

Choices and Rules

How democracy and free enterprise work together

CE.12.a "evaluating the shared fundamental principles and connection of free enterprise and democracy;"

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Underline two statements that show a principle shared by democracy and free enterprise. Circle one sentence that explains how the two systems connect.

Freedom Within Fair Rules

- ① In a democracy, people have political rights. They can speak, gather, vote, and ask leaders to explain decisions. In a free-enterprise economy, people can usually choose jobs, start businesses, own property, and decide what to buy or sell. Neither system promises that every choice will succeed. Both rely on the idea that individuals have freedom to make lawful choices. That freedom is limited by the rights of others and by laws that protect safety, property, and fair treatment.
- ② Consider a town council deciding how to issue permits for food carts in a public plaza. Residents can attend meetings, share views, and vote for council members. The council must publish rules and apply them equally. After permits are issued, cooks may compete by offering different foods and prices, while customers choose where to spend money. This example connects democracy and free enterprise: public participation helps shape fair rules, and economic freedom lets people make choices within those rules.
- ③ Shared principles include individual liberty, equal treatment under the law, private property, voluntary exchange, and responsibility for choices. Democracy can support free enterprise when elected governments protect contracts, enforce laws fairly, and allow peaceful disagreement. Free enterprise can support democracy when independent workers, consumers, and business owners have choices and can express different interests. Still, the systems can create tensions. For example, a majority may favor a rule that limits a business practice, while owners may argue that the rule restricts economic freedom. Democratic processes and courts can help balance such disagreements.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 What idea limits individual freedom in both democracy and free enterprise, according to the first paragraph?

2 How does the town council's duty to publish and apply permit rules equally connect democracy to free enterprise?

3 What conflict might occur when a majority supports a rule that limits a business practice?

4 Which detail shows one way free enterprise can support democracy? Explain why that detail matters.

3 YOUR TURN _____ Your own words

A town is considering a rule that requires all market sellers to post prices clearly. Write exactly two sentences. State whether the town should adopt the rule, then explain how it can protect a shared principle while respecting economic freedom.

PART 1 • READ AND MARK

Underline two statements that show a principle shared by democracy and free enterprise. Circle one sentence that explains how the two systems connect. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	What idea limits individual freedom in both democracy and free enterprise, according to the first paragraph?	Individual freedom is limited by the rights of others and by laws that protect safety, property, and fair treatment.
2	How does the town council's duty to publish and apply permit rules equally connect democracy to free enterprise?	The elected council creates fair, equal rules, and cooks can compete and customers can choose within those rules.
3	What conflict might occur when a majority supports a rule that limits a business practice?	Business owners may argue that the rule restricts their economic freedom.
4	Which detail shows one way free enterprise can support democracy? Explain why that detail matters.	Independent workers, consumers, and business owners have choices and can express different interests. This supports democracy because people can express different views and interests.

PART 3 • YOUR TURN (SAMPLE ANSWER)

The town should adopt the clear-price rule. It promotes fair treatment by giving customers information, while sellers keep the freedom to set prices and compete.

Accept a clear position supported by an accurate explanation of a shared principle, such as fair treatment, liberty, voluntary choice, or responsibility. The response should also explain how sellers retain some economic freedom.