

## 6<sup>th</sup> SS Economic Systems Continuum Activity

- Put students in small groups of 2-3
- Each group should be given a sheet with an Economic Continuum
- Each group should be given a Country Name Card sheet
- Each group should be given a set of Country Information Cards
- Groups should read each Country Information Card and place that Country's Name Card on the Economic Continuum
- Groups should complete the Economic Systems Continuum Response sheet
- The teacher should walk around to facilitate the process, as well as, check group responses

## Economic Systems Continuum Activity: Country Name Cards

United Kingdom

Germany

Russia

Australia

Cuba

Brazil

Canada

## Economic Systems Continuum Activity: Country Information Cards

### United Kingdom

- 1) What to produce? The UK, similar to the US, is largely a service based economy but also has an extremely efficient agricultural sector.
- 2) How to produce? Industries have much freedom in the UK. There have been recent moves to partially-nationalize certain industries like banking.
- 3) For whom to produce? The private sector produces goods and services for domestic and international markets based on the market price system.

### Germany

- 1) What to produce? Germany is primarily an export-based economy focusing on manufacturing and commodities.
- 2) How to produce? German businesses are largely privately owned and independent. There are increasing amounts of government involvement in the financial sectors. There is also still an issue with updating the Eastern German economy to compete and operate on par with Western Germany.
- 3) For whom to produce? Germany survives largely based on their exports, which are determined by global markets. Western Germany still transfers billions of dollars to Eastern German states to help modernize and update factories and production lines.

### Russia

- 1) What to produce? The Russian government is still largely involved with many aspects of the economy and must approve any investment larger than 50 million rubles.
- 2) How to produce? Making large scale production changes in Russia is difficult due to the immense bureaucracy. There is a movement towards modernizing factories and agricultural equipment, but it is slow.
- 3) For whom to produce? Perhaps surprisingly, Russia has fairly low to moderate tax rates. Increasingly Russia is trying to allow for market interaction, but high tariffs and minimal protection of private property make this difficult.

### Canada

- 1) What to produce? How to produce? For whom to produce? Although famous for its socialized medicine, Canadian industries are mostly privately owned. Canada allows a tremendous amount of direct foreign investment by American companies.

## Economic Systems Continuum Activity: Country Information Cards

### Cuba

- 1) What to produce? Most industries are controlled by the government and 75 – 93% of the labor force is employed by the government.
- 2) How to produce? and For whom to produce? Like many centrally planned economies, Cuba's state-run entities are inefficient and do not provide all the goods and services desired by citizens. Because of these inefficiencies, Cuba has a vibrant informal economy that is estimated at about 40% of the total economy.

### Brazil

- 1) What to produce? How to produce? and For whom to produce? Since 1996, many Brazilian industries have become privatized. There is competition, both foreign and domestic, in most major industries. The two largest banks in Brazil are government-owned. The ownership of productive resources tends to be held by an increasingly larger yet still more privileged class, with a large number in the population living in poverty. However, Brazil has implemented reforms and has large scale participation in international free trade.

### Australia

- 1) What to produce? Australia's economy is dominated by its services sector, yet it is the agricultural and mining sectors that account for the bulk of Australia's exports.
- 2) How to produce? Since the 1980s, Australia has undertaken significant structural reform of its economy and has transformed itself from an inward-looking, highly protected, and regulated marketplace to an open, internationally competitive, export-oriented economy. The overall freedom to start, operate, and close a business is strongly protected under Australia's regulatory environment.
- 3) For whom to produce? Australia currently enjoys a record high terms-of-trade well above its long-run average, reflecting the rise in global commodity prices created by booming demand in China and the drop in prices for imports for manufactured goods, mainly from China.

# Economic Systems Continuum Activity: Group Response Sheet

Group Members: \_\_\_\_\_

## 1. United Kingdom

Describe location on continuum \_\_\_\_\_

Explain your reasoning \_\_\_\_\_

## 2. Germany

Describe location on continuum \_\_\_\_\_

Explain your reasoning \_\_\_\_\_

## 3. Russia

Describe location on continuum \_\_\_\_\_

Explain your reasoning \_\_\_\_\_

## 4. Australia

Describe location on continuum \_\_\_\_\_

Explain your reasoning \_\_\_\_\_

## 5. Cuba

Describe location on continuum \_\_\_\_\_

Explain your reasoning \_\_\_\_\_

## 6. Brazil

Describe location on continuum \_\_\_\_\_

Explain your reasoning \_\_\_\_\_

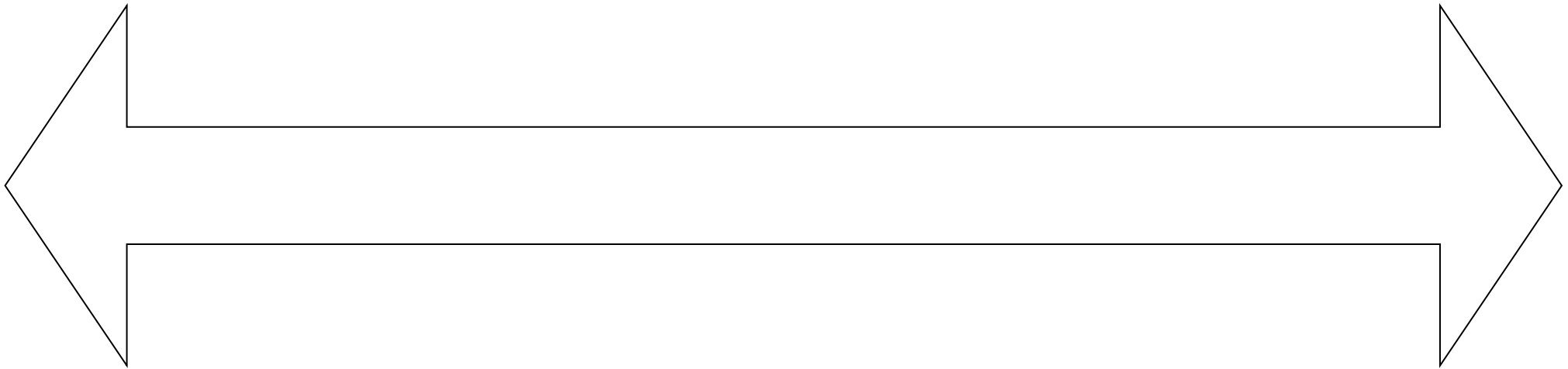
## 7. Canada

Describe location on continuum \_\_\_\_\_

Explain your reasoning \_\_\_\_\_

## Economic Systems Continuum Activity: Economic Continuum

Directions: On the continuum below, label Command Economy, Market Economy, and Mixed. Read the Country Information Cards then place the Country Name Cards at the appropriate location on the continuum. Write down your description of the location and your reasoning for each country on the Group Response Sheet. Sample descriptions: between command and mixed, but closer to command; between mixed and market, but closer to market than...



## Economic Systems Continuum Activity: Economic Continuum KEY

Directions: On the continuum below, label Command Economy, Market Economy, and Mixed. Read the Country Information Cards then place the Country Name Cards at the appropriate location on the continuum. Write down your description of the location and your reasoning for each country on the Group Response Sheet. Sample descriptions: between command and mixed, but closer to command; between mixed and market, but closer to market than... **These answers are not exact. They are based on information provided in the Teacher Notes.**

