Economy on a Line

Trace market and government choices on an economic continuum.

SS6E7.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 one detail about private choices and one detail about government action for each country. Then, beside each country name, write M if it is closer to the pure market end or C if it is closer to the pure command end.

Europe's Mixed Economies

1 Every country must decide how to use workers, land, money, and factories. In a pure market system, individuals and businesses make most choices about what to produce, what to sell, and what prices to charge. In a pure command system, the government makes nearly all of those choices. These two pure systems are endpoints on an economic continuum, or a line showing a range. Real countries do not sit exactly at either endpoint in practice.

2 Most European countries have mixed economic systems. A mixed system combines market choices with government action. For example, Germany has private businesses that compete to sell cars, bread, and clothing. People can choose many jobs and products. At the same time, Germany's government collects taxes and provides services such as public schools, roads, and health insurance rules. Businesses generally decide what to make, but they must follow laws about safety, workers, and the environment. These government roles mean Germany is not a pure market system.

3 Belarus also has a mixed system, but its government has more control over the economy than Germany's government does. The state owns or strongly controls many large businesses and can influence production and prices. Private businesses exist, yet they face more government direction. Because both countries include some private choices and some government action, both are mixed economies. On the continuum, Germany is closer to the market end, while Belarus is closer to the command end. Neither country is pure.

2 ANSWER WITH EVIDENCE

Use the passage

1. What is the main difference between a pure market system and a pure command system?

2. Give one market choice and one government action that show Germany has a mixed economy.

3. Which country is closer to the command end of the continuum? Give one detail from the passage that supports your answer.

4. Why are Germany and Belarus both mixed economies, even though they are in different places on the continuum?

3 YOUR TURN

Your own words

Invent a fictional European country. Write exactly three sentences that describe one market choice, one government action, and whether the country is closer to the market end or command end of the continuum, with a reason.

ANSWER KEY **Economy on a Line**

PART 1 · READ AND MARK

Underline one detail about private choices and one detail about government action for each country. Then, beside each country name, write M if it is closer to the pure market end or C if it is closer to the pure command end. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	What is the main difference between a pure market system and a pure command system?	**In a pure market system, individuals and businesses make most economic choices. In a pure command system, the government makes nearly all economic choices.**
2	Give one market choice and one government action that show Germany has a mixed economy.	**Germany has private businesses that compete and people can choose jobs and products. Its government collects taxes, provides services, and makes rules.**
3	Which country is closer to the command end of the continuum? Give one detail from the passage that supports your answer.	**Belarus is closer to the command end. Its state owns or strongly controls many large businesses and can influence production and prices.**
4	Why are Germany and Belarus both mixed economies, even though they are in different places on the continuum?	**Both countries have some private choices and some government action in their economies. Germany has more market choice, while Belarus has more government control.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

In Luma, people can open bakeries and choose which phones to buy. The government owns the railroads and sets the price of electricity. Luma has a mixed economy and is closer to the command end because the government controls important services.

Accept any fictional country that includes both a private market choice and a government role. The placement on the continuum must match the student's evidence and recognize that the country is mixed, not pure.