

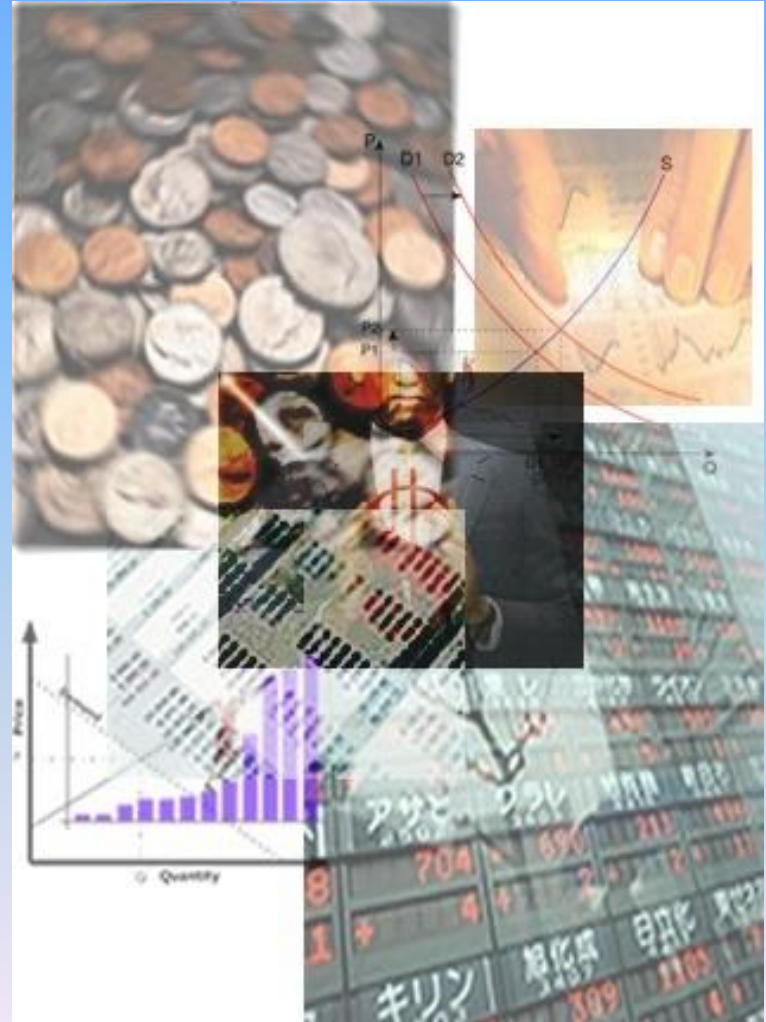
Systems of Asia



An Introduction to the Economic and Political
Systems of Asia

Around the world...

- Each day, countries make decisions regarding how they will be **governed** (political) and how they will **produce** what is needed/wanted (economic).
- Different countries will develop different **systems** for making these political and economic decisions.



What is an...

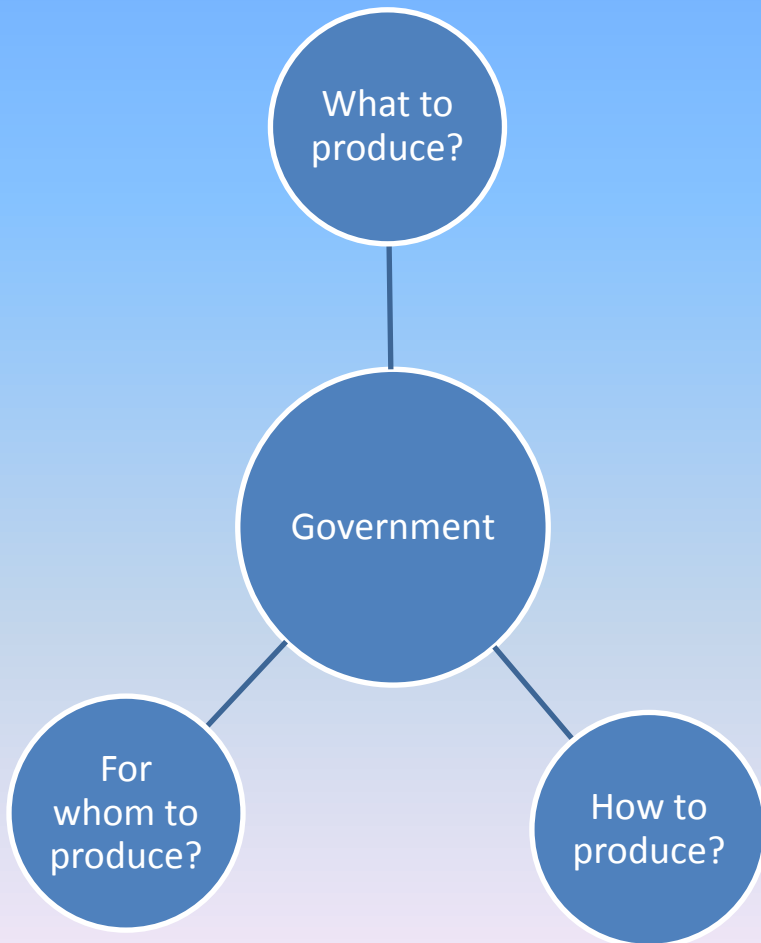
- Economic system:
 - organized way in which a state or nation allocates its resources and apportions goods and services in the national community to meet the unlimited needs and wants of its people
 - Every country must answer three questions about production and distribution:
 - What will be produced?
 - How will it be produced?
 - And for whom will it be produced?

Types of Economic Systems

- **Traditional** System:
 - sometimes referred to as **communism**
 - Community looks to the **past** to answer the three questions of production and distribution.
 - People will make what they have always made.
 - People tend to do the same **work** their parents did and they distribute **goods** in the same way it has always been done.



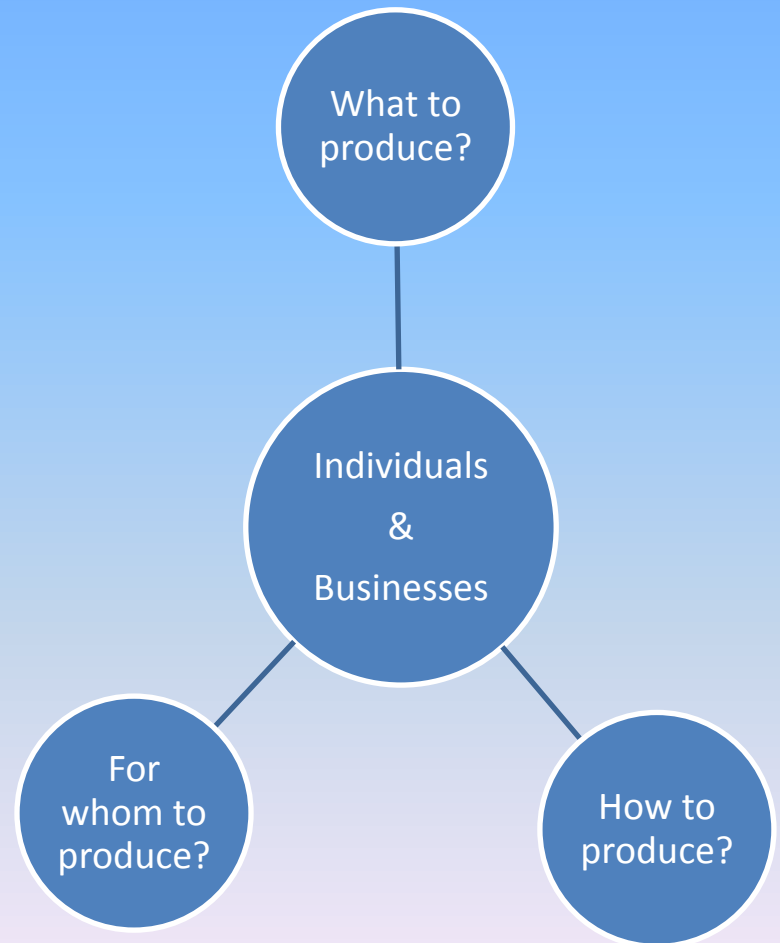
Types of Economic Systems



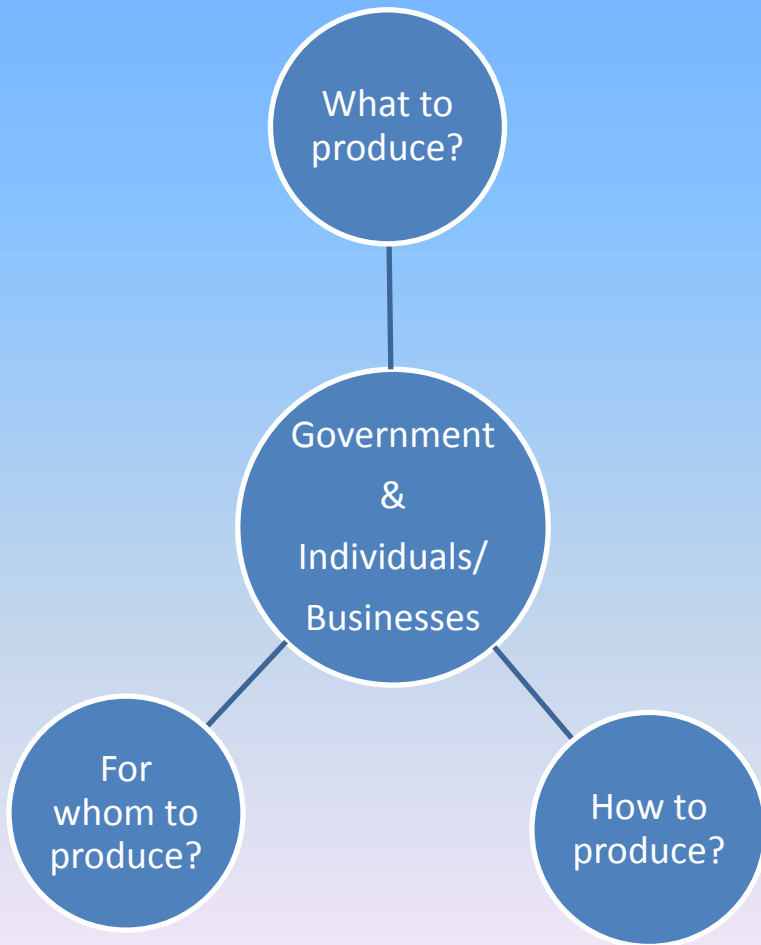
- **Command** System:
 - sometimes referred to as **socialism**
 - **Government** decides the three economic questions of what, how, and for whom.
 - **Planners** estimate what goods will be needed in the future and work backward to decide what materials and workers are needed now.
 - **Individuals** have virtually no say in answering the three economic questions.

Types of Economic Systems

- **Market** System:
 - sometimes referred to as **capitalism**
 - **Prices** and **profits** determine what is made, how, and for whom.
 - **Businesses** will make products and provide services that earn a profit, using whatever materials, labor, and technology can earn them the highest profit.
 - People buy what they **want** and can **afford**.



Types of Economic Systems



- **Mixed** System:
 - type of economic system found in **most** countries
 - The **government** and **private individuals** share the responsibility of owning resources and deciding on production and distribution.

The Connection

- The type of **political** system a country has greatly impacts the type of **economic** system a country will have.
- For example...
 - Countries with **democratic** forms of government tend to have economies that lean more toward the **market** system.
 - Countries with a **communist** and/or **totalitarian** form(s) of government tend to have economies that lean more toward the **command** system.

- Think about the different types of economic and political systems we have discussed. What connections can you see between different economic and political systems?