**Ten Characteristics of Communism in Theory**

In the [Communist Manifesto](http://www.nyu.edu/projects/ollman/docs/vision_of_communism.php), Marx outlined the following 10 points:

1. Abolition of property in land and application of all rents of land to public purposes.
2. A heavy progressive or graduated income tax.
3. Abolition of all right of inheritance.
4. Confiscation of the property of all emigrants and rebels.
5. Equal liability of all to labor. Establishment of industrial armies especially for agriculture.
6. The combination of agriculture with manufacturing industries. The gradual abolition of the distinction between town and country. This will be achieved by a more equable distribution of population over the country.
7. Free education for all children in public schools. Abolition of children's factory labor. The combination of education with industrial production.
8. Centralization of credit in the hands of the state. It would own a national bank with state capital and an exclusive monopoly.
9. The state would control communication and transportation.
10. The state factories and instruments of production. It would cultivate wastelands and improve the soil. This would follow a common plan.

The manifesto mentions state ownership in its last three points. That makes even this pure vision of communism sound like socialism. But Marx argued that state ownership is a valid stage in the transition to communism.

In a true communist economy, the community makes decisions. In most communist countries, the government makes those decisions on their behalf. This system is called a [command economy](https://www.thebalance.com/command-economy-characteristics-pros-cons-and-examples-3305585). The leaders create a plan that outlines their choices. It's executed with laws, [regulations](https://www.thebalance.com/financial-regulations-3306234), and directives.

The goal of the plan is to give to "each according to his need."  Communist countries have free health care, education, and other services. The plan also seeks to increase the nation's [economic growth](https://www.thebalance.com/what-is-economic-growth-3306014). It secures national defense and maintains infrastructure.

The state owns businesses on behalf of the workers. In effect, the government owns a [monopoly](https://www.thebalance.com/monopoly-4-reasons-it-s-bad-and-its-history-3305945). The government rewards company managers for meeting the targets detailed in the plan.

In communism, central planners replace the forces of competition and the laws of supply and demand that operate in a [market economy](https://www.thebalance.com/market-economy-characteristics-examples-pros-cons-3305586). They also replace the customs that guide a [traditional economy](https://www.thebalance.com/traditional-economy-definition-examples-pros-cons-3305587).