Who Decides?

Compare how economic systems make choices about scarce resources.

E.1.6 "Describe and compare the various economic systems (i.e., traditional, market, command, mixed, feudal, mercantile) and explain their strengths and weaknesses."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the words that show who or what guides decisions in each of the six systems. Circle one strength and draw a box around one weakness of each system.

Six Ways to Get Bread on the Table

1. Imagine a town trying to keep bread on every table. In a traditional economy, families might grow familiar crops and pass farming skills to their children. Shared customs can preserve useful knowledge and a sense of belonging, but they may discourage new methods when harvests fail. In a market economy, bakers and farmers decide what to produce, while buyers' choices and prices guide them. Competition can spur new tools and lower costs. Yet people with little money may go without bread even when shops have plenty. These systems differ in what guides decisions: inherited practice or voluntary exchange.

2. Now picture a drought that cuts the wheat crop. In a command economy, officials could order farms to grow certain crops and assign flour to bakeries. Central direction can move supplies toward a shared goal, but officials may misjudge local needs or give farmers little reason to improve production. A mixed economy combines markets with government action. Bakers may set prices, while the government funds irrigation or provides food aid. This can preserve choice while helping people markets overlook. However, rules and aid cost money, and poorly designed policies can waste supplies.

3. History offers two other ways to organize bread and trade. In a feudal system, landholding lords granted people use of land in return for work or service; peasants produced food, and obligations tied them to powerful landholders. This could provide local protection, but it sharply limited peasants' freedom and opportunity. Under mercantilism, states tried to build wealth and power by directing trade, often favoring exports and restricting imports from rival states. State support could help favored producers and shipping, but trade barriers raised costs and colonies were often exploited. These historical systems could overlap, although one centered on land obligations and the other on state-directed trade.

2 ANSWER WITH EVIDENCE

Use the passage

1. What guides decisions in traditional and market economies? Give one strength of each.

2. Who decides what farms produce in a command economy, compared with a market economy? Give one weakness of each.

3. How does a mixed economy differ from a command economy? Give one strength and one weakness of the mixed approach.

4. What does each system organize in feudalism and mercantilism? Give one weakness of each.

3 YOUR TURN

Your own words

An island town has one freshwater spring, several farms, and families who cannot all pay for food; design a plan using ideas from at least two systems in the passage. In one paragraph, explain who makes decisions, compare how the two approaches handle scarcity, and identify one likely benefit and one risk of your plan.

Who Decides?

PART 1 · READ AND MARK

Underline the words that show who or what guides decisions in each of the six systems. Circle one strength and draw a box around one weakness of each system. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	What guides decisions in traditional and market economies? Give one strength of each.	**Custom guides traditional economies and can preserve useful knowledge. Buyers' choices and prices guide market economies, where competition can spur new tools or lower costs.**
2	Who decides what farms produce in a command economy, compared with a market economy? Give one weakness of each.	**Officials direct production in a command economy, but they may misjudge local needs. Farmers decide what to produce in a market economy, but people with little money may go without food.**
3	How does a mixed economy differ from a command economy? Give one strength and one weakness of the mixed approach.	**A mixed economy combines market decisions with government action instead of relying on central direction. It can preserve choice while providing aid, but rules and aid cost money.**
4	What does each system organize in feudalism and mercantilism? Give one weakness of each.	**Feudalism organizes land use through obligations to landholders, which limits peasants' freedom. Mercantilism directs trade to build state power, but its trade barriers can raise costs.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Farmers would choose which crops to grow and sell, borrowing from a market economy. A town council would set daily water limits and provide food vouchers to families who cannot pay, borrowing from government action in a mixed economy. Farmers' choices could encourage more food production, while council decisions could protect the spring and help hungry families. Unlike farmers, council members would decide how much water each household receives. One risk is that the council might set water limits too low for larger families.

Accept other passage-supported strengths and weaknesses in Part 2. For Part 3, look for a workable plan that accurately uses and compares at least two systems, with a plausible benefit and risk.