SOUTH AFRICA'S MIXED ECONOMY

°Private property, private initiative, self-interest and market mechanism play important role.
°Also characterized by a substantial degree of government intervention
°In pure market capitalism, all factors of prod privately owned; in SA, some firms are owned directly or indirectly by state (Post Office, Eskom). State ownership of firms is serious issue.
°Some economists/politicians in favour of selling these assets to private sect = privatisation
°Gov's share in SA economy rapidly grown in recent decades; source of contention& debate.
°Freemarketeers call for less gov interference in private decision-making while others call for more, particularly to combat poverty.
°One particular area of gov intervention is price control. In pure market system, prices are established through the market mechanism.
°However, SA has long history of price control by gov, ex: price of petrol
°SA = mixed economy in which both market mechanism and command direction (in form of gov interference) play a significant role.