is no doubt that communism is not the solution to inequality, but neither is capitalism, and in this current day, it is hard to imagine what it would take to encourage some selfless action from those sitting at the top of the world.

Bibliography:

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