Economic Systems Compare and Contrast

|  |  |  |  |
| --- | --- | --- | --- |
|  | Communism | Capitalism  | Socialism  |
| What it Looks Like |  |  |  |
| Advantages  |  |  |  |
| Disadvantages |  |  |  |

Private property

 Free market

 Gov’t regulation, not ownership

Gov’t owns major businesses and/or services

Private property allowed

No private property

Farming communes

Factory cooperatives

All share in profits/decisions

Relative equality

No extremes of rich or poor

 “Social safety net”

High taxes

 Lots of gov’t bureaucracy

Often ineffective

Incentive to work

 Can keep most of your wealth

Prices of services kept low

 Universal health care, transportation

Extremes of wealth & poverty

Lack of individualism

Little work incentive

Easily corrupted by greed