

## **Macroeconomics – Strategic**

Macroeconomics is a branch of the economics that studies how the aggregate economy behaves. In macroeconomics, a variety of economy-wide phenomena is thoroughly examined such as inflation, price levels, rate of growth, national income, gross domestic product (GDP) and changes in unemployment.

## **Microeconomics – Tactical**

Microeconomics is the social science that studies the implications of individual human action, specifically about how those decisions affect the utilization and distribution of scarce resources. Microeconomics shows how and why different goods have different values, how individuals make more efficient or more productive decisions, and how individuals best coordinate and cooperate with one another. Generally speaking, microeconomics is considered a more complete, advanced and settled science than macroeconomics.

## **Socialism, Capitalism, and Communism**

**Socialism** is a populist economic and political system based on the public ownership (also known as collective or common ownership) of the means of production. Those means include the machinery, tools and factories used to produce goods that aim to directly satisfy human needs. Communism and socialism are umbrella terms referring to two left-wing schools of economic thought; both oppose capitalism, but socialism predates the "Communist Manifesto,"

Communism and socialism are economic and political structures that promote equality and seek to eliminate social classes. **The two are interchangeable in some ways**, but different in others. In a communist society, the working class owns everything, and everyone works toward the same communal goal. There are no wealthy or poor people -- all are equal, and the community distributes what it produces based only on need. Nothing is obtained by working more than what is required. Communism frequently results in low production, mass poverty and limited advancement. Poverty spread so widely in the Soviet Union in the 1980s that its citizens revolted. Like communism, socialism's main focus is on equality. But workers earn wages they can spend as they choose, while the government, not citizens, owns and operates the means for production. Workers receive what they need to produce and survive, but there's no incentive to achieve more, leaving little motivation. Some countries have adopted aspects of socialism. The United Kingdom provides basic needs like healthcare to everyone regardless of their time or effort at work. In the U.S., welfare and the public education system are a form of socialism. Both are the opposite of capitalism, where limitations don't exist and reward comes to those who go beyond the minimum. In capitalist societies, owners are allowed to keep the excess production they earn. And competition occurs naturally, which fosters advancement. Capitalism tends to create a sharp divide between the wealthiest citizens and the poorest, however, with the wealthiest owning the majority of the nation's resources.

## **Capitalism**

Capitalism is an economic system in which capital goods are owned by private individuals or businesses. The production of goods and services is based on supply and demand in the general market (market economy), rather than through central planning (planned economy or command economy). The purest form of capitalism is free market or laissez-faire capitalism, in which private individuals are completely unrestrained in determining where to invest, what to produce or sell and at which prices to exchange goods and services, operating without checks or controls. Most modern countries practice a mixed capitalist system of some sort that includes government regulation of business and industry.