

be good at doing and may dislike. Therefore, their motivation to work, use of resources wisely, and to do a good job is lacking. Governments in these types of systems are often violent and the people of the country suffer from poverty and fear of their rulers.

A **market economy** is the last type of economic system which is based on individual choices. This means that consumers and producers make the economy work. How? Well if a consumer is interested in a certain good, they will spend their money on that good. This motivates the producers to choose to produce that good in order to make money. Consumers and producers balance the economy in this way. This kind of economy is driven ~~mainly by an individual's self-interest and what they desire~~ based on the choices they make, not as the society as a whole.

There are 3 important characteristics of a market economy. The first is **private property rights**, or the rights of individuals and groups to own property. This is not limited to just land. Property means everything that a person owns and every service that a person can provide, like their own labor on the job. The other important characteristic of a market economy is the **market**, which is any place or situation in which people buy and sell resources and goods and services. Markets can be stores, outlets, fairs, or even internet stores like Amazon. It is anywhere that people exchange goods or services. Without a market, consumers cannot get goods and services and producers cannot make a profit by selling them.

Competition, the effort of two or more people, acting independently, to get the business of others by offering the best deals, is the last important characteristic of a market economy. This shows that the consumer holds the power in the market place as producers compete against each other in their prices and services to get consumers to buy their products. Consumers who are pursuing their own interests will buy the lower priced item in a market. Producers will continue to lower their prices as much as possible to make people to buy their goods and services rather ~~than their own products and services~~ and services. Competition is the main regulating force in the free market and the reason why consumers and producers balance out the economy.

A market economy wants people to use the resources they have efficiently by allowing people to create businesses that interest them and that they are good at. This is called **specialization**, or a situation in which people concentrate their efforts in the areas in which they have an advantage. If you