

Econ Systems

18.1 ½

Comparisons

Traditional

- Customs and traditions
- Advantage:
- Things do not change
- Know what is expected
- Disadvantage:
- Inefficient and little choices
- Consumer choices are rare
- Examples:
- Native Americans, Australian Aborigines

Mixed

- Combines parts of a command and market economy
- Governmental regulations and private property work together
- Most of the world has this type, but in different degrees

Comparisons

Market

- Individuals and voluntary exchange
- Advantages:
- Large amounts of choice and flexibility
- Based on incentive
- Disadvantages:
- Economic cycle produces booms and busts
- Unproductive suffer
- Examples:
- Mostly the US, Canada, Japan

Command

- Government leaders and policy
- Advantages:
- Speed that the economy can change/switch
- Not affected by boom and bust cycle
- Disadvantages:
- Little incentive to work harder
- Lack of consumer choices
- Examples:
- Former Soviet Union, Cuba, North Korea