

Comparing Economic Systems

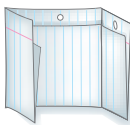
TOPIC SUMMARY

International trade is a major force throughout the world. Nations can work to solve the problem of scarcity by trading with other nations for products and services that they cannot produce themselves. Countries sometimes institute trade barriers to remedy situations in which consumers are not buying domestic products. Countries sometimes join to create zones of free trade. Trade among countries varies in part because so many types of economic systems exist throughout the world. Market economies emphasize individual freedoms and competition. Socialist and communist governments often have command economies, in which the government controls trade. Mixed economies combine elements of both. Today many nations are making the transition from one type of economy to another. Developing nations receive financing through foreign aid and technical and economic assistance.

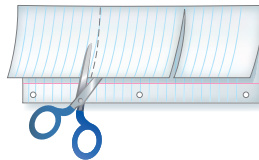
FOLDABLES™
Study Organizer

Analyzing Information Study Foldable *Make the following Foldable to help analyze the purposes and powers of world regional economic trade agreements.*

Step 1 *Fold a sheet of paper in half from side to side, leaving a two-inch tab at the bottom. Turn the paper and fold it into thirds.*



Step 2 *Unfold and cut along the top fold lines to create three tabs.*



Step 3 *Label your three tabs as shown.*



Reading and Writing
Note information about three trade agreements. Then write a paragraph describing the agreement that you think is strongest and explain why.

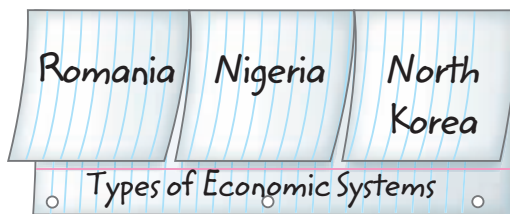
TOPIC ACTIVITY IDEAS

Foldables Follow-Up Activity

Organize the class in three groups, assigning each group one of the trade agreements noted in the Foldable activity above. Ask each group to choose a country that is a part of their assigned agreement and conduct research to learn more about that country's economy. Have groups make presentations to the class that explain how the trade agreements affect trade in the country.

COMPARING

Have students choose three countries from three different continents and list them on the Foldable tabs. Have students research to learn the type of economic system each country has and list this information beneath the appropriate tabs. Initiate a class discussion about why countries have different economic systems. Point out that countries such as Russia and China had command economies before political changes led to the development of market economies. Have students predict ways the economies in the researched countries might respond to political changes.



ANALYZING

Students may use this Foldable to analyze trade between the United States and other countries. Have students use the library or other school-approved resources to determine three products that the United States imports and three products that it exports. Have students list these products beneath the appropriate Foldable tabs. Under the "Balance of Trade" tab, have students explain why the United States buys or sells a particular product to other countries. When students have completed the Foldable, create a cumulative class list of U.S. imports and exports to post in the classroom.

Student Study Tip

Encourage students to group vocabulary words that relate to a similar topic, such as *imports* and *exports*, or *tariffs* and *quotas*. Remind students that grouping words in this way can help them make connections among important concepts.