

SUBJECT- PRINCIPLES OF ECONOMICS

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MIXED ECONOMY: MEANING AND FEATURE

Economies all across the globe are nothing but mixed economies. The two end factors of the spectrum are Capitalism and socialism. When the features of both these ends are combined, we get a mixed economy. Now, we will explore what is a mixed economy with its features and merits. As denoted by the name, a mixed economy combines both the command and market economy. Therefore, it follows the price mechanism alongside central economic planning. The production means are decided by private and public ownership. However, it is the market forces that set the price, demand and supply. The government intervenes to eliminate the possibilities of monopolization and discrimination.

A mixed economy definition exists to handle the cons of a Capitalist or Socialist economy. The mixed economy system aims to come up with a unique solution. It supports the concept of liberty towards private ownership. The mixed economy also notes the demerits of Capitalism. It comes up with proposals to the government to avoid any discrimination among the citizens.

* what are the features of a mixed Economy?

- * Co-existence of all the sectors:- In the mixed economy system, all three sectors exist together that is the private sector, public sector and joint sector. The government and private companies together hold the responsibilities of the respective divisions. 51% of the total ownership belongs to the state itself.
- * Co-operative sector:- According to the mixed economy definition, a co-operative sector exists in a mixed economy. The significance of this sector is vital. In mixed economy countries, the government provides necessary items and financial aids to the areas involved in co-operative societies like warehousing, dairy industry and more.
- * Freedom and Control:- To be precise, in a mixed economy, we denote that the individuals have complete liberty to manufacture goods and items and choose property and occupation according to their choice. The regulating body maintains control to avoid all forms of discrimination and monopolistic issues.
- * Economic planning:- In a mixed economy, the central planning authority exists. All the sectors of the firm follow this rule and plan to pursue their goals. The plan is solely observed with the motive to attain national economic growth.

* Social welfare :- The significant look out of a mixed economy is the social welfare of society. It focuses on eliminating the unemployment issues from the country. The mixed economy definition further says it enhances social security and public education facilities.