Between Two Ends

Locate mixed economies on a market-to-command continuum.

SS6E4.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 phrases that show market choices, and circle phrases that show government action. These marks will help you see why countries can be mixed economies.

A Continuum of Economic Choices

1 An economic system is the way a country makes choices about producing, selling, and using goods and services. At one end of a continuum is a pure market system. Individuals and businesses own most resources and decide what to make, buy, and sell. At the other end is a pure command system. The government owns resources or directs many choices, including production and prices. These two ends are models. Real countries do not fit completely at either end.

2 Countries in Latin America and Canada have mixed economic systems. In a mixed system, households and businesses make many choices, while governments also set rules, collect taxes, provide services, or own some businesses. For example, private companies operate stores and farms in Canada, but government programs help pay for health care. This does not make Canada command. It shows that market activity and government action can exist together. The amount of each helps place a country on the continuum.

3 Countries can be placed at different points, but their locations can change. Cuba has a larger government role in much of its economy than Canada does, so it is generally closer to the command end. Yet Cuba is not a pure command system, because some people run private businesses. Canada is generally closer to the market end, but it is not pure market because its government provides services and sets rules. A new law, program, or ownership change can shift a country's position.

2 ANSWER WITH EVIDENCE

Use the passage

1. Who makes most economic choices in a pure market system? Who makes many economic choices in a pure command system?

2. Why does government help with health care not make Canada a command economy?

3. Which country is generally closer to the command end, Cuba or Canada? Give one reason from the passage.

4. Name two kinds of changes that could shift a country's place on the continuum.

3 YOUR TURN

Your own words

Invent a mixed economy called Solara. Write four sentences that explain one choice businesses make, one action the government takes, which end Solara is closer to, and why it is still mixed.

PART 1 · READ AND MARK

Underline phrases that show market choices, and circle phrases that show government action. These marks will help you see why countries can be mixed economies. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Who makes most economic choices in a pure market system? Who makes many economic choices in a pure command system?	**Individuals and businesses make most choices in a pure market system. The government makes or directs many choices in a pure command system.**
2	Why does government help with health care not make Canada a command economy?	**Canada still has private companies that operate stores and farms. Market activity and government action can exist together in a mixed economy.**
3	Which country is generally closer to the command end, Cuba or Canada? Give one reason from the passage.	**Cuba is generally closer to the command end because the government has a larger role in much of its economy than Canada does.**
4	Name two kinds of changes that could shift a country's place on the continuum.	**A new law, a new government program, or an ownership change could shift a country's position.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

In Solara, families and businesses decide which foods to grow and sell. The government requires safe workplaces and runs public clinics. Because private businesses make many production choices, Solara is closer to the market end. It is still mixed because the government provides services and makes rules.

Accept equivalent descriptions of the two endpoints and mixed systems. For the open response, accept any reasonable placement on the continuum if the student includes both a market choice and a government role.