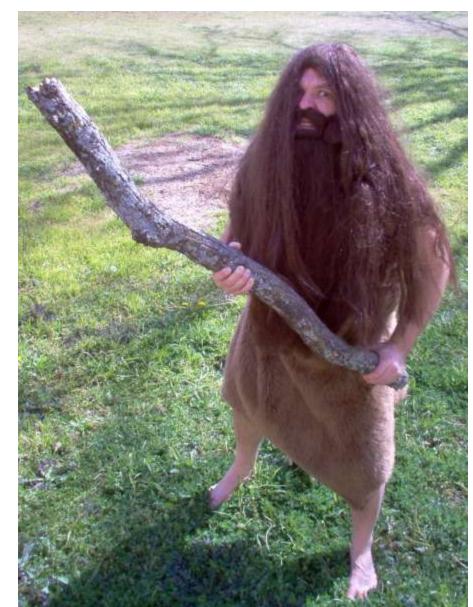
# Comparing Economies: Traditional, Command, Market, and Mixed

#### **Traditional Economy**

- In an traditional economy individuals and tribes make the decisions.
- Often these decisions are based on customs, traditions, and religious beliefs.

## **Traditional Economy**

- Goods are produced by hunting, fishing, gathering, and harvesting.
- In a traditional economy everyone owns and uses the land together.



# **Traditional Economy**

- Examples of Traditional Economies in history.
  - Native Americans
  - Tribes in Africa
  - •Amish Community







#### **Command Economy**

- In a command economy the government makes all the decisions.
- Governments in a command economy are usually led by a dictator and/or are totalitarian governments.

#### **Command Economy**

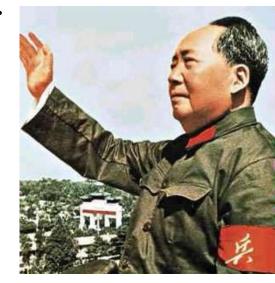
- In an command economy the government owns the major industries.
- Because of this the government controls the quantity (amount) of goods produced and there prices.
- The government also controls the wages of the workforce producing the goods.

## **Command Economy**

• Examples of command economies in history: • The Soviet Union under Joseph Stalin. • China under Mao Zedong • Cuba under Fidel

Castro







#### Market Economy

- In a market economy businesses make decisions based on consumer demands.
  - Consumers and supply and demand decide what should be made.
- There is NO government involvement.
  - •Lasssez-faire: government is "hands off"

#### Market Economy

- Businesses produce goods bases on consumer's demands.
- Supply and demand determines the price of goods.
- In a market economy businesses are owned by individuals, entrepreneurs, and private businesses.

#### Market Economy

- Examples of market economies in history:
  - •England/Great Britain during the Industrial Revolution.
  - The U.S. during the Industrial Revolution.

### Mixed Economy

- In a mixed economy decisions are made by business based on consumer demands.
- <u>However, the government also makes some</u> <u>decisions:</u>
  - •Regulates trade
  - •Ensures safety of consumers
  - Protects the environment.

#### Mixed Economy

 Businesses produce goods bases on consumer's demands.

- Supply and demand determines the price of goods.
- In a market economy businesses are owned by individuals, entrepreneurs, and private businesses.

#### Mixed Economy

# Examples of Mixed Economies in History: The United States Majority of today's nations.