

- 1. Capitalism** This is the economic system that the United States practices. It is one that encourages private ownership of businesses that compete with each other with minimal interference (Republicans & Democrats argue about how much) from the government. People are free to own their own businesses or go to work for someone who does for a wage (hourly or salary).

Example: United States
 - 2. Communism** This is an economic system which emphasizes collective ownership of all property. The government controls all aspects of production and is always found with an authoritarian government. Private initiative is prohibited and considered exploitive of the workers (labor).
Communists believe that the Capitalists must be overthrown in a bloody revolution before Communism can take root.
Came from ideas of Karl Marx (& Engels).

Example: Old Soviet Union (now Russia), China, Cuba, North Korea
 - 3. Socialism** This is an economic system which can work in a democracy that is characterized by government ownership of the major industries such as steel, airlines & such. They also allow for private ownership of property and businesses. Though most Americans would find some things about ownership of property in these countries as strange (i.e....Everyman's Rights)
They usually have high tax rates to pay for the cradle to grave services they typically provide for their citizens.

Examples: Denmark, Sweden, Norway, Finland
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