

maximized. So for what ever decision each individual consumer or firm takes, the longterm implication of the current decision is open to question.

2.5 MIXED ECONOMY

This lies between the two extremes that is the command and capitalist economies. In mixed economies government and the private sector interact in solving economic issues. Government controls a significant share of the economy, through; taxation, transfer payment and provision of public goods and services. The private sector on the other hand, provides the private goods and services. Government regulates the extent to which individuals may pursue their own interests through regulatory policies which may either be monetary policing or fiscal policies. Government may also be a producer of private goods such as vehicles.

We should however, note that in the real sense, there is no country which is purely command economy or purely capitalist. Indeed all countries are mixed economies, but the degree of government - private sector participation differs. There are those which are more centrally planned while others are more market oriented. Nevertheless, among the mixed economies are the less developed countries such as Uganda, Kenya, India, the "Tiger" i.e Taiwan, Hong Kong, South Korea, Thailand, Singapore", Latin American countries and virtually all African countries.

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