



Command Economies

- The government or other central authority makes decisions and determines how resources will be used
- Change can occur relatively easily
- There is little individual freedom
- There is no competition
- Businesses are not run to create a profit
- Consumers have few choices in the market place
- Factories are concerned with quotas
- Shortages are common because of poorly run factories and farms
- The government dictates the job in which you work
- The government sets the prices of goods and services

Examples of command economies: Cuba, North Korea and the People's Republic of China