

Comparing Economic Systems Essay

Market and command economies are the two main economic systems that exist in the world today. While market economies are based on individual work and command economies are based on government involvement, no country has a pure market or command system. The ideal economy is an equal combination of command and market systems a democratic socialist economy - because it emphasizes the best aspects of both systems: freedom and security.

Because a democratic-socialist economy has qualities of a market economy, it provides freedom and innovation. According to Newsweek Magazine statistics, Finland, a democratic socialist country has an innovation index of 5.53. While that number does not seem impressive on its own, when compared to the capitalist United States innovation rating of 5.77, the result is surprising. Expanding new industries and improving technology is possible in a both free market and command-influenced economies. People tend to believe that moving away from a market economy will also cause a violation of rights and less freedom. That can be proven wrong in the country statistics as well because both Finland and the U.S. have the highest freedom rating ("The World's Best Countries"). Although the market features of freedom and innovation are important to an ideal economy, it also needs to be balanced with the security provided by a command influence.

Some of the qualities that a democratic-socialist economy possesses from a command economy are higher taxes that are used to ensure security for its people. A democratic-socialist country has higher taxes so that goods such as healthcare and college are taken care of by the government. While he was a candidate for president, John Edwards called for the creation of a universal healthcare system. This system would allow all Americans to have healthcare without going through private companies and "employee only" programs (Edwards, and Tanner). Another example of good security is the country of Denmark, which has some of the highest taxes in the world. Danish people don't mind paying these high taxes because they are provided with many services. David Kestenbaum, an NPR correspondent noted in an interview, "if you lose your job you can collect unemployment insurance for up to four years

("Denmark Thrives Despite High Taxes"). This unemployment system provides security for those who lose their jobs so that they have the opportunity to look for new jobs. The people of Denmark and other democratic-socialist countries appreciate these taxes because it keeps their income safe even if they lose a job.

Many American people argue that a system closer to a market economy is the most ideal because people have freedom to own and create without the government's intervention and the opportunity to become wealthy because the taxes are low. They do not agree with democratic socialist ideas because they believe that the government is too big and manipulating. An example of this opposition is the soda tax that has been implemented in thirty-three states. The government wishes to curb soda consumption with this tax and use the money to reform healthcare. Market system supporters do not believe that this is a wise plan because the plan will become corrupt and create a problem between the people and their government. Muhtar Kent, a chief executive at Coca Cola says "I have never seen it work where a government tells people what to eat and what to drink" (Neuman). Too much government involvement can sometimes be intrusive on the freedom and daily life of the average person.

While a government too large in size is susceptible to corruption and failure. A democratic-socialist economy is a balance between the government and the people. It has the qualities of economy that are desirable such as funding for unemployment, guaranteed healthcare, and also the freedom to innovate and create private businesses and new jobs. These qualities and balance make a democratic-socialist economy the most because the wants and needs of people from both market and command ideals are satisfied.