

Economic Systems



Economic Systems

Goods and services are produced by a country's **economic system**

The economic system includes all the factors of production, rules and regulations concerning goods and services

Factors of Productions

-natural resources



-labour (people)



-capital (money)



(**ENTREPRENEUR**)
-management



<http://www.youtube.com/watch?v=hG9PQHD5ROA>

3 Questions must be answered

WHAT goods and services are to be produced?

HOW to make the goods?

WHO will receive the goods and services that are produced?

<http://www.youtube.com/watch?v=ooETCjxEYHk>

The Economic Systems that we will look at are:

Free Enterprise (United States)

<http://www.youtube.com/watch?v=7NfLUCBZ1is>

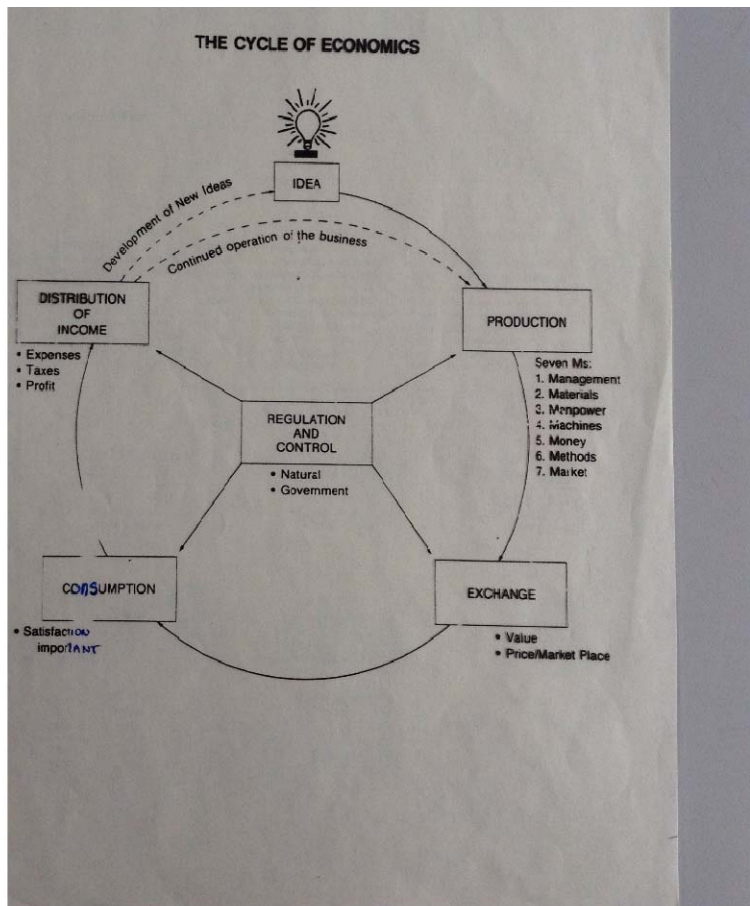
Centrally Planned Economy (North Korea, China, Cuba)

Modified Free Enterprise (Canada)

ECONOMIC SYSTEMS

	FREE (USA) ENTERPRISE	CENTRALLY PLANNED <i>CHINA</i> <i>CUBA</i> <i>N. KOREA</i>	<i>CANADA</i> MIXED
Characteristics	<p>private property is allowed and encouraged</p> <p>profit is allowed and encouraged</p> <p>competition is allowed and encouraged</p>	<p>private property is restricted or disallowed</p> <p>profits belong to the government</p> <p>competition is disallowed</p>	<p>private property is encouraged but there are restrictions on use</p> <p>profit is encouraged but it is heavily taxed</p>
Benefits	<p>freedom to make economic choices</p> <p>usually efficient use of resources</p> <p>new/improved products</p> <p>improved quality at lower prices</p>	<p>many social services for all</p> <p>basic standard of living is achieved by all</p> <p>central planning to use resources efficiently</p>	<p>individual incentive to work hard</p> <p>acceptable level of social services</p> <p>consumers protected by law</p>
Limitations	<p>individual income levels vary greatly</p> <p>consumers have difficulty getting all information</p> <p>production of some unhealthy products</p>	<p>many personal freedoms restricted or disallowed</p> <p>little personal incentive to work hard</p>	<p>taxation levels are high</p> <p>reduced incentive for individuals to work hard</p>

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Havana nights. Private bars boom as Cubans with money come out to play

It's Saturday night at El Cocinero, a chic rooftop bar that has arguably become Havana's hippest watering hole in the year since it opened, and there's no getting in without a reservation.

There are plenty of foreigners, but also not a few sharp-dressed Cubans lounging in the butterfly chairs, sipping \$3 US mojitos and talking art, culture and politics. It's an image that stands in stark contrast to common perceptions overseas

of communist Cuba as a poor country where nobody has the disposable income to blow on a night out.

Havana is seeing a boom in stylish, privately run bars and clubs like El Cocinero, evidence of a small but growing class of relatively affluent artists, musicians and entrepreneurs on an island where many people earn about \$20 US a month and depend on subsidized food, housing and transport to get by.

THE ASSOCIATED PRESS



People wait to access the government club Cafe Amor in Havana in March. The Cuban capital is seeing a boom in privately run bars and clubs. THE ASSOCIATED PRESS



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