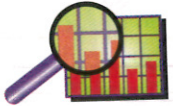


# Types of Economic Systems



## Analyzing the Chart

This chart shows economic systems in theory. In reality, most nations have a mixed economy.

**Economics** Who owns or controls resources in each type of system?

Economic System	WHAT, HOW, and FOR WHOM to produce	Examples (in theory)
<b>Traditional</b> 	Customs and traditions determine what and how to produce. Resources are usually shared. Many traditional systems use bartering to exchange goods and services.	<ul style="list-style-type: none"> <li>• Inuit</li> <li>• Some parts of Africa and South America</li> </ul>
<b>Command</b> 	Government owns resources and controls production, prices, and wages. Shortages of consumer goods occur because government sets prices low and resources are often used for military goods.	<ul style="list-style-type: none"> <li>• China</li> <li>• North Korea</li> <li>• Former USSR</li> </ul>
<b>Market</b> 	Individuals own resources and determine what and how to produce. Prices and wages are determined by producer supply and consumer demand.	<ul style="list-style-type: none"> <li>• United States</li> </ul>
<b>Mixed</b> 	Individuals own most resources and determine what and how to produce. Government regulates certain industries.	<ul style="list-style-type: none"> <li>• Most nations</li> </ul>