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## WORLD VIEWS

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# EXCELLENCE



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# TABLE OF CONTENTS

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EXECUTIVE SUMMARY

SECTION 1: EXPLANATION OF TWO DIFFERENT WORLD VIEWS

SECTION 2: ANALYSIS IN RELATION TO ASPECTS OF SUSTAINABILITY

SECTION 3: COMPARISON OF EACH OF THE TWO WORLD VIEWS

SECTION 4: COMPLEXITIES EXPLORED

BIBLIOGRAPHY

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### **executive summary**

The worldviews of the capitalist and Marxist ideologies are defined and values and practices are listed. Capitalist and Marxist ideologies are critically analysed in terms of how their values are associated with aspects of sustainability. The present and future issues of both systems are presented and an understanding of the changing values and complexities of both systems is given to give a conclusion on these two worldviews.

### WHAT IS CAPITALISM?

There are varying definitions of what capitalism is in social, economical, political and legal terms. Overall, a capitalist system is where the state's means of production is dominantly controlled by individuals and private groups rather than by the government itself. The capitalist system flourishes under a free market where people are able to barter and buy items with little to none government interference or influence. This is called a *laissez-faire*, a variation of capitalism, where there is an abstention by governments to obstruct the workings of a free market. However, there is no country that has a complete free market.<sup>1</sup> A form of capitalist economy has existed in many different countries with many different forms of government<sup>2</sup>, the mixed economy being the most popular. In the end of the 19th century, capitalism has become the global economic system boosting other globalisation and productivity and later in the 20th century has become the most used economic system, with the mixed-economy aspect being the most dominant and thus many countries have adopted capitalist practices and values.



### CAPITALISM VALUES AND PRACTICES

The idea of capitalism has developed in many ways since it's conception. The values and practices are too broad, in fact, and thus had to be generalised due to its complexities. Kristina Zucchi's Investopedia article largely inspired these values and practices: *Main Characteristics of Capitalist Economies*. The terms are hers, however, how it is explained and analysed is mine.

- 1.) A capitalist economy must always have a **profit motive**. This value, or characteristic, one might say, is the core of capitalism. People, and thus to that extent businesses, exist to accumulate capital. An individual under a capitalist system main incentive is to create and sell goods and services that create profit. Generating profit allows a cycle of productivity to happen in society. People work to reach the profit motive of the company, and if achieved, is thus rewarded - allowing them to be consumers who buy the products in the first place.
- 2.) In a capitalist economy, there is often a **two-class system**. Generally, people in the capitalist system are compartmentalised into: a.) the capitalist class - people who own the means to produce and distribute products and b.) the working class - people who sell their services to the affluent capitalists in exchange for wages. The working class maintains the capitalist class businesses, while the individuals or groups of people (also known as a corporations) in the capitalist class run the economic system to keep it prosperous for both classes.
- 3.) **Competition** is also very much present in a capitalist economy. Competition is needed for capitalism to work because it is the means by which the excesses of individual self interest are controlled. Without competition, there will be monopolies - a contradiction to one of the foundations of capitalism, which is: "*freedom of economic choice and freedom of enterprise*"<sup>3</sup>. This is because monopolies start to gain favour to the seller setting the price and not the market. Competition is good for a capitalist economy because it allows a fair, and maybe even lower prices, greater diversity and quality in products.
- 4.) One of the most important and unique value of capitalism is **it's ability to accept change**. The rise of technology and companies willingness to adapt and improve the present economic system allows efficiency and continuing use of the capitalist system. Capitalism allows the destruction of ineffective economic system. Thus, the capitalism system we base our market upon is always new and changing appealing to the masses of whichever time period, thus permitting this economic system to permeate the Western world not only before and today, but also in the future.

The USA is perhaps the most common example of a country thriving under a capitalist economic system. Like many other countries, America is under a capitalist mixed economy, with the government and society having a more capitalist focus. It is the world's largest economy, producing 22% of the world's nominal

<sup>1</sup> Stilwell, Frank. "Political Economy: the Contest of Economic Ideas." First Edition. Oxford University Press. Melbourne, Australia. 2002.

<sup>2</sup> Scott, John (2005). *Industrialism: A Dictionary of Sociology*. Oxford University Press.

<sup>3</sup> "Capitalism." *Compton's by Britannica. Britannica Online for Kids. Encyclopædia Britannica, Inc.*


gross domestic product.<sup>4</sup> According to Paul Reynolds, entrepreneurship scholar and creator of the Global Entrepreneurship Monitor, *"by the time they [American men] reach their retirement years, half of all working men in the United States probably have a period of self-employment of one or more years"*<sup>5</sup>, showing that America is a prime example where high levels of competition between businesses exist. Furthermore, America is also a country where the people's culture itself values accumulation of capital - seeing it as a way to become successful and 'get ahead' of life. The country is a hub for enterprise, innovation and research. Giving the world the first long-lasting light bulb, phonograph and movie camera are just some examples of the country's long-list of innovation that benefited the world.

## WHAT IS MARXISM?

Marxism is a social and economic system based on the philosophical ideas of Karl Marx and Friedrich Engels. It's a system of political, social and economic organisation in which industry, capital, land and other means production are owned and controlled by the community as a whole. Marxism believes on the abolition of the capitalist system, which production is ruled on private ownership. Marx and Engels believe that a classless society, unlike that of the capitalist society, which promoted a hierarchal one, would lead to happiness, prosperity and freedom for all. Like capitalism, there is no country today, and arguably ever, that have lived in purely Marxist values. There are and were countries that adapted some Marxist values such as the USSR, China and Cuba. Marxism has been developed and like capitalism, has an umbrella, with the most recognised being communism and socialism. Marxism, unlike capitalism, is harder to implement and maintain. Most of people today consider it an idealistic social-economic political philosophy. Marxism holds the belief that if the system was applied human greed and corruption will cease to exist.

## MARXISM VALUES AND PRACTICES:

The Marxist system aims to oppose the capitalist system which they believed was based on *"inequality and on the alienation and exploitation of the majority (by means of the system of wage labor), a system whose purpose is to obtain profits for some people rather than satisfying the needs of all."*<sup>6</sup> Marxist does this by believing that:

- 1.) As an anthesis to capitalism, Marx and Engels' believed that **society must develop and be classless**, where the majority rules. This classless society, Marx believes, will stabilise any economic downturns and crises. Furthermore, as there is no class conflict, productivity will increase in society.
- 2.) **The true value of goods, the Marxist system proposes, relies on the labour of the workers who produced it.** Thus, Marx proposes a more equal exchange of profit than what the capitalism practices. By having the value of goods equivalent with the labour of workers, the social and economic climate of the country will remain stable. Products would not be identical to one another, but rather unique and an expression of the worker's personality. Furthermore, if this practice is maintained, the quality of life and opportunities will equalise. 
- 3.) Unlike capitalism, **there is a lack of competition in a Marxist society.** This is because the system does not believe that an individual is important, they only *become* significant when they act together as a class. As the system promotes a type of 'equal utopia', a lack of freethinking and ideas becomes concealed. This poses a problem because it hinders innovation and advancement. However, the system has the ability provide better welfare, stable economic growth and greater efficiency.
- 4.) **All these values will lead to a communist society, utopia.** Marx believed that communism is the last stage of an economic, political and social society. After capitalism has been thrown by a revolution, a socialist society will emerge and finally a communist one. A communist society is a utopia where there is an absence of money, class and state. Some consider it anarchy. Any country that has practicing or is practicing Marxist values has never achieved Communism.

<sup>4</sup> "Reported for Selected Countries and Subjects - United States of America" International Monetary Fund

<sup>5</sup> Reynolds, Paul D. "Entrepreneurship in the United States", Springer, 2007,

<sup>6</sup> "The Basic Principles of Marxism - Critique Sociale." Critique Sociale. N.p., 12 Mar. 2009.




The most popular example of a country attempting to practice Marxist values is the Union of Soviet Socialist Republics. There were many positive effects of incorporating Marxist values into the country. Before 1917 (when the Revolution and thus the establishment of Marxist values to replace capitalist), education was not free and impossible to access to many children from the working class, it was estimated that from 1917 that 75-85% of Soviets were illiterate<sup>7</sup>. However, when Marxist values were established, the government placed importance on education and by the 1960s nearly all Soviet children had access to education<sup>8</sup> and “the number of higher education students per the population of 10,000 was 181 for the USSR, compared to 517 for the U.S.”<sup>9</sup> However, maintaining such a level of equality and welfare for all in a large country proved that Marxist values could not be maintained. The lack of economic incentives from the system was not enough for the Soviet people to become productive, leading to the dissolution of the USSR during the 1980s. There are still Marxist systems today that continue to exist, such as China, Laos, Cuba and Vietnam, however most have incorporated capitalist values into their economic system.

## section 2: analysis in relation to aspects of sustainability

### **CAPITALISM VALUES AND PRACTICES AND ITS RELATIONSHIP WITH ASPECTS OF SUSTAINABILITY**

To a large extent, capitalism's values and practices are not sustainable in terms of all aspects of sustainability (economic, social, environmental and cultural sustainability). This is because:

**1.) Capitalism's value on capital accumulation** and how it is practiced (which is to produce as much products as long as it appeals to masses, also known as the ‘grow or die’ idea) **is not economically and environmentally sustainable**. This is because the pursuit of profit essentially rests on the exploitation of our natural, environmental resources. People need nature to create their products. However, available resources are finite in quantity and as capitalism depends on economic growth which needs the environment to keep being productive. This means that capitalism in its inherent state of consuming products and value on capital accumulation is not economically sustainable. Furthermore, countries in any form of capitalist economy also destroy its natural environment with the need to accumulate as much as profit as possible. For example, 86% of all types of energy used in America is obtained from fossil fuels, which has a close connection to greenhouse gas emissions. America is the second largest emitter, after China of carbon dioxide from fossil fuels<sup>10</sup>, showing a country living by the capitalist model being environmentally unsustainable. 

**2.) The hierarchy present in capitalism is not socially sustainable.** The economic system does not promote equity within and between generations, ethnic and social groups and embrace development of the mental and physical wellbeing of people and the cohesion of communities. Instead, capitalism need for profit and constant innovation has associated the system with “social inequality; unfair distribution of wealth and power; materialism; repression of workers and trade unionists; social alienation; economic inequality; unemployment; and economic instability.”<sup>11</sup> “The rich get richer and the poor get poorer” is a catchphrase often associated with capitalism and how the capital is often concentrated on the hands of the already rich capitalists. For example, a study shows that in the United States, 43.35% of people named in the *Forbes* magazine ‘44 richest individuals’ list were already born rich<sup>12</sup>. This shows the lack of equal opportunity present in the capitalist system. This example shows that affluent capitalists are able to give their children a better education while poorer capitalists cannot. This cycle does not end in one generation but in future generations too, showing the economic and social inequality faced by people who live under a capitalist system, exemplifying a lack of social sustainability.

<sup>7</sup> Gamper, Bryce, and Philip Plowright. *Considering Research: Reflecting Upon Current Themes in Architectural Research By Architectural Research Centers Consortium*.

<sup>8</sup> Law, David A. (1975). *Russian Civilization*. Ardent Media. pp. 300-1.

<sup>9</sup> Pejovich, Svetozar (1990). *The Economics of Property Rights: Towards a Theory of Comparative Systems*. Springer Science+Business Media. p. 130. ISBN 978-0-7923-0878-2.

<sup>10</sup> Vidal, John, and David Adam (2007-06-19). “China Overtakes US as World's Biggest CO<sub>2</sub> Emitter”. *Guardian*.

<sup>11</sup> Korstanje, M (2015) Review: *Why Nations fail. The origins of Power, Prosperity and Poverty*. *Journal of International and Global Studies*. Volume 6, Issue 2. May 2015. (pp 97-100).

<sup>12</sup> Kelly, Charles M. “The New American Royalty.” *Class War in America*.

3.) **The capitalist model, and its aspect of innovation, is not culturally sustainable.** As seen in Western Europe and America, adapting the capitalism (while a mostly economic-political system) has radically altered traditions and transformed social interaction. A way that the capitalist system slowly changes these cultures is through their value on innovation. As new ideas and thus technologies and industries appear, they render the old one obsolete. The division of labour alters traditional practices and cultural norms. While capitalism creates a dynamic environment, it can also create a homogenous one. One can only look at McDonalds. Serving an estimated 68 million people a day in 119 countries and across 35,000 outlets<sup>13</sup>, the company is everywhere around the world and causing a significant cultural impact. With companies such as McDonalds sphere of influence, it has the power to destroy local cuisine and homogenise taste and while cultural sharing, to an extent, is a good thing - it becomes wrong and destructive when it becomes the norm.

## **MARXISM VALUES AND PRACTICES AND ITS RELATIONSHIP WITH ASPECTS OF SUSTAINABILITY**

The Marxist system has a more positive relationship with aspects of sustainability. Indeed, a country practicing Marxist values, Cuba, is considered to be one of the most sustainable countries in the world. However, like capitalism, the Marxist system lacks environmental sustainable practices.

1.) **The Marxist system promotes the welfare of its citizens, exemplifying strong social sustainability.** Cuba, the only country that is considered to retain most of the Marxist system values<sup>14</sup> has a very high human development (0.815) in North America, just behind Canada and America. Education expenditures is a priority in the country (10% of its budget) compared to that of the capitalist (and world) superpowers like United Kingdom (which only spent 4%) and the United States (which only spent 2%)<sup>15</sup>. Unlike capitalism, which believed that development could only be achieved through capital accumulation, the Marxist system believes that putting priority on the welfare of its citizens is the one that will raise labour productivity. The Marxist system believes that having an education focus will allow the development of the 'New Man' - *"a class-conscious, knowledgeable, heroic, proletarian person devoted to work and social cohesion, as opposed to the antithetic "bourgeois individualist" associated with cultural backwardness and social atomisation."*<sup>16</sup>. The equal access to these services means that basic needs are met, quality of life is maintained, and strong social communities are established, reinforcing the social sustainable practices. However, that is not to say that there is room for improvement. The Cuban government limits the freedom of the press, expression and association, a lack of social sustainability.



2.) **The lack of competition creates an internally stable economic system, exemplifying strong economic sustainability.** As Marxist is focused on the improvement of society as a whole and not just economic profit, this will lead to an economy that utilises products and services for the wellbeing and aspirations of the present generation, and for generations to come. For example, Cuba, which has a low economic productivity practices economic sustainability. With the loss of oil, machinery and pesticides from the embargo, Cuba changed its industrialised agricultural economy to a more ecological one. There was now an emphasis to create a sustainable urban agriculture. Cubans get 80-100% of their food through urban agriculture<sup>17</sup>, making the country economy independent in this sense. These resources are sustainable because the consumers themselves, ensuring a sustainable future for themselves and their family, grow them. The lack of competition in the economy allows a cohesive, harmonious economy development. However, like above, there is still room for improvement. The equality present in the Marxist system disallows a person to accumulate savings and an inheritance for the future generations, a lacking present in the Marxist system regarding their economic sustainability.

3.) **The Marxist system has a mixed relationship with environmental sustainability regarding on which country.** As Cuba was dependent on their environment for their agriculture and their exports, the country has taken a priority to look after it. There was a focus on reforestation efforts and in between 1990

<sup>13</sup> "McDonald's Momentum Delivers Another Year of Strong Results for 2011". Yahoo Finance. 2012. Retrieved January 25, 2012.

<sup>14</sup> Trainer, Zachary. "Communism and Sustainability." Institute for Advanced Architecture of Catalonia. N.p., 9 Dec. 2014

<sup>15</sup> Latin lessons: What can we Learn from the World's most Ambitious Literacy Campaign? by The Independent, November 7, 2010

<sup>16</sup> "The Benefits of Communism." Boundless.

<sup>17</sup> Stephens, Elisha. "How Cuba Survived Peak Oil: A Review." Daily Kose. N.p., 12 Mar. 2007. Web.


and 2005, Cuba had gained 31.8% of its forest cover again.<sup>18</sup> However, not all countries that practice Marxist values are like Cuba. For example, the Soviet Union was focused more on industrialisation for economic development and thus did not focus on the environmental impacts. Once the world's fourth largest inland body of saltwater, the Aral Sea has gradually shrunk and by 2007 had declined to 10% of its original size because of a massive irrigation project that diverted waters into the cotton fields<sup>19</sup>. The shrinkage of the sea meant that many marine life systems and biodiversity have vanished, exemplifying a lack of environmental sustainability. Like capitalism, the Marxist system did not understand that there was only a finite natural resources in the Earth.

### section 3: comparison of each of the two worldviews

#### **CAPITALISM'S PRESENT ISSUES:**

Capitalism's present issues is vast and complex and thus condensing and choosing a limited few is needed to make this section succinct but still comprehensive.

1.) **Vulnerability to recessions** - the capitalist system through time has shown that it is vulnerable to economic downturns, exemplifying a lack of economic sustainability. As explained by Marx in his crisis theory<sup>20</sup>, capitalism's demand for labour power that raises wages, the uncertainty of the accumulation of capital and its intensity, and the system's overproduction can all lead to a slowdown of economic activity and thus a recession. Therefore, capitalism's system in placing capital accumulation above all is an issue that is quite unique to this specific economic system. In America, on to the Great Depression and onward, there have been 14 recorded recessions, only reinforcing the vulnerability of the capitalist system through downturns. The lack of a concrete solution also makes this a troubling issue, as the negative effects of a continuous recession can not only be an economic sustainability problem, but a social sustainability one too.

2.) **Growing wealth gap** - capitalism's goal for profit and its hierarchal structure creates a growing wealth gap for the people who live under the system. This exemplifies a lack of social sustainability because there is a lack of equal accessibility to the development of the mental and physical wellbeing of people. In America, the richest 1% possesses 40% of the nation's wealth; the bottom 80% own 7%.<sup>21</sup> Capitalism is the main cause of this issue because, as theorised by French Economist Thomas Piketty, the rate of return for owned capital exceeds the overall rate of economic growth.<sup>22</sup> This means that the individuals who have jurisdiction over wealth will accumulate it much faster than the economy can produce capital. This will make the wealthy individuals richer because they now have control over a much larger portion of the economy than they did before. Therefore, the trend of the rich gets richer and the poor get poorer continues on. This is a problematic issue due to its implications for accessibility regarding health, economic and social wellbeing, and so on. With the rise of globalisation, the growing wealth gap will be a pressing problem as it has the ability to further distribute and deepen the inequality through the world. 

#### **CAPITALISM FUTURE ISSUES:**

1.) **Making the capitalist system a sustainable one.** As capitalism continues and becomes the dominant socio-political and economic system in the world, the question remains if the system can further expand while still remaining within safe ecological boundaries. There are accumulating sustainable issues that capitalism must address, and while certain plans have been executed, most of these are simply a delay and not concrete solutions. Yes, carbon taxes are being implemented in high carbon emission countries and there is a growing awareness regarding food sustainable consumption, however these are not really solutions to a bigger problem. The capitalist system (which is most of the world) produces more waste than we conserve. Lawmakers are not addressing the core problem, which is that the system core value and purpose: seeking profit in itself is, to a large extent, sustainably destructive and wasteful.

<sup>18</sup> "Cuba." *Forest Data: Deforestation Rates and Related Forestry Figures*

<sup>19</sup> Philip Micklin; Nikolay V. Aladin (March 2008). "Reclaiming the Aral Sea". *Scientific American*. Retrieved May 17, 2008.

<sup>20</sup> Marx, Karl. "Chapter 15. Exposition of the Internal Contradictions of the Law." *Economic Manuscripts: Capital*, Vol.3, Chapter 15.

<sup>21</sup> Boyer, Dave (January 24, 2014), "Obama to use State of the Union as opening salvo in 2014 midterms", *Washington Times*, retrieved January 26, 2014

<sup>22</sup> Pomeroy, Steve Ross. "Is Wealth Inequality the Future of Capitalism?" *Forbes*. *Forbes Magazine*, 27 May 2014. Web. 27 Oct. 2015.



2.) **Incorporate other economic systems (such as Marxism) into the capitalist system better.** While most countries are under a mixed capitalist economy, more integration in certain countries must be done to ensure a sustainable future for the system. The most powerful country in terms of economy and culture, the USA has not to the best of their ability integrated other economic systems (such as Marxism) into their capitalist system. USA has no paid maternity leave and has poor support regarding health insurance and subsidies. As the world continues to be more globalised and culturally diverse, a fusion of different economic systems is needed to ensure a proper representation of the world's cultural diversity and needs. Allowing significant changes, and more implementation values that might be different to the system is consequential to a sustainable future.

### MARXISM'S PRESENT ISSUES:

1.) **The system is paradoxical.** While the Marxist system values a classless society, when put into action, a supreme leader rises (ie. Stalin, Castro), who lives better than everybody else and also controls the so-called classless state. While the leader is not the owner of the profit, with his power to manage and use to the profit to his will, he becomes a capitalist, only reinforcing the idea that in practice, a Marxist system cannot exist without a capitalist system in place as well. Furthermore, the belief that everybody would be satisfied earning the same living wage, as someone else is unrealistic. Feelings of unfairness will emerge and in the end, a legislation regarding better living wages for individual people will be implemented, causing the system's values and practice to come to naught.



2.) **There is a lack of economic productivity in a Marxist state without integrating capitalism into it.** Cuba practices the Marxist system and is considered by most of the world a backward country that lacks basic access to goods and services that people in a capitalist state have. Most Cubans earn USD \$17-30 per month<sup>23</sup>, incredibly low compared to other countries. The lack of economic productivity was becoming more noticeable and Raul and Fidel Castro both agreed that the *"Cuban model based on the old Soviet model of centralized planning was no longer sustainable for the Cuban economy."*<sup>24</sup> New economic reforms were now focused on directing the Cuban economy to a more mixed, co-operative variant of socialism *"where the state plays a less active role in the economy, and the formation of worker-owned co-operatives and self-employed enterprises is being encouraged"*<sup>25</sup>. Cuba has understood and has made solutions to this issue, and recreated the Marxist system to suite the times. The reestablishment of diplomatic relations between Cuba and the United States also reinforce the idea that the Marxist system (much like the capitalist one) cannot exist by itself, and a mix of both contrasting values is needed to ensure the sustainability of not only the economy, but also of a sustainable future.

### MARXISM'S FUTURE ISSUES:

1.) **The question whether a Marxist system can be maintained under a capitalist dominated world and whether an integration of capitalist values will mean a decrease in Marxist values.** As can be seen with Cuba, the Marxist system needs a somewhat capitalist run economy to survive and thrive in a globalising world. Many countries have recognised this beforehand, such as China - a country that is increasingly difficult to define on whether it mostly follows a capitalist or Marxist system. Indeed, while the government is officially and distinctly communist (a form of the Marxist system), the economy of the country is the second largest just behind the United States. This paradox of a capitalist economy development overseen by the modern world's largest and strongest communist party is becoming an increasing issue on whether the Marxist-style government should be abolished in favour of a capitalist one, as 76%<sup>26</sup> of the Chinese people agree.

2.) **The suppression of individuality over collectivism.** The equality that the Marxist system promotes is not sustainable because it weathers individual diversity, a lack of social, cultural and political sustainability. The absence of competition and the uniqueness of individual would not lead to the communist utopia but rather an authoritarian regime, it will cause people to be dependent on the state for every aspect of their well. With countries such as Cuba and China having strict regulations regarding the freedom of the press

<sup>23</sup> "The Comandante's Last Move." *The Economist*. *The Economist Newspaper*, 23 Feb. 2008

<sup>24</sup> Wilkinson, Stephen (September 10, 2010). "Cuba: from communist to co-operative? - Stephen Wilkinson". *The Guardian*

<sup>25</sup> Heffernan, Shayne. "Cuba: Economic Update." *HEFFX: Live Trading News*. N.p., 18 Jan. 2015. Web

<sup>26</sup> Simmons, Kate. "China's Government May Be Communist, but Its People Embrace Capitalism." *Pew Research Center RSS*. N.p., 10 Oct. 2014. Web.

and social media sites, these countries through time could be robbed of their self-reliance and ability to make decisions because the system has killed off people's work ethic and sense of public responsibility. The Marxist system in the coming future must have the belief that *"genuine equality means not treating everyone the same, but attending equally to everyone's different needs"*.<sup>27</sup> Incorporating this meaning of equality will lead to a sustainable future for all, where the Marxist system and individuality can flourish.

### **CAPITALISM AND MARXISM SIMILAR AND DIFFERENT IMPACTS:**

1.) **Both capitalism and Marxism systems have a significant environmental impact.** While both systems have integrated some sort of aspects of sustainability into their systems, practices on environmental sustainability have been severely lacking. For example, 60% of people that live in the United States live in areas where air pollution has reached significant levels that it can make people sick<sup>28</sup>. In China, the continuous emissions from factories have deteriorated the quality of drinking water in the country and in 2014, 59.6% of groundwater sites have suffered from severe pollution that they cannot be safely used as drinking water sources<sup>29</sup>. The Chernobyl disaster in the USSR also has negative environmental effects, with the disaster emitting 400 times more radioactive material than the bombing of Hiroshima and killing approximately 400 hectares of pine forest<sup>30</sup>. United States (mostly capitalism), China (a mix of both) and the USSR (mostly Marxist) have negatively impacted the environment due to their focus, on what they considered, on the pursuit of 'economic sustainability'. Now, with the knowledge of the ecological stress they were putting on their countries and the rest of the world, they are now putting environmental sustainability in the forefront because of the realisation that the environment is a fundamental aspect to ensure the maintenance of both capitalist and Marxist system well into the future.

2.) **Capitalist and Marxist had different social impacts.** Countries such as America and the United Kingdom advocate human rights, fair trade and involvement in their communities. People that live in a capitalist have a want to express their personality and make their own decisions. The Marxist system focuses more on the collective, with an emphasis on making sure the government subsidies or pays for healthcare, education and other social security aspects. The Marxist system stands on the belief that a group of people holds more power than one. While both capitalist and Marxist show good practice of social sustainability, there is still room for improvement for both systems such as inequality and lack of access for capitalism and freedom of speech for the Marxist system. Achieving this median will allow a holistic sustainable development for both systems.



### **section 4: complexities explored**

#### **CAPITALISM CHANGING VALUES OVER TIME**

The values of capitalism changed in three parts, during the industrial revolution, the rise of advertising in the early 1900s, and the rise of the technological age. The Industrial Revolution was the shifting period where capitalist value of hard work was replaced with other people doing the hard work for the capitalists and for them. The most important value now lay on the belief of the 'Invisible Hand' as coined by Adam Smith; capitalists believed that if they pursue this self-interest it would inevitably lead to the common good of society. This suggests that while theoretically, there was a belief that capitalism could be socially sustainable, in practice it was not. There was a decrease on the quality of life of many workers, child labour and very poor labour conditions, suggesting that the capitalists and the 'invisible hand' in the pursuit of profit was not able to mostly positively contribute back to their society, indicating a lack of social sustainability.

With the rise of advertising in America specifically in the 1920s with support from the federal government, producers began to have more control on their consumers by manipulating them to think that they want, or even *need*, products they produce. Capitalists and consumers alike had a change of values from need to want. Tobacco companies used advertising to increase sales and so did beauty products and home appliances to women. However, capitalists also used it for cultural assimilation, encouraging their workers (natives and immigrants) to exchange their traditional values and lifestyle for a more modern one. This

<sup>27</sup> Eagleton, Terry. *Why Marx Was Right*. New Haven: Yale UP, 2011. Print.

<sup>28</sup> American Lung Association. "60 Percent Of Americans Live In Areas Where Air Is Dirty Enough To Endanger Lives." *ScienceDaily*. ScienceDaily, 30 April 2009

<sup>29</sup> Kaiman, Jonathan. "China Says More than Half of Its Groundwater Is Polluted." *The Guardian*. N.p., 23 Apr. 2014. Web.

<sup>30</sup> Flanary, W. (2013). *Environmental effects of the Chernobyl accident*. *The Encyclopedia of Earth*.

suggests that the capitalist system does not support cultural sustainability, as it aims to destroy their workers diversity for a more homogenous society that would not question the system. The system's values, while at the core has remained the same, but due to a lack of regulations, has become extreme to the point that it negatively affects the many.

The growing inventions and facts regarding the negative environmental impacts that capitalism has left the world have been exposed to the consumers. Now, capitalists are now aware of the system's need to adapt sustainable values and practices in order to make sure that their profit will not only continue to this generation but future ones as well. The internet and social media has made the capitalist and their companies under intense scrutiny, companies focus intensively in making sure that they are environmentally sustainable, knowing the already vulnerable state that the environment is. Indeed, while capitalism did not, in its long years of existence, did not have sustainable practices, their awareness and willing to change could mean the sustainability of the earth and the sustainability of the capitalist system.

### **MARXISM'S CHANGING VALUES OVER TIME**

For Marx and Engels, they believed that the Marxist system would come after the industrialisation of capitalism. It was a belief that the proletariat would rise over the bourgeoisie, over the knowledge of the inequality that a vast amount proletariat faced for the bourgeoisie minority. Thus, Marx and Engels believed that the natural progression of the Marxist system was industrialisation first, then a socialist revolution second that would lead to the communist utopia.

Lenin was the first to change this value and natural progression in the system. While Lenin considered himself a Marxist, he was a Russian first and wanted a revolution. However, Russia at the time had not experienced industrialisation yet, so Lenin came with theory that the country not yet being *"not yet being industrialized, was a 'weak link' in the international system, and therefore the best place for the revolution to happen first."*<sup>31</sup> Lenin changed the original Marxist system to suit his ambitions and make it relevant to the Russian people.

Mao did the same thing, but went further ahead in creative interpretation. China did not have the industrial industry that even Russia did and thus a proletariat revolution was out of the question. Instead, Mao mobilised the vast farmers and peasants against the industrial industry, claiming *them* to be the bourgeoisie and the peasants the proletariat. If one thing was similar between the changing of values and practices, it was that Mao and Lenin both changed the Marxist system to suit their needs and the culture of the country.

### **CAPITALISM'S AND MARXISM'S CONFLICTING VALUES**

The capitalist system value on capital accumulation, the hierarchical or two-class system and the competition present in capitalism somewhat are crashing ideas. Capitalism economic competitiveness cannot fully be accessed due to the lack of representation of the many because of the hierarchical or two-class system put in place. Competition in the economy and to that extent productivity is not to its highest potential because only a few are able to participate. Instead the fierce competition present in capitalism creates an unfair competition.

The Marxist system, as said before is paradoxical and thus would contain conflicting values. The Marxist ideology came to existence due to Marx and Engels belief that capitalism fuelled greed, corruption and poverty in humanity. However, when examined closely the classless society, the lack of competition and the belief on the true nature of labour present in the Marxist system also fuelled these inhumanities. The classless society does not remain classless as a leader, party and officials are elected who are mostly likely would live in luxurious accommodations than everybody else. Furthermore, as the lower is unable to question the actions of their government, there emerges a widespread corruption and greed within officials. This could lead to poverty and a lack of power for the majority, as people in the Marxist system are stifled from knowing how their own government works. While put in paper, the Marxist ideology seems like a utopia, when put in practice is often incredibly difficult and the results are not what were expected.

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<sup>31</sup> "The Evolution of Marxism." *Grand Strategy The View from Oregon*. N.p., 16 June 2010.

## CAPITALISM'S AND MARXISM'S CONFLICTING VALUES

With capitalism's focus on individualism and Marxism's collectivism, these two extreme socioeconomic theories will have very conflicting values as they represent opposite ways of thinking.

1.) **Marxist believes that the means of production is owned by the state.** The capitalist system believes it should be placed in private ownership. The Marxist system believes that having all the resources controlled by the people will mean a lack of inequality, a weakness of the capitalist system. This will mean equal wages for all and merit and ability is not rewarded. The capitalist system believes in the idea that every man should earn his worth. Merit is rewarded and no man is paid equally. While both are desirable values, these two extreme ideas regarding the means of production have its downfalls. The Marxist system has the ability to kill of creativity and entrepreneurship, stalling technological advancements and innovations. Capitalism is the same, where exploitation can ran rampant because too much wealth and power is concentrated on only a handful of people.

2.) **Marxist advocates a classless egalitarian society, capitalism supports class distinction.** In order to achieve a corrupt-less and greed-less society, the Marxist system believes that there must be no difference between class, gender, religion and nationality. While this seems like a human right, it could be taken to an extreme where the system asks its people to make them forget on what makes them special and unique. Capitalism however, runs by the motto that the rich gets richer and the poor gets poorer. With the rich capitalists becoming richer and more powerful they have the ability to impose the class distinction on society for their own selfish wants.

## CAPITALISM'S COMPLEXITIES AND CONCLUSIONS

While most countries have similar socio-economic political systems, there are a few exemptions. China exemplifies the complexity of the system. A country where the state controls the market, China screams to the world that it follows quite a capitalist economy but at the same time follows Marxist ideology is arguably an extreme system if compared to other countries. In 2010, the private sector provides 90% of employment; this seems to be a complexity because the state should dominate most of the economy. China's government runs under a one party system (a uniqueness compared to other capitalist states) and is in a socialist market economy<sup>32</sup>, but still most people recognise China as either a capitalist or socialist without really understanding the complex nature of the issue. The Montreal Review article: "*How Communist is China?*"<sup>33</sup> rationales that the country is under this political and economic system to preserve their cultural values. The Review defends that Marxism values, with its secular ideologies, resembled that much of Confucianism teachings. The article states that China believed that Marxism was able to provide the country with modernisation and progress in the 21st century "*without the risks of liberalism that functions on political fragmentation, clash of interests and endures regular periods of political crisis*"<sup>34</sup>. Therefore, one can say that China - with its unique capitalism/Marxist values - practices cultural, social and economic sustainability because it aims to protect it's history, values, and economy from downturns.

The capitalist system is a complex system that cannot easily be defined. It's a system that constantly adapts and changes but most of its core values remain the same. It's an economic system that can become a social and a political system and it's a powerful system that most of the world employs due to the values of capitalism. It has had, and still does have, incredible negative effects on the social, economic, cultural and environmental sustainability of the world, but with the world being more aware of the system's issues - there is now a call for a significant change in the system. A fairer system that is willing to incorporate values and practices from, arguably, a contrasting, almost adversary, system. However, the willingness to change with the times and competition present has created technologies and thinking that has improved most of our way of life and made us ready to face a future, where sustainability is in the centre of our values.

<sup>32</sup> An economic system employed by China. While some believes that it is another form of capitalism called state-capitalism, China rationales that it is a form of economic model that would make the socialist system thrive as the country is still in the early stages of socialism and thus would need capitalist practices to thrive.

<sup>33</sup> "How Communist Is China?" *The Montreal Review*. N.p., Apr. 2011. Web. 01 Nov. 2015.

<sup>34</sup> "How Communist Is China?" *The Montreal Review*. N.p., Apr. 2011. Web. 01 Nov. 2015.



## MARXISM'S COMPLEXITIES AND CONCLUSIONS

Unlike the capitalist system, where it is the most dominant system, the Marxist system is only practiced by a few. Those few countries employ very unique interpretations on the system, making Marxism difficult to define and understand completely with its relationship to the modern world. Furthermore, one can also argue that the system is not a system at all, but rather a theory regarding the progression of humanity after capitalism. While capitalism was adaptable to change dependent on culture and country, the Marxism seemed to be a more universal ideology where a slight change in the values and practice could mean a significant differentiation between the original idea. For example, in North Korea Marxism ideology was changed to a significant level that it was barely inspired by the system anymore. Once practicing the Marxist system, Juche was introduced after the dissolution of the Soviet Union in 1991 and impractical application in the 1980s and 90s. Juche, with its focus on the individual, the nation and its sovereignty is said to be, like what Mao did, a creative interpretation on the Marxism ideology. Juche was applied to North Korea and the original Marxism ideology was ousted in the constitution as Juche was more 'Korean' in character and thus better understood by the people. Thus, if there is one thing that is not complex while looking at Marxism, it is that, at the end of the day, the original system cannot be maintained for a long period of time like capitalism has done.

Marxism is a system that appeals to our to humanity's altruism. It values equality, welfare of its citizens and a society where humans are not controlled by their selfishness. Practicing economic, social sustainability, it is surprising to see that very few countries practice consider themselves to dominantly practice Marxist ideologies. However, this is probably due to either media interpretations or examples of countries that have fallen under the system.



## OVERALL CONCLUSIONS:

Marxism must have the ability to embrace other systems (like capitalism) no matter how much the two systems contradict. Balancing these two extremities in their positives will create a mixed economy where the state has control over the vital resources of the nation and provides the necessary welfare for its citizens, all the while promoting creativity and entrepreneurship. While mixed economies exist, a better balance must be done. A recreation of the mixing these two ideologies must adopt ways of thinking and patterns of behaviour, by individuals, groups, and society as a whole, that meet the needs and aspirations of the present generation without compromising the ability of future generations of all living things to meet their needs and aspirations. Having this recreated mix of two contrasting ideologies will create a sustainable system unique of its kind, a more economic, cultural, social and environmental sustainable one that will ensure happiness for us and the future generations.

The impacts of sustainability of both capitalism and Marxist systems have been mixed, with a significant negative effect specifically on the environment. The term 'sustainability' were not in the vocabulary of the world when most negative impacts were happening socially, economically, culturally and environmentally and thus there is a lack of legislations, practices and values regarding sustainability. However, the rise of technological innovations, a more open and global perspective and a connecting world has made countries of both systems that practice it more aware of their impacts on the planet. Thus, while both systems impact on sustainability are controversial in their long history, the future holds great promise. Solutions, regeneration efforts and with the whole world aware of the term 'sustainability', there is no doubt that Marxist and capitalist systems are now consciously putting sustainability in the forefront of their legislations, values and practices.

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