

# Free market vs command economy assignment



**ASSIGN  
BUSTER**

This concept of who or what controls the economic system defines their outcome. ! As I said before, the Free Market is controlled by the people. This does not mean that we literally control the system. It means we greatly affect it. This market is solely based on the transactions between the buyers and sellers and each buyer and seller can choose freely what they can transact. This volunteer exchange is a great benefit because it allows choice, allowing you to govern your own decisions. For example, you, as a buyer, wouldn't want to Invest in CDC because of heir slow decrease In popularity.

However, someone else has that power to do so because he may think or know something about the future of CDC. This freedom Is also tied In with less government control or laissez-fairer. Laissez-fairer Is a ballet that the government stays out of the economic system. This includes regulations and tariffs that the government might want to control. The Free Market heavily relies on the concept of supply and demand. This is a concept that the quantity supplied (how much the company makes) and the quantity demanded (how much the buyers want) should be at equilibrium.

This is the core function of every market but it is more prominent in the Free Market system. ! The Free Market system tries to promote competition. Ironically, the business inside try to remove that competition through monopolies and oligopolies. Monopolies are business that have found a way to be the only source at whatever they do. An example would be one gas company that Is the only source of gas for a city. This removes all competition and allows the business to Increase prices and have buyers pay more. Thankfully, government has regulations to try and disband monopolies but it can sometimes still be a problem.

Another way that business tries to remove competition is oligopolies. In reality, it's like a monopoly, but it's legal. This is when a group of companies that produce or sell the same product get together and form a trust within each other. They promise to not compete with each other and raise and lower prices together. The consequence for this is the same as monopolies: higher prices and less competition. This is a major problem with the Free Market. ! After all those disadvantages to the Free Market, there has to be another way to not give the businesses too much power. That

is where the Command economy comes in. This economy is mainly controlled by a central authority like the government or maybe a third-party company. This authority will make all the rules and regulations for the economy in that region. Command economy so beneficial is its ease of control. The government makes the decisions and they can make decisions how they see fit for their country. This helps for easy capital gain. If the authority wants to control the gas industry and have them give a certain amount of money, they are allowed to do that. ! With all this power though comes at a great price.

Humans are not always good people and can manipulate their powers for greed. That's why the command economy doesn't work well. The authorities use their power to earn themselves money and not necessarily care for the concern of other business. This leads to instability in their economy. Time has proven that countries using the command economy do not prosper as well as others. Most citizens in countries like China or North Korea, do not live in wealth. They live poverty because of the governments decisions. !

When I said it's hard not to be biased in this comparison between these two economies, I meant it.

My opinion is clearly shown as to which system I prefer most. Even though I do prefer the Free Market, I see its flaws. And even though I do not prefer the Command, I see its benefits. There needs to be some regulation to balance the people in the Free Market and there needs to be some freedom in the Command system. Possibly, we can create a third large system that balances the two problems perfectly so it is "Just right". For now though, we use the tools we have to prosper in whatever system we are in. These are benefits and disadvantages of the Free Market and the Command economy.