

## 3.7: Introduction to Economic Systems

---

What you'll learn to do: describe and differentiate between major economic systems



Think about what a complex system a modern economy is. It includes all production of goods and services, all buying and selling, all employment. The economic life of every individual is interrelated, at least to a small extent, with the economic lives of thousands or even millions of other individuals. Who organizes and coordinates this system? Who insures that, for example, the number of televisions a society produces is the same as the amount it needs and wants? Who insures that the right number of employees works in the electronics industry? Who insures that televisions are produced in the best way possible? How does it all get done?

The answer to these important questions depends on the kind of economic system a society uses.

In this section, you'll learn about the basic organizing principles of different types of economies. Understanding the characteristics of a competitive market, in particular, is an important foundation for understanding the mechanisms of supply and demand.

### Contributors and Attributions

CC licensed content, Original

- Outcome: Economic Systems. **Authored by:** Lumen Learning. **License:** [CC BY: Attribution](#)

CC licensed content, Shared previously

- Picture. **Authored by:** Photo by Ricardo Gomez Angel . **Provided by:** Unsplash. **Located at:** <https://unsplash.com/search/photos/buying>. **License:** [CC0: No Rights Reserved](#)

---

3.7: Introduction to Economic Systems is shared under a [not declared](#) license and was authored, remixed, and/or curated by LibreTexts.