**ECONOMIC SYSTEMS**

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| **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. |