Choices Shape Economies

Compare who makes economic decisions in Latin America and Canada.

SS6E4 "Analyze different economic systems."

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Circle each economic system named in the passage. Underline details that show who makes economic choices in each system.

Who Decides?

1 All economic systems answer three questions: What goods and services will be made? How will they be made? Who will receive them? In a traditional system, customs passed down through generations guide many choices. For example, an Indigenous community might use local knowledge to decide when to grow a familiar crop and share work among families. This can protect culture, but it may offer fewer choices when people want new products or jobs than customary work provides.

2 Cuba is commonly described as a command economy because its government makes many major economic decisions. State-run businesses provide much of the country's electricity, transportation, and health care. Government leaders set plans for important industries and decide how resources are used. These choices can direct resources toward public services, but workers and shoppers have less control over what is produced and sold. Cuba also allows some private businesses, so its economy includes limited market activity.

3 Canada has a mixed economy with strong market features. Individuals and businesses own most farms, stores, and factories. They choose many products to make, and buyers help signal demand through their purchases. At the same time, the government collects taxes, provides services such as public schools and health care, and sets rules for businesses. Because both private choices and government decisions shape the economy, Canada is not a pure market system in every area of life.

2 ANSWER WITH EVIDENCE

Use the passage

1. How do traditional customs and Cuba's government answer economic choices differently?

2. Which two details show that Canada has a mixed economy instead of a pure market economy?

3. What trade-off does the passage describe for a traditional economy?

4. Why do some private businesses not make Cuba a market economy, according to the passage?

3 YOUR TURN

Your own words

Fill in the table to compare how a traditional, command, and mixed economy could provide bus rides in a mountain town. In each row, explain who decides and give one possible result for riders.

ECONOMIC SYSTEM	WHO DECIDES ABOUT BUS RIDES?	ONE POSSIBLE RESULT FOR RIDERS

Choices Shape Economies

PART 1 · READ AND MARK

Circle each economic system named in the passage. Underline details that show who makes economic choices in each system. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How do traditional customs and Cuba's government answer economic choices differently?	**In a traditional economy, customs guide many choices. In Cuba, the government makes many major economic decisions and plans important industries.**
2	Which two details show that Canada has a mixed economy instead of a pure market economy?	**Individuals and businesses own most farms, stores, and factories and choose many products. The government also collects taxes, provides public services, and sets business rules.**
3	What trade-off does the passage describe for a traditional economy?	**Traditional customs can protect culture, but they may provide fewer choices for people who want new products or jobs.**
4	Why do some private businesses not make Cuba a market economy, according to the passage?	**Cuba has limited market activity, but the government still makes many major economic decisions, plans important industries, and operates many businesses.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

ECONOMIC SYSTEM	WHO DECIDES ABOUT BUS RIDES?	ONE POSSIBLE RESULT FOR RIDERS
Traditional	Community elders and customs decide routes, work, and fares.	Routes may fit long-used travel needs, but new routes may be slow to add.
Command	Government planners choose routes, fares, and bus workers.	Service can be sent to needed areas, but riders have fewer choices.
Mixed	A private company may run buses while the government sets safety rules or pays for remote routes.	Competition may improve service, and public support can cover less profitable routes.

Accept equivalent descriptions that correctly identify customs in a traditional system, government control in a command system, and both private and government roles in a mixed system. For the table, accept reasonable results that match each decision-maker description.