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## The Ideal Economic System

Today's world is a place full of different opinions and ideas. These opinions will always conflict with each other, causing debates and developing issues. One of the major issues around the world is how the government and economy is structured and run. Countries base their economic structure on what the citizens' or the leaders' best interest is. Some countries use a market system in which the government has very little control over what happens economically, while others use a command system in which the government controls all aspects of the economy. All economies use some combination of command and market features but may lean toward either more of a capitalist economy or a socialist economy. Because both systems have positives and negatives, a democratic socialist government is the ideal system, using characteristics of both the command and market systems due to its balance of equity and freedom.

A command system's theory is that the government controls all aspects of production and its citizens have no say in their country's economic choices. Vietnam, China, and Cuba are examples of communist countries. These countries have the intention to establish equity so that there is no major gap between the people and instead obtain a large middle class. Because maintaining a strong middle class is a symbol of a country's economic wealth, equity is an important aspect in running a country. Newsweek's "World's Best Countries" states that Cuba's income inequality rate is 30.0 while America's rate is 40.8, proving that the equity of America is worse than a

communist country like Cuba, which is seen as a “bad” country. This shows that the command system is effective in establishing equity. Although it may seem like Cuba is successful in maintaining a fair system, Cuba is actually beginning to allow individuals to set up private businesses like wine making, trash collecting, and taxi driving to aid in relieving the economic pressures of the country. (Booth) Cuba is using those private businesses to try to recover itself from the economic depression that has affected the entire world. The government is giving up some of its power as a command system by allowing those private businesses to be established. Because of Cuba’s use of some capitalist features, this proves that a command system is ineffective.

On the other hand, one of the main goals of a capitalist country like America is to preserve their freedom of choice, especially in the marketplace, with little regulation for businesses. This goal allows businesses to compete by lowering prices down for consumers while letting both the producers and consumers spend their money freely. The focal point of large companies like Walmart is to gain as much profit as they can. Although Walmart is seen as a successful antipoverty program in America by providing jobs for many people, its dark side of low wages and minimal benefits to increase profit are extremely noticeable (Krugman and Tierney). Walmart also causes local stores to go out of business due to those businesses’ lack of sales. Those businesses will end up having to fire workers, eventually closing down because of their inability to compete with the lower prices that Walmart offers. Because of the lack of regulation for businesses in countries like America, there is an abundance of corruption within the country’s economy due to its excessive freedom for businesses.

Because a market system will result in an imbalance to the economic classes and a command system will cause a lack of freedom in businesses and a corrupted economy, a democratic socialist system is the ideal combination of both systems. A democratic socialist system ensures equity within the country, which also establishes a stable economy. It provides the bare necessities of modern life such as education, transportation and healthcare through taxes. Providing the necessities for individuals to be able to live is the government's job. "18,000 people die each year because they don't have insurance." (Edwards and Tanner) Without a public healthcare system, the market system is not helping in providing for its individuals, like America, who is setting aside the fact that there are more than 45 million uninsured Americans. By enabling itself to provide for its citizens, a democratic socialist system is able to focus its attention on other things like regulating businesses. Democratic socialist countries are allowing its citizens to freely produce and purchase whatever they like, but still regulate the businesses just enough to prevent corruption. For instance, Finland's innovation index is 5.53, which is just slightly lower than America's innovation index, 5.77 (*Newsweek*: "The World's Best Countries"). This shows that a government can still regulate businesses, preventing major corruption within the country and still allow privately run businesses to profit.

A democratic socialism is the perfect balance of both the market and command system. By combining the command system's goal of equity and the market system's goal of freedom, the democratic system allows its country to thrive. A regulated economy establishes a strong and steady middle class that ensures equity with nationwide services like healthcare and education and also allows individuals to freely run businesses without excessive corruption.

## Works Cited

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