Choices Shape Economies

Analyze how different systems make economic decisions in Africa.

SS7E1 "Analyze different economic systems."

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Circle the name of each economic system, then underline the words that show who makes economic choices in that system.

Who Decides?

1 Every society must decide what to produce, how to produce it, and who receives it. In a traditional economy, customs guide many choices. In rural parts of Ethiopia, a family may grow crops using methods taught by older relatives and trade goods at a local market. Families often produce food for their own use. This system can protect cultural practices, but it may change slowly when new needs arise or weather conditions disrupt farming patterns.

2 A command economy places major decisions in the hands of the government. During the 1970s and 1980s, Angola's government controlled much of the economy and directed production through state-owned businesses. The government could focus resources on chosen goals, such as rebuilding roads or supporting industries. However, officials may not know what every community needs. When government plans do not match local demand, shortages or wasted resources can result. People may have few choices about jobs or goods available.

3 Most African nations today have mixed economies, combining market choices with government action. In Kenya, many people own farms, shops, and phone-based businesses. Buyers and sellers influence prices through supply and demand. At the same time, Kenya's government builds roads, provides public schools, and makes rules for businesses. A mixed system can give people choices while government provides services the market may not supply well. Yet taxes and regulations can affect business decisions and consumer prices.

2 ANSWER WITH EVIDENCE

Use the passage

1. How do economic choices get made in a traditional economy and in a command economy?

2. Compare the government's role in command-era Angola with its role in mixed-economy Kenya.

3. What is one possible benefit and one possible challenge of a traditional economy, according to the passage?

4. Why is Kenya described as having a mixed economy? Use two details from the passage.

3 YOUR TURN

Your own words

Invent a fictional African community. Write exactly 3 sentences that name its economic system, explain who makes one production or price decision and one government decision, and state one benefit or challenge of that system.

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PART 1 · READ AND MARK

Circle the name of each economic system, then underline the words that show who makes economic choices in that system. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How do economic choices get made in a traditional economy and in a command economy?	**Traditional economies rely on customs and family practices. Command economies rely mainly on government decisions.**
2	Compare the government's role in command-era Angola with its role in mixed-economy Kenya.	**In command-era Angola, the government controlled much of the economy and directed production. In Kenya, the government provides services and rules, while people and businesses also make many choices.**
3	What is one possible benefit and one possible challenge of a traditional economy, according to the passage?	**A benefit is protecting cultural practices. A challenge is that the system may change slowly when needs change or weather disrupts farming.**
4	Why is Kenya described as having a mixed economy? Use two details from the passage.	**People own farms, shops, and businesses, and buyers and sellers influence prices. The government also builds roads, provides schools, and makes business rules.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

In the fictional town of Nala, the economy is mixed. Fishing families decide what fish to sell and set many prices, while the town government funds the harbor and limits fishing to protect fish stocks. This system gives families choices, but government rules can raise costs or limit some business decisions.

Accept equivalent comparisons that accurately identify customs, government control, and the combined market-government features of a mixed economy. For the open response, accept any accurately described economic system with all three required sentences and a logical benefit or challenge.