My Economic System

Notre Dame College

EC-202 Macroeconomics

Ryne Lewis

December 3, 2020

Every economic system has its pros and cons, just like most things in this world. Although, as the leader of the nation of Lakerland, our economic system will undoubtably be a market system. My reasoning being that I want our nation to be strong, resilient, and be able to provide for itself. A market economy is a system where the laws of supply and those of demand direct the production of goods and services. Supply includes natural resources, capital, and labor. Demand includes purchases by consumers, businesses, and the government. (Amadeo 2020) This could also be related to the supply and demand theory of economics.

Lakerland would take on a theory simple to Germany when it comes to regions. We would have no states, just a central government that controls all areas of the nation. This would make it a much more consistent and united way of living. Unlike America, where people in California are leaving and going to different states with different tax laws and overall laws in general. A central nation I believe would lead to more unity and less complications.

Due to Lakerland being a new nation, we would rely mostly on other countries exports, thus meaning our system is and open system, most common today. This would also mean we would need ways of making money. This would be achieved by taxes. These taxes would include income tax, sales tax, and corporate tax. Income tax is a type of tax that governments impose on income generated by individuals within their jurisdiction. My income tax would be 5%, meaning for every dollar spent, the government would receive five cents. This current system also allows for a stable income stream for the government. For example, even at 10% unemployment, 90% of the workforce is still making money. As the workers make money, the government can maintain an income stream, even in a depression. Income tax helps the government build an infrastructure, which otherwise would be probably impossible. (Kagan 2020)

I would also implement a sales tax of 8.1%. A sales tax is a consumption tax imposed by the government on the sale of goods and services. A conventional sales tax is levied at the point of sale, collected by the retailer, and passed on to the government. The beauty of a sales tax is the consumer can control how much sales tax they pay. A government cannot force someone to pay a sales tax without them purchasing something. It also would be the same across the board for everyone regardless of financial standing. (Kagan 2020)

A corporate tax is tax on the profits of a corporation. The taxes are paid on a company's operating earnings, or their profits. Corporate tax is like income tax, but with large corporations and companies. The companies would only be taxed on profits made. I also do not want too high of a corporate tax; this would lead to companies not wanting to have their businesses in my country. My corporate tax would be 10%.

Lakerland is in a dryer, mountainous, dual climate type of area. Like an Arizona or Colorado. This leads to many opportunities for great exports. The first and main export would be cotton due to the dry land we have throughout the nation. Cotton is a fantastic export due to the fact that everyone needs it. We would not only export it to our neighboring countries, which will lead to good relationships, but also will use it for ourselves. With that being said, all sorts of vegetables would be able to grow in our climate. In the cooler months we would grow cooler season veggies beet, broccoli, cabbage, carrot, lettuce, onion, pea, potato, radish, spinach and turnip. In warmer months we would grow warm-season crops include beans, cucumber, eggplant, melons, pepper, pumpkin, squash, sweet corn, sweet potato and tomato. All of these are very good exports that many countries will need. (Grimes 2013) We will also name Kobetown as our capital city.

Another export and job opportunity would be the mining industry. Places like Lakerland are great for mining copper. Copper is also a massive export not only domestically, but all over the world. These mines would also open many job opportunities for our inhabitants. This would lead to huge intakes and money and stability among the people. Our land is out most valuable asset, so we will use it and take care of it so it can take care of us. This will also lead to promoted growth because people can see, the opportunities are right before us, we just must work hard to make it worth it.

We would trade, like previously stated, with our neighboring countries first of course, then look out to what the rest of the world has to offer. This would lead to good relationships close to us, which is always a plus, and all over the globe. We could also trade with these countries for things we may not have as much of. A true mutualistic relationship.

Lakerland would be a place of opportunity, growth, and prosperity. We will be a hard-working nation that will look to the future and have excitement of what's to come. We will be a market economy that will produce goods for nations across the globe. We will tax our people, but not to the sky. We will enforce income taxes, corporate taxes, and sales taxes. We will have many trade allies and will form great relationships across the globe with world powers. Our own climate and land will be our most valuable resource. Lakerland is here now and his here to stay.

Works Cited

Amadeo, Kimberly. “How the U.S. Constitution Protects America's Market Economy.” *The Balance*, 20 Aug. 2020, [www.thebalance.com/market-economy-characteristics-examples-pros-cons-3305586](http://www.thebalance.com/market-economy-characteristics-examples-pros-cons-3305586).

Workman, Daniel. “World's Top Export Products.” *World's Top Exports*, 2 May 2020, www.worldstopexports.com/worlds-top-export-products/.

Learning, Lumen. “Microeconomics.” *Reading: Types of Taxes | Microeconomics*, courses.lumenlearning.com/suny-microeconomics/chapter/reading-types-of-taxes-2/.

Kagan, Julia. “Corporate Tax.” *Investopedia*, Investopedia, 6 Nov. 2020, www.investopedia.com/terms/c/corporatetax.asp.

Gaille, Brandon. “12 National Sales Tax Pros and Cons.” *BrandonGaille.com*, 30 June 2015, brandongaille.com/12-national-sales-tax-pros-and-cons/.

Kagan, Julia. “What Is Sales Tax?” *Investopedia*, Investopedia, 16 Sept. 2020, www.investopedia.com/terms/s/salestax.asp.

“Advantages And Disadvantages Of A Income Tax Economics Essay.” *UKEssays.com*, www.ukessays.com/essays/economics/advantages-and-disadvantages-of-a-income-tax-economics-essay.php.

Gaille, Louise. “11 Pros and Cons of a Market Economy.” *Vittana.org*, 16 Dec. 2019, vittana.org/11-pros-and-cons-of-a-market-economy.

Grimes, Thelma. “When to Plant Vegetables in an Arizona Garden.” *Tucson Local Media*, 11 Sept. 2013, www.tucsonlocalmedia.com/features/home\_and\_garden/article\_13ad1de8-1aa3-11e3-9e5b-0019bb2963f4.html.