

## Summary of market structures

<b>System</b>	<b>Structures/institutions</b>	<b>Strategies</b>	<b>Commentary</b>
Centralised planning	Mixed economy, but state is dominant agent in economy.	Strongly interventionist to the goal of direct industrialisation.	Planning such as price controls, regulation and lack of competition may misallocate resources leading to slow GDP growth with an urban bias.
Free market	Structural change or adjustment to produce a market system (such as deregulation, price liberalisation, privatisation etc).	Weakly interventionist to promote free trade and competition.	Problems of market failure include widened equity gaps (income and access to basic goods) and externalities, merit goods and public goods.
Market friendly	Market structure retained by with additional role for the state.	Limited but specific intervention to overcome market failures.	Debate over extent of desirable intervention.

These notes are from a lesson on 15/11/2004.