**5 Characteristics of Capitalism**

Capitalism is an economic, social and political system where private individuals control a country's trade and business. The government has little or no control over the market. The United States is a capitalist country, but there are some government-mandated market regulations that help maintain balance and fairness. Capitalism prioritizes individual rights, private ownership and free enterprise.

## Free Enterprise

Capitalist countries encourage free enterprise -- an economic system that promotes prosperity by allowing private individuals and businesses to compete for profit, according to the Center for Free Enterprise at Florida Southern College in Lakeland. The system operates on the principle of survival of the fittest, in which companies that offer the best products and services for the lowest prices -- while maintaining a high level of profitability -- typically survive. The goal is to maximize profit and minimize cost, promoting robust competition between businesses as they meet the demands of consumers.

## Property Rights

Land ownership and property ownership -- two key individual rights -- enable private businesses to operate freely without leasing land or property from the government. The government doesn't have the authority to seize control or manage business operations, unless the company engages in illegal activity. In the United States, tax laws require business owners to pay taxes on their real estate, equipment, inventory and profit after deducting a variety of operating expenses and depreciating the value of durable, long-lasting tools and equipment.

**Minimal Government Involvement**

The government has limited, minimal involvement in the market. Sociologists, economists and politicians often use the French term "laissez-faire," which translates "leaving things to take their own course," to describe the government's noninterference in private business, according to Georgia State University. Supporters of capitalism believe in limited taxation, a business owner's right to set wages and minimal government-mandated labor policies, other than those designed to ensure employee safety and protect against unfair hiring practices.

**Profit Motive**

The primary motive behind capitalism is profit. Private businesses have their own best interests in mind, and making money is at the top of the list. Due to the self-interested, money-making objectives, capitalists realize that some companies won't survive in the competitive business world. They understand that there is negative fallout -- buyouts and bankruptcies -- suggests Business Insider. However, these negatives often give owners time to reorganize and restructure or make money when they sell out.

**Technological Advancement**

Capitalists support technological advancement because it increases productivity, encourages modernization and leads to increased revenue, according to "The Challenge of Global Capitalism" by Robert Gilpin. They also understand that there are growing pains associated with progress, such as initial implementation costs, learning curves, increased training demands and the need for more highly skilled and educated workers.