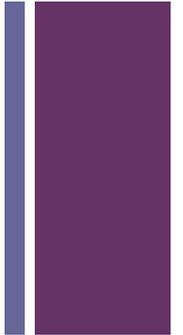


Economic Systems

+ Economic Systems

- Value: A belief about what is important that guides behavior
- Like individuals, governments, economies, and countries can have values.
- The following are values that guide each economic system.
 - Command: Fairness, Equality
 - Market: Freedom
 - Mixed Market: Freedom where possible; equality where it makes sense

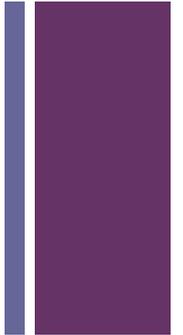


+ Economic Systems

- An economic system is the way in which an economy (a group of people who make stuff and divide it up) decides major economic decisions.
- Major economic decisions include
 - What stuff will be made?
 - How will it be made?
 - Who will do what work?
 - How will the stuff be divided up?



+ Economic Systems



- Economies are made up of different sectors (or sections)
- When you look at economies, you will often see it divided it up between agriculture, industry, and services.
- Agriculture—farming
- Industry—the making of actual stuff-cars, buildings, clothes
- Services—stuff you pay for that is not actual stuff—getting a haircut, seeing a doctor, teaching

+ Economic Systems/ World War 2

- 1939-1945 (Europe); 1931-1945 (Asia)
- The Allies (Great Britain, USSR [think:Russia], USA, China) fight the Axis (Germany, Japan, Italy)
- Battles are fought ALL over Asia, Europe, some of Africa, and ALL of the oceans of the world.

+ Economic Systems/ World War 2

- At the end of World War 2, the US won in the Pacific by dropping an atomic bomb on Japan.
- The US took over Japan (occupied it) and helped rebuild the economy as a market system.
- The Japanese did a very good job making their economy successful.
- Today, they have one of the biggest, most successful economies in the world.
- Major corporations have a lot of say in how things are run.
- In return, the government expects the companies to take good care of their employees.



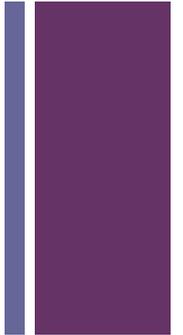


Economic Systems/World War 2



- Korea has been a colony of Japan.
- After the war, the US took over the southern part and set up a country with a market system called South Korea.
- The USSR took over the northern part and set up a country with a command system called North Korea.
- After the war, China had a civil war between communists and others. The Communists won and set up a command system.
- The leaders of China decided that did not work very well in 1979 and started making the economy more mixed market.

+ Economic Systems



- Sweden
 - Has a very successful mixed market system
 - People get to make most of their economic decisions
 - Many benefits for everyone is paid for through high taxes on everyone
 - The economy is based on advanced technology and natural resources.
 - Sweden belongs to the European Union (a combined economy of many European countries) but they will not use the EU's money, the Euro because they are afraid it will hurt their economy.