

- Believed that there should be no monopolies and low barriers to entry.

Karl Marx's view - command economy

- Marx argued that a free market economy creates inequality and exploitation of workers, so eventually the lower classes would revolt and seize the means of production.
- Gave rise to communism.

Friedrick Hayek - free market economy

- Supporter of the free market and very critical of command economies, because he believed that consumers know best.
- He believed that the resource allocation brought about by individuals, spontaneously, by the operation of market forces, would be far superior to any state planning system. He believed that governments should not intervene in resource allocation decisions, except in the provision or protection of public goods.
- So he thought that the price mechanism was consumers' and producers' method of communication.

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Page 7 of 7