

Socialism is an economic system where everyone in society equally owns the factors of production. The ownership is acquired through a democratically elected government.

- Mantra - "Each acc. to his ability, to each acc. to his contribution"

Advantages of Socialism

- Under Socialism, workers are no longer exploited.
- All profit are spread equitably among all workers, acc. to contribution.
- The system eliminates poverty.
- Everyone works at what one is best at and what one enjoys.

Disadvantage of Socialism

- It relies on the cooperative nature of humans to work.
- It negates those within society who are competitive, not cooperative.
- It doesn't reward people for being entrepreneurial and competitive.
- It won't be as innovative as a capitalistic society.
- Gov. set up to represent the masses may abuse its position and claim power for itself.

Mixed Economy

- It is a system that combines aspect of both Capitalism & Socialism.
- It protects private property & allows a level of economic freedom but also allows gov. to interfere - to achieve social aims. It don't block the private sector from profit-seeking, but do monitor profit levels and may nationalize companies that are deemed impediments to the public good.

Advantages and Disadvantages

- Goods and services are distributed where they are most needed, while allowing prices to measure supply and demand.
- It promotes innovation and improvement, and gives capital to those producers who are most efficient.
- But the market has too much freedom and liberty, it can make the Environment less competitive sans support from the gov.
- Furthermore, the country could accumulate more debt by creating gov. - subsidized industries - like defense or military - slowing down the economy.