

# ECONOMIC SYSTEMS

*Please take Cornell notes on Slides 5-10, 13, 18, and 25. The rest of the information is found on the bottom half of the “Politics and Economics Matrix.”*



A vertical strip on the left side of the slide shows a topographic map of Utah, with contour lines and a yellow vertical line indicating a specific location.

# UTAH CORE STANDARDS:

- Students will understand basic economic principles and how they influence everyday life.
- Determine how scarcity and choice influence governmental economic decisions.
- Develop an understanding of market, command and mixed economic systems.

● Market Economy =

● Adam Smith

● Capitalism, Free Enterprise

● Command Economy =

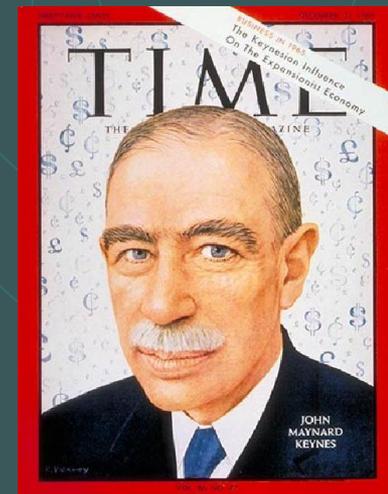
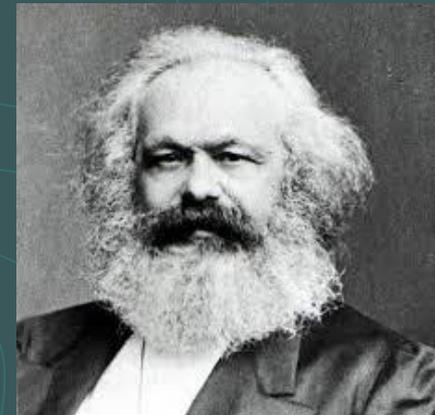
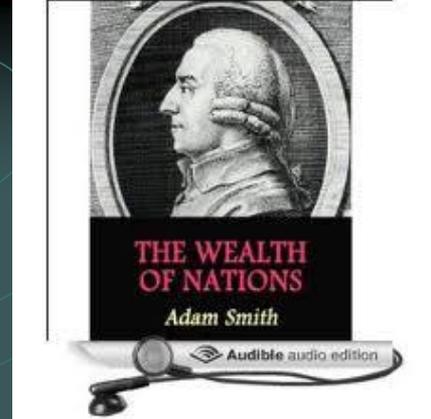
● Karl Marx

● Communism, Market Socialism

● Mixed Economy =

● John Maynard Keynes

● Democratic Socialism



# Economists ask?????????????

- **Should individuals be free to pursue their own self-interest?**
- **What is the goal of the economic system?**
- **Freedom? Opportunity? Equality?**
- **Who owns the resources and decides how they are allocated?**

# STONE AGE

At the beginning of his  
existence, man was a

*hunter*

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&

*gatherer*

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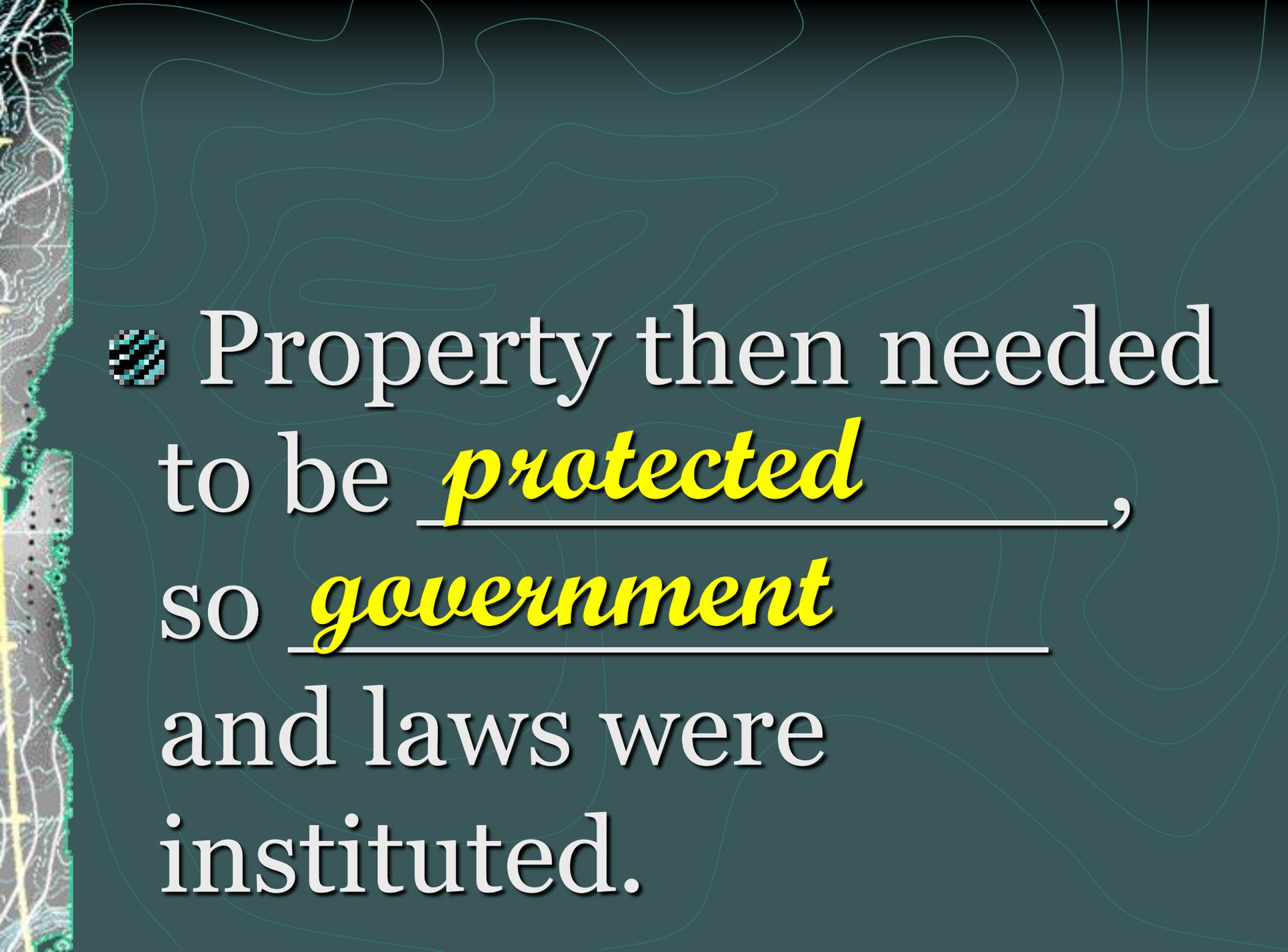
<http://www.slideshare.net/wetheeconomy>

# AGRICULTURAL AGE

He later developed skills as a

● planter &  
herder.

Therefore, owning land  
gained tremendous  
value.

A topographic map with contour lines and a grid, serving as a background for the text.

Property then needed  
to be *protected*,  
so *government*  
and laws were  
instituted.

# 16<sup>th</sup>-18<sup>th</sup> Centuries

## AGE OF

## EXPLORATION

Investors, Navigators, Colonizers



In 1776,

• *Adam Smith*

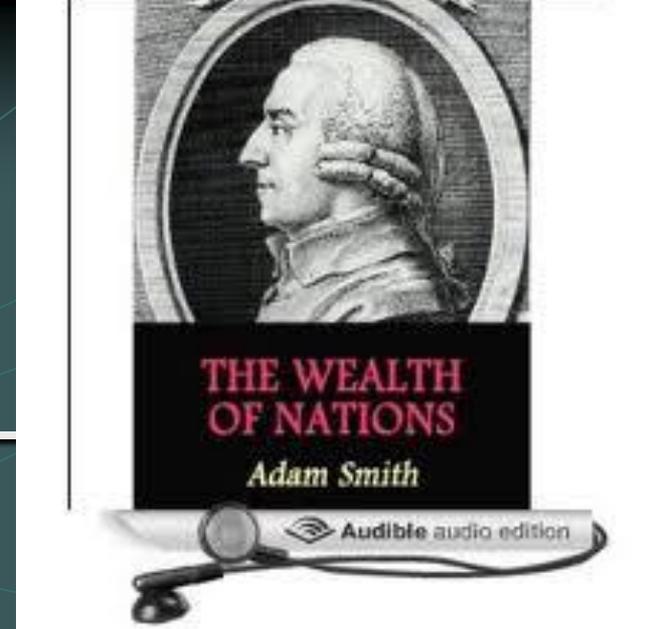
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published

“*The Wealth of Nations*”

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- one of the most influential books in history
- *Father of Economics*



# PHILOSOPHY:

<https://www.youtube.com/watch?v=ulyVXa-u4wE>

The “**invisible hand**” of self-interest makes all of society better off.

Gov't should keep its **hands off** the economy.

# Market Economy

● **PURPOSE:** Economic freedom to get rich

● <https://www.youtube.com/watch?v=EGkEziYbcJo>

● Society benefits from freedom to profit which contributes to the wealth of nations

● **POWER:** Individuals and corporations own resources and decide what to

● produce, buy and sell

● with no gov't interference (laissez faire)

# 19<sup>th</sup> Century INDUSTRIAL AGE

● Capitalists

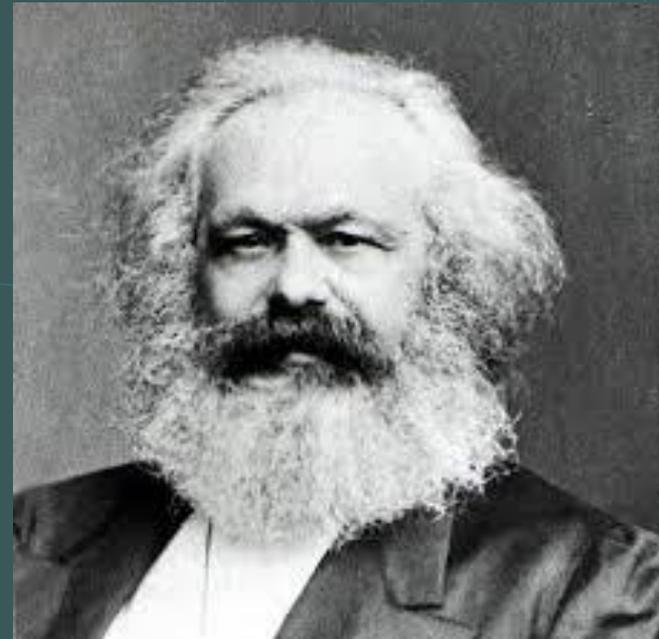
● Factory  
workers



Who challenged Smith's ideas in the 1800's?

Hint: He originated the ideas that led to the **COMMAND ECONOMY.**

*Karl Marx*



# PHILOSOPHY:

- Self-interest and resources should be controlled by workers

## ● PURPOSE:

### ● Economic Equality

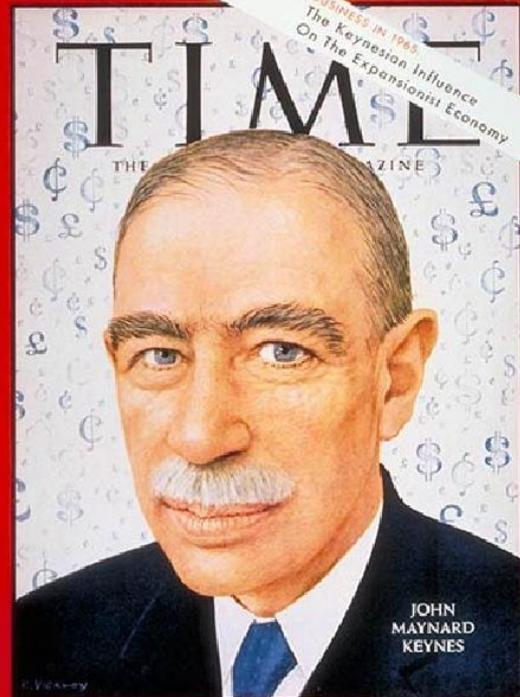
- “From each according to his ability; to each according to his needs.”—*Communist Manifesto*

# POWER:

- Marx philosophy morphed into Gov't control of the economy in order to control greed
- Gov't should own and control
- all economic activities
- provide all jobs
- distribute all goods and services
- to all citizens

<https://www.youtube.com/watch?v=CHC9UKvrP2M>

# JOHN MAYNARD KEYNES



# ● **Mixed Economy**

## ● **PHILOSOPHY:**

● “Use markets when they work well and substitute government planning (regulation) when they don’t.”

● <http://www.investopedia.com/video/play/mixed-economic-system/>

## ● **PURPOSE:**

● **Economic opportunity**

# Mixed Economy

**POWER:** Individuals and corporations decide what to

- own, produce, buy and sell
- with NECESSARY government interference with market forces (regulation)
- ONLY when markets are unfair



# ● Canada's Mixed Economy

- [https://www.youtube.com/watch?v=mmWb\\_aconwU&list=PLQfvTGrQxFKHIIG2AUJrDXTs7YUxSTtHP&index=10](https://www.youtube.com/watch?v=mmWb_aconwU&list=PLQfvTGrQxFKHIIG2AUJrDXTs7YUxSTtHP&index=10)

# Shanghai, China

Market  
Socialism



SEZs



Agricultural  
Age



Agricultural Worker

Industrial  
Age



Factory Worker

Information  
Age



Knowledge Worker

Conceptual  
Age



Conceptual Worker

Age of the Plow  
18<sup>th</sup> Century

Settle  
Grow things  
Feed

Age of the Machine  
19<sup>th</sup> Century

Automate  
Make things  
Move

Age of the Computer  
20<sup>th</sup> Century

Aggregate  
Program Computers  
Inform

Age of the Idea  
21<sup>st</sup> Century

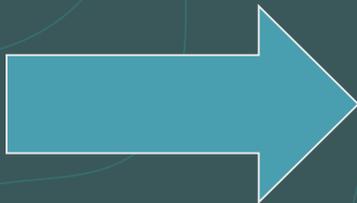
Create  
Invent, Innovate  
Serve

# 20<sup>th</sup> Century INFORMATION AGE

## Knowledge Workers

<https://www.youtube.com/watch?v=uqZiIOoYI7Y>

If cars developed like microchips, then the modern descendant of the 1971 Volkswagen Beetle would travel at 300,000 miles per hour, cost 4 cents and use one tank of gasoline in a lifetime.—from Thomas Friedman's Thank you for Being Late



**21<sup>st</sup> Century**

**CONCEPTUAL AGE**

**(I-Age—Ideas & Innovation)**

<https://www.youtube.com/watch?v=QpEFjWbXogo>



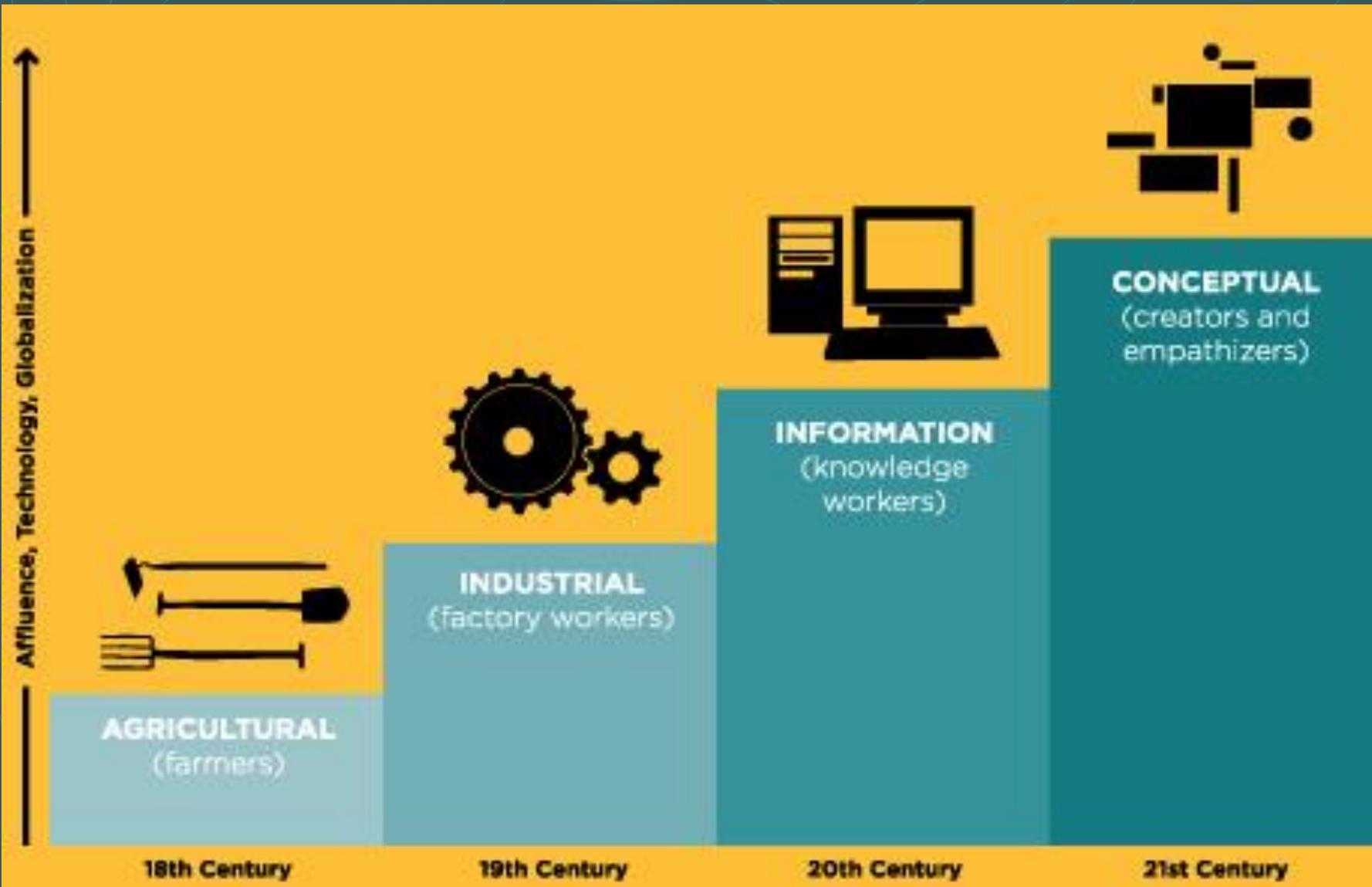
Anything digitized can be outsourced

Jobs? Inventors, Designers,  
Negotiators, Storytellers,

Motivators, Connectors

Skills? inquiry, empathy, agility,  
creativity, sense of humor, resilience

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





● Please “Cornellize” your notes with at least 3-4 questions per page in the left column and write a 4-5 sentence Reflection using the prompt on the next slide.

# 4-5 Sentence Reflection (Option 1)

Respond to 1 of the video clips we saw in this PowerPoint by writing a 4-5 sentence paragraph. Here are some questions to get you thinking?

**What facts surprised you most?**

**What made you hopeful about the future?**

**What scared you about the future?**

**What is the most important thing you can do NOW to prepare for the future?**

**What can schools do to prepare students for the future?**

# 4-5 Sentence Reflection (Option 2)

Mixed economies vary by how much control the gov't exercises:

< COMMAND                      MIXED                      MARKET >

North                      China                      Canada

Korea

**Since there is no country with 100% capitalism, where would you place the current U.S. economy on the above spectrum and why? Where would you like to see the U.S. economy on the spectrum and why?**