**Socialism**

What is **Socialism**

Following are the main characteristics of socialism

1. Public Ownership

2. Planned Economy

3. Classes of Society

4. State is responsible for basic necessities of life

5. Equal Opportunity to all

6. Non-existence of competition and limited choice of consumer products

7. Pricing Mechanism

**Public Ownership**

It has the public ownership of all the means of production and distribution. This is also known as collective ownership whereby all means are owned, controlled and regulated by the state. In socialist economic system the basic motive of government is not profit but to get targeted objectives.

**Planned Economy**

State is responsible to plan all the economic activities like production, exchange, distribution and consumption which have great importance in socialism. Since the laws to demand and supply do not operate in this system, the country is more likely to incur speedy economic growth and since the state is solely responsible for the distribution of wealth, the society as a whole prospers.

**Classless Society**

In a capitalist economic system there are different living standards like upper, middle and lower class. Structure of capitalist society is determined through financial and economic position of members. However in a true socialist society everyone is equal as far as economic status is concerned.

**State is Responsible for Basic Necessities of Life**

Mainly there are six basic needs in life and such needs are promised by central authority i.e state. Those needs are food, shelter, clothing, health, education and employment. In this economic system stated needs will be provided without any discrimination.

**Socialism Provides Equal Opportunity**

Although there may not be a complete guarantee of income equality, socialism guarantees to provide equal opportunity. Every potential individual will take into account as per the skills, talent and ability which will determine their success. Thus, their economic rights are automatically protected by their duties and no one is deprived of their basic needs.

**Non-existence of Competition and Limited Choice of Consumer Products**

Under the socialist economic system there is absence of competition in the market. The state has full control over production of goods and services. Moreover since this system focuses on necessities in life, choice in consumer products is limited and only confined to the essentials.

**Pricing Mechanism**

The pricing process does not freely but works under the control and regulation of the central planning authority. In socialist economy price have vital importance. Two types of prices prevailing the in this economic system one is market prices and other is accounting prices. Market prices are for consumer goods, while accounting prices helps managers to take decision about production of consumer and investment goods and production method.

Examples: Sweden, Canada, France, Great Britain

The Reality: Excruciatingly high taxes

Cradle to the grave minimum standards

Anyone with money leaves

Anyone who wants to work hard leaves

Oligarchy (elected and unelected) runs the country

Few choices in ideas in elections

The same party(ies) run the country

Consumer products limited and expensive

Art is co-opted to glorify Socialism

Ownership is limited; rent/lease from the state