**Market Economy vs. Command Economy**

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| --- | --- | --- |
|  | **Market Economy (Capitalism)** | **Command Economy (Communism)** |
| **Key Features** | * Private ownership of the means of production
* Economic decisions made by market forces
* Fierce competition among producers for customers
 | * Public ownership of the means of production
* Economic decisions made by government planners
* Little or no competition among producers for customers
 |
| **Advantages** | * Efficient use of factors of production
* Faster economic growth
* Higher-quality goods and services
* Higher standards of living
 | * Full employment
* No economic recessions
* Greater income equality
* Greater economic security
 |
| **Disadvantages** | * Greater unemployment
* Frequent economic recessions
* Greater income inequality
* Greater economic insecurity
 | * Inefficient use of factors of production
* Slower or stagnant economic growth
* Low-quality goods and services
* Lower standards of living
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