**CAPITALISM: PROS AND CONS, THE CASE OF GREECE**

Student names and numbers

*University of Macedonia, Department of International and European Studies*

1. **Introduction**

The widespread implementation of capitalism all over the world is undisputable. Yet despite its multiple benefits, many believe that capitalism has negative effects on the society and suggest other policies instead. Given the multilateral aspects of its use and the mixed opinions on the issue, one wonders which world we would prefer to live in. This paper aims to probe into this question by explaining in detail the advantages and disadvantages of capitalism and taking a stance on its implementation in Greece.

1. **Methodology**

The topic is investigated through a literature review of many relevant sources.

1. **Results**

Capitalism is defined as an economic system in which a country’s trade, industry and profits are controlled by private companies instead of by the people whose time and labor powers those companies. According to Kelly (2020), in the purest form of capitalism, which is a free market, individuals are unrestrained and they determine where to invest, what to produce or sell, and at which prices to exchange goods and services. Today, most countries practice a mixed capitalist system that includes some degree of government regulation of business and ownership of select industries. Some examples of capitalist countries are The United States, France and Germany (Kelly, 2020).

According to the supporters of capitalism, there are many advantages of this system. As reported in Pettinger’s article (2019), the motivation to be rich encourages innovation, the firms have more incentives to be efficient and consumers are free to choose products they desire. Also, capitalism prevents large bureaucratic government and compared to the other systems, it’s the best choice for every country. As Milton Friedman said, “A society that puts equality before freedom will get neither. A society that puts freedom before equality will get a high degree of both.” Another quote is that of former British Prime Minister Margaret Thatcher, whose pro-capitalism stance is said to have devastated the British working class: “There is no alternative.” ([Pettinger](https://www.economicshelp.org/blog/author/tejvan/), 2019, n.p.).

On the other hand, those who are critical of capitalism believe that it is not the appropriate system for a country. As Pettinger (2019) states, they attribute this to the monopoly power firms acquire and benefit from and their exploitation of consumers, as well as to the monopsony power which leads to low wages. Furthermore, they claim that the environment is damaged due to externalities, that there is large inequality and that the firms are prone to "boom and bust" in business circles. According to Karl Marx, “Just as man is governed, in religion, by the products of his own brain, so, in capitalist production, he is governed by the products of his own hand.” ([Pettinger](https://www.economicshelp.org/blog/author/tejvan/), 2019, n.p.).

1. **Personal stance**

Concerning the case of Greece, today Greek capitalism is at the focal point of international developments. In response to the prior serious economic crisis, it instigated extensive restructuring, the aim of which was to transform it from a system driven by the state and the public sector into one led by the private sector. (Papadatos, 2015)

After the end of the implementation of the memoranda in 2015, a new government came that aimed to implement its liberal policy and increase the country's competitiveness. It achieved this by strengthening the private sector as well as by modernizing and greatly upgrading the public sector. In addition, a favorable environment was created in order to attract foreign investments which would lead to a significant increase in jobs. This was done by adopting the appropriate legislation for investments, and by reducing the bureaucracy so that large multinational companies prefer Greece for new investment projects. All this led to the prediction of a very successful presence of the capitalist system in our country.

In conclusion, it’s a well-known fact that this is not the first time that a capitalist system has been applied in Greece. However, through the policies of the current government, it seems that this time the goal of the economic recovery will be achieved. With this upgrade of the capitalist system, it is certain that there is no other alternative for the country now.

1. **References**

Desmond, M. (2019). “In order to understand the brutality of American capitalism, you have to start on the plantation”. *Nytimes.* Accessed from <https://www.nytimes.com/interactive/2019/08/14/magazine/slavery-capitalism.html> on 13/4/2021

Kelly, K. (2020). What ‘Capitalism’ is and how it affects people. *Teenvogue.* Accessed from<https://www.teenvogue.com/story/what-capitalism-is> on 13/4/2021

Papadatos, D.(2015). A problematic strategy for Greek capitalism. In Mavroudeas, S. (Ed.), *Greek Capitalism in Crisis* (pp. 67-69) New York, NY: Routledge. Accessed from <https://eclass.uoa.gr/modules/document/file.php/ECON616/Greek%20Capitalism%20in%20Crisis_%20Marxist%20Analyses-Routledge%20%282014%29%20%281%29.pdf> on 13/4/2021

[Pettinger](https://www.economicshelp.org/blog/author/tejvan/), T. (2019). Pros and cons of capitalism. *Economicshelp.* Accessed from <https://www.economicshelp.org/blog/5002/economics/pros-and-cons-of-capitalism/> 13/4/2021