

Unappetising

Contrast a command system and a price system in terms of basic economic decisions that must be made in an economy, consumer and producer behavior, efficiencies, and innovation.

A command system and a price system are almost as opposite as a dictatorship and a democracy; coincidentally, the systems are applied as correlated above. It is no surprise that Castro is taking away what little bit of a “price system” that Cubans once had. Government takes full responsibility of setting prices and determining what to make for who, what, where and when. A loss of economic freedom and decision making by the people is one of the many consequences of a pure command system. The only beneficial way of demonstrating a command system would be if a shortage were to exist or if consumers were acting in an extreme, intolerable way. The system is very efficient towards allocating goods to those who are in need and limiting the amount of goods sold or given to those who are not as much in need. Of course, this will only function properly if the power of a command system rests in the hands of a decent government or dictator.

The idea of a price system is by far a much more advantageous system, as it lets the whole idea of economics purely exist. One of the basic fundamentals of economics rests solely upon the decision making of the consumers and producers. (consumer/producer behavior) If the consumer or producer does not fulfill their expected course of action, the economy is impaired one way or another. A price system is extremely efficient, as it lets the producer decide what to produce, for whom to produce, when and when to produce and how much to produce. Of course, the producer is going to display efficiency towards all of these economic questions based upon consumer behavior and demand. This economic relationship established between consumer and producer is what makes economics so wonderful to follow and understand.

A price system leaves room for innovation through marketing skills and producing towards consumer demands and wants. Through a command system, what you see is what you get—there is little room for a desirable market to exist.