

① Economic goals $\left\{ \begin{array}{l} \text{EFFICIENCY} \\ \text{EQUITY} \\ \text{STABILITY} \end{array} \right.$ $\xrightarrow{10 (937)}$ Basic Production Questions $\left\{ \begin{array}{l} \text{WHAT} \\ \text{HOW} \\ \text{FOR WHOM} \end{array} \right.$ to produce / How TO ORGANISE HUMAN SOCIETIES

② Free Market System / Command / (mixed) (traditional) economic system

distinctions
 ① level of gov't intervention
 ② MOP / resource ownership
 ③ primary economic actor / stakeholder / decision maker
 2 PEA

③ CAPITALISM IDEOLOGIES

FREE ENTERPRISE
 DEMOCRATIC SOCIALISM


SOCIALISM

COMMUNISM [FASCISM]

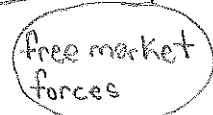
MOP = private property
 minimal intervention
 2 exception
 fair competition
 GOAL = efficiency / economic freedom / protection of private property interests
 PEA = individual
 2 profit motive
 promotes self-interest

MOP = mix public & private
 GOAL = protect individual and HR
 HOW = democratic / peaceful means viz redistribution of wealth
 PEA = individual & gov't in shared role

MOP = public ownership
 GOAL = \uparrow econ. equality
 HOW = democratic / peaceful means
 close gap by redistrib. of wealth
 PEA = gov't

Control MOP = totalitarian social control / state

 GOAL = economic equality / classless society
 HOW = radical means
 PEA = strong central authority
 complete economic planning

MOP = private BUT ultimate control of 'free' enterprise
 GOAL = strong state / extreme nationalism
 HOW = state paramount & indiv. subservient
 rigid social & economic hierarchy
 no pol. opposition
 totalitarian $\left\{ \begin{array}{l} \text{① police state} \\ \text{② propoganda} \\ \text{③ surveillance} \\ \text{④ censorship} \end{array} \right.$
 PEA = state / private elite

economic / production decisions driven by 

BASIC ELEMENTS MKT ECONOMY

- ① private property
- ② freedom of enterprise
- ③ profit maximization
- ④ competition

GOV'T ROLE $\left\{ \begin{array}{l} \text{law \& order} \\ \text{economic development} \end{array} \right.$

environment for enterprise

Level 1 Primary EG
 2 SYSTEMS
 3 IDEOLOGY

Criteria	Communism	Socialism	Capitalism	Fascism
Type of government	dictatorship	democracy	democracy	dictatorship
Acquisition and retention of power	by force, if necessary	by free election	by free election	by force, if necessary
Electoral process	one-party system, opposition parties banned	multi-party system, opposition parties allowed	multi-party system, opposition parties allowed	one-party system, opposition parties banned
Type of economy	command	command	market	market
Government involvement in the economy	full control	full to high control	little control	little control as long as all requirements are met
Ownership of productive resources	state ownership	state ownership (with private ownership under free-enterprise socialism)	private ownership	private ownership
Freedom of enterprise	restricted	restricted; less restricted under free-enterprise socialism	open access	open access as long as needs of the state are met
Self-interest	emphasis on collective needs rather than self-interest	emphasis on collective needs rather than self-interest	profit motive promotes self-interest	profit motive promotes self-interest
Competition	not allowed, considered wasteful	discouraged, considered wasteful	encouraged in order to improve price and quality	encouraged as long as needs of the state are met
Production decisions	made by central planning authority	made by central planning authority; influenced by market forces	driven by market forces of supply and demand	driven by market forces of supply and demand
Examples	China, Cuba, North Korea	Norway*, Sweden*, Finland*	Hong Kong, Singapore, United States	Italy (1922–1945), Spain (1939–1975), Argentina (1946–1983)
*examples of free-enterprise socialism				