

ECONOMIC SYSTEMS REVIEW

outdated economic system

≈ 1600-1800

Mercantilism

Louis XIV / Colbert

↳ gov't. interferes in economy to ↑ nation's wealth (↑ supply of gold billion)

economic systems of the world today

Industrial Revolution (≈ late 1700s)

Capitalism

Adam Smith

↳ laissez-faire (little to no gov't. interference in economy) ↳ individual ownership

PROBLEMS!! ↳ unequal dist. of wealth

↳ huge gap b/w rich & poor social classes

SOLUTIONS:

① Socialism (French utopian socialists)

↳ some gov't. ownership + some individual ownership ↳ gov't. can interfere in economy → required gov't. & middle class help the

Louis Blanc / Fourier / Joseph Proudhon

② PRO social classes ↳ communism (Karl Marx)

↳ criticized "utopian" socialists - believed the middle class would not help the poor (based on a more scientific analysis of history) → ↳ history = class struggle: proletariat (working class) vs. bourgeoisie (middle class)

↓ ↓ REVOLUTION by proletariat - overthrow bourgeoisie

no social classes - no private property

no gov't. - "wither away"