Economy on a Line

Compare market choices and government control in mixed economies.

SS6E1.b “Explain that countries have a mixed economic system located on a continuum between pure market and pure command.”

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline details that show private people or businesses making economic choices, and circle details that show government involvement. These marks will help you place each country on the economic continuum.

Countries Between Two Ends

1 An economic system is the way a country decides what goods and services to produce, how to produce them, and who receives them. At one end of a continuum is a pure market system. Individuals and businesses own resources and make most choices about prices, jobs, and products. At the other end is a pure command system. The government owns resources or directs most choices. These ends are useful ideas, but real countries do not fit completely at either end.

2 Canada has a mixed economic system and is closer to the market end than to the command end. Many people and businesses own farms, stores, banks, and factories. They choose what to sell and where to work. However, Canada's governments collect taxes, provide services such as public schools and health care, and set rules for businesses. Governments also own or manage some services across the country. Private choices are important, yet government decisions are important too.

3 In Latin America, countries also mix private activity with government action, but the balance differs. Brazil has privately owned businesses, while government rules, taxes, and public programs affect the economy. Cuba is closer to the command end because the government has a large role in directing economic activity. Cuba has allowed some private work and businesses, so it is not a pure command system. A continuum helps compare these systems by showing degrees of market choice and government control.

2 ANSWER WITH EVIDENCE

Use the passage

1. What does each end of the economic continuum represent?

2. Where does Canada belong on the continuum, and what detail supports your answer?

3. Why is Cuba closer to the command end of the continuum, but not a pure command system?

4. How does a continuum help you compare the economic systems of Canada, Brazil, and Cuba?

3 YOUR TURN

Your own words

Invent a country with a mixed economic system. Write three sentences that describe one private economic choice, one government role, and where your country belongs on the continuum.

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PART 1 · READ AND MARK

Underline details that show private people or businesses making economic choices, and circle details that show government involvement. These marks will help you place each country on the economic continuum. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	What does each end of the economic continuum represent?	**One end is a pure market system, where individuals and businesses make most choices. The other is a pure command system, where the government owns resources or directs most choices.**
2	Where does Canada belong on the continuum, and what detail supports your answer?	**Canada is closer to the market end. People and businesses own many farms, stores, banks, and factories and make choices about selling and working, although the government also provides services and sets rules.**
3	Why is Cuba closer to the command end of the continuum, but not a pure command system?	**Cuba is closer to the command end because its government has a large role in directing economic activity. It is not pure command because some private work and businesses are allowed.**
4	How does a continuum help you compare the economic systems of Canada, Brazil, and Cuba?	**A continuum shows that all three countries have mixed economies, but they have different amounts of market choice and government control.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

In Solana, families own restaurants and choose the food they sell. The government runs hospitals and sets safety rules for all restaurants. Solana is near the market end of the continuum because private choices are more common than government control.

Accept equivalent wording that identifies private economic decisions and government involvement. For the open response, accept any sensible continuum placement that matches the student's examples.