

In common usage, the word **capitalism** means an [economic system](#) in which all or most of the [means of production](#) are [privately owned](#) and [operated](#), and the [investment of capital](#) and the [production, distribution and prices of commodities](#) ([goods](#) and [services](#)) are determined mainly in a [free market](#). In capitalism, the means of production are generally operated for [profit](#). Capitalism has also been called *laissez-faire economy*, *free market economy*, *free-enterprise system*, *private enterprise economy*, and *free-price system*.

PRODUCTS MADE AND PRICES ARE DRIVEN BY SUPPLY AND DEMAND

Socialism is an [ideology](#) with the core belief that a [society](#) should exist in which popular collectives control the means of [power](#), and therefore the [means of production](#). In application, however, the [de facto](#) meaning of socialism has changed with time. Although it is a politically-[loaded](#) term, it remains strongly-related to the establishment of an organized [working class](#); created through either [revolution](#) or by [social evolution](#), with the purpose of building a [classless society](#). Socialism had its origins in the ideals of the [Enlightenment](#), during the [Industrial Age/Age of Industrialization](#), amid yearnings for a more [egalitarian](#) society. It has also increasingly become concentrated on [social reforms](#) within modern [democracies](#). This concept and the term **Socialist** may refer to a group of ideologies, an [economic](#) system, or a [state](#) that exists or has existed.

In [Marxist](#) theory, it also refers to the society that would succeed or supplant [capitalism](#), and would later develop further into [communism](#), as the necessity for the socialist structure would wither away. Marxism and communism are both branches of socialism.

PRODUCTS MADE AND PRICES ARE DRIVEN BY GOVERNMENT DECISIONS