

# Capitalist system

Government, Capitalism



Individuals and businesses own most of the natural and capital resources. These are the factories, farms, machinery, land, minerals, and other resources used to produce goods. Individuals and businesses also buy and sell goods freely. Goods are distributed through the market of buyers and sellers. Capitalism is the economic system in the United States. Socialism is another type of economic system. In a socialist system, the people, through their government, own many of the resources and manage the economy.

Representatives of the people decide what to produce and how much. The government then plans how to carry out these decisions. The government also distributes most goods and services, especially with regard to housing, food, medicine, and other basic necessities. Many nations today engage in limited socialist programs, such as socialized medical and education systems. However, only a few nations can be said to operate entirely under socialist principles. Command economy

In a command economy, the government owns nearly everything that is used to produce goods. Government planners, rather than the people, make the decisions about what to produce and how to distribute it. North Korea is an example of a country with a command economy. Mixed economy individuals, businesses, and the government own some parts of the economy. All of these groups play a role in making economic decisions about what to produce and how to distribute it. Russia was once part of the former Soviet Union, which had a command economy.

Russia now has a mixed economy. Communism: Government ownership of productive resources, and a one-party state to enforce decisions. The level of

public ownership is usually higher than in socialism. It is even less efficient and even more equalitarian (although under communism, some folks appear to be more equal than others. Dictators and high party officials usually appear to live better than do common citizens). Fascism: Fascism claims to be capitalist, but as the state is not democratic, there's little popular control over anything.

The state (usually, some dictator or group of dictators) tends to reward its friends and punish its enemies, which leads both to oppression and an inefficient economy. (The firm that kicks back the most money to the government is the firm that survives and makes a profit, but it isn't very often the firm that produces the best products at the lowest price. ) Both inefficient and unequal, this seems to represent the worst of all possible worlds.