

Comparison between Socialism, Capitalism, and Islamic Economic Systems

- **Socialism** or **Communism**: “From each according to his ability, to each according to his needs.” By Karl Marx. Communism economic system attempts to maximize happiness by forcing equality of outcome.
- **Capitalism**: Is an economic system characterized by private ownership of the means of production, especially in the industrial sector. Capitalism economic system attempts to maximize happiness by maximizing the production of goods and services. When you’re in a system that is designed to maximize production, the success of you as an individual is a function of how much goods and services you’ve been able to produce and sell. This is why stay-at-home mothers in a Capitalist society are valued at zero despite their functions being invaluable to a society’s overall health and happiness.
- **Islam**: Even within heaven and hell, Muslims believe there are levels. This is consistent with the concept of fairness since not having levels means that different levels of good deeds or bad deeds would be rewarded with the same outcome. But essential needs including: water, open pastures and fire (energy) are common, i.e. owned by the public (government).

	Capitalism Personal Responsibility	Socialism Government Responsibility	Islam Personal & Government Responsibility
Ownership	Private	Government	Private, public (Government), and endowments
Price control	Supply and Demand	Government control	Mixed
Income size	Important, depends on market forces (Highly efficient)	Not important (Badly inefficient)	Important, depends on market forces (Highly efficient) and Profitless for essentials
Income distribution	Private control	Government control	Mixed
Essential needs: (Water, Energy, Education, Health Care, and Accommodation)	Private (Market price)	Government control (Guaranteed for free)	Private (Market price) Government control (profitless) for essentials (Some are guaranteed and some are supported)
Gov. Support	Limited	Full	Low for private, and Full for essentials
Taxes	Low	Full control on the income	Low for private, and None for essentials
Borrowing	Common with interest	N/A	Low without interest
Problems (Cons)	Monopoly, cartel (Harsh individuals)	Inefficiency (Harsh economy)	Efficient without monopoly (Serves all)
Advantages (Pros)	Dynamic, Innovative, with no support for essentials	Inefficient with full support in all matters	Dynamic, Innovative, with full support for essentials