**Planned Economy**

**Features:**

* All resources are owned and managed by the government.
* There is no Consumer or producer sovereignty.
* The market forces are not allowed to set the price of the goods and services.
* Profit in not the main objective, instead the government aims to provide goods and services to everybody.
* Government decides what to produce, how much to produce and for whom to produce.

**Advantages**

* Prices are kept under control and thus everybody can afford to consume goods and services.
* There is less inequality of wealth.
* There is no duplication as the allocation of resources is centrally planned.
* Low level of unemployment as the government aims to provide employment to everybody.
* Elimination of waste resulting from competition between firms.

**Disadvantages**

* Consumers cannot choose and only those goods and services are produced which are decided by the government.
* Lack of profit motive may lead to firms being inefficient.
* Lot of time and money is wasted in communicating instructions from the government to the firms.

**Examples of Planned economies**

* North Korea
* Cuba
* Turkmenistan
* Myanmar
* Belarus
* Laos
* Libya
* Iran
* Iraq (until 2003)

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