


Types of Economies




You may use your handout.

Determine the economy by the role of government.

ROLE OF GOVERNMENT


Market (individuals)



- Government exercises **NO** decision making in economic matters (laissez-faire)

ROLE OF GOVERNMENT


Mixed (both government and individuals)



The government makes some production and distribution decisions, but other economic decisions are made by individuals.

ROLE OF GOVERNMENT


Command (government)




- Government exercises **ALL** decision making in economic matters. The government primarily determines what goods to produce.

ROLE OF GOVERNMENT

Traditional (inherit)



- Government allows decisions to be made based on a society's traditions and customs.




You may use your handout.

Determine the economy by the role of its citizens.

ROLE OF CITIZENS


Command



- The government determines jobs that will be created for its citizens; citizens have no say in what jobs or industry will be created

ROLE OF CITIZENS


Mixed



- The government and individuals determine jobs that will be created for citizens

ROLE OF CITIZENS


Traditional




- Citizens performed same jobs as parents/grandparents

ROLE OF CITIZENS

Market



- Citizens pursue whatever type of business they wish. Economic decisions are made by individuals



You may NOT use your handout.

Identify the Role of Citizens
and
Role of Government
in Each Economy

Identify the Economy

Command



- Role of Government:
Government exercises **ALL** decision making in economic matters. The government primarily determines what goods to produce.
- Role of Citizens:
The government determines jobs that will be created for its citizens; citizens have no role in determining jobs or industries

Identify the Economy

Traditional



- Role of Government:
Government allows decisions to be made based on a society's traditions and customs.
- Role of Citizens:
Citizens performed same jobs as parents/grandparents

Identify the Economy

Market



- Role of Government:
Government exercises **NO** decision making in economic matters (**laissez-faire**)
- Role of Citizens:
Citizens pursue whatever type of business they wish. Economic decisions are made by individuals

Identify the Economy

Mixed



- Role of Government:
The **government** makes some production and distribution decisions, but other economic decisions are made by **individuals**.
- Role of Citizens:
The **government** and **individuals** determine jobs that will be created for citizens