**ECONOMIC SYSTEMS**

|  |  |  |  |
| --- | --- | --- | --- |
| **TRADITIONAL** | **COMMAND** | **MARKET** | **MIXED** |
| -An economic system where traditions and customs govern economic decisions-Economic activities are usually centered around the family, tribe, or ethnic group-Farming, hunting, and gathering are done largely in the same fashion as the generations before-Choices are determined by the environment-Little or no use of technology | -The government or central authority makes all economic decisions-Individuals have little, if any, influence over economic functions-Resources are owned by the government-There is no competition; the purpose of business is to provide goods and services, not to make a profit-Factories are concerned with meeting quotas not profit-Consumers have few, if any, choices in the market place-The government sets the prices of goods and services | -Economic decisions are made by individuals competing to earn profits based on supply and demand-Resources are owned by individuals-Profit, not quotas, is the motive for increasing work-Competition determines price and increases the quantity/quality of products-Individual freedom is considered important; individuals have freedom to make economic choices-Income determines who receives which goods and services-Also referred to as pure capitalistic economy | -Combines elements of market and command economies; Government and individuals share the economic decision making process-Government guides and regulates production of goods and services-Resources are owned by individuals-Government serves to protect both producers and consumers from unfair policies and practices. |