

THE FEDERAL RESERVE BANK OF ATLANTA

Economic Systems

How do countries organize economic activity?
FUNDAMENTAL ECONOMIC CONCEPTS

Economic Systems Infographic Activities *(Updated 2023)*

Permission is granted to reprint or photocopy this lesson in its entirety for educational purposes provided the user credits the Federal Reserve Bank of Atlanta. <https://www.atlantafed.org/education>



2. These items refer to the third block of the infographic.

a. In your own words, give a specific example of how the United States exemplifies each of the seven broad social economic goals listed in the table below.

	Examples
Economic Freedom	
Economic Security	
Economic Equity	
Economic Growth	
Economic Efficiency	
Economic Stability	
Economic Sustainability	

b. Now choose any country from the list to research. Then use the websites provided to look for evidence of the broad social economic goals shown on the infographic. Make an inference about the economic system most closely tied to the country and give evidence to support your claim.

- | | | | | |
|----------------|---------------|--------------|-------------|--------|
| Argentina | Brazil | Canada | China | Congo |
| Costa Rica | Cuba | Ecuador | Egypt | France |
| Germany | India | Iran | Japan | Libya |
| North Korea | Norway | South Africa | South Korea | Sudan |
| United Kingdom | United States | | | |

Websites: cia.gov/the-world-factbook/; state.gov; [UNDP.org](http://undp.org); [IMF.org](http://imf.org); worldbank.org

Country	Website(s) used	Economic system (select one) Leans toward pure command, mixed, or pure market	Evidence to support selection



3. Describe what the broad social economic goals mean to you. Share your meanings with another student. Talk about the differences.

	Examples
Economic Freedom	
Economic Security	
Economic Equity	
Economic Growth	
Economic Efficiency	
Economic Stability	
Economic Sustainability	



Activity 2

Ranking Economic Goals

Materials

- Copies of **Handout 1** for each student
- One copy of Economic Systems infographic, cut apart.

Procedure

1. Cut the economic goals section of a copy of the Economic Systems infographic into seven sections, one for each goal. Tape the seven economic goals around the classroom.
2. After discussing the seven economic goals, distribute Handout 1 and have the students answer the questions.
3. When students have completed Handout 1, ask them to stand next to the sign that represents their highest priority.
4. Tell students to discuss the importance of their highest-ranked goal. Also, they should discuss other goals that would support their priority, along with goals that conflict with their prioritized goal.
5. Ask each group to share the outcomes of their discussion with the class. Emphasize that all the goals are valuable, but there are trade-offs between them.



Handout 1 – Ranking Economic Goals

<p>Economic Freedom Are individuals and businesses free to make economic decisions?</p>	<p>Economic Security Are there ways for individuals and businesses to protect against risks?</p>	<p>Economic Equity Are economic opportunities fair?</p>	<p>Economic Growth How can we increase the standard of living for people?</p>
<p>Economic Efficiency Are scarce resources allocated in the best way possible?</p>	<p>Economic Stability— Price Stability and Full Employment How do we keep the economy stable so individuals and businesses can feel secure and plan?</p>		<p>Economic Sustainability Is there a balance between short- and long-term economic goals?</p>

1. Rank these economic goals in order from most important to least important.

- #1
- #2
- #3
- #4
- #5
- #6
- #7

2. Why did you choose to rank your first choice as most important?

3. Why did you choose to rank your seventh choice as least important?

4. What goals are in opposition to each other? Explain.

5. What two or three goals complement each other? Explain.



Activity 3

Economic Goals in the News

The following actions are real decisions made by various economic actors from different countries. For each one, identify which economic and social goal(s) you think the decision-maker was attempting to achieve and whether the action would slide the economic system more toward command or market principles. Circle either command or market. You may use multiple goals for any statement, and you may find that that you do not use all the goals.

Table with 4 columns: Action/Decision, Which Goal(s)?, More command or market?, Explain. Rows include: In 2010, the United Kingdom passed the 'Equality Act'...; In 2021, Cuba's government expanded the list of businesses...; The Mexican Central Bank raised interest rates...; Manitoba, Canada, is increasing its minimum wage...; The German constitution grants 'absolute ownership'...; Turkey has steadily reduced trade barriers...; In 2016, Japan removed regulations on the electricity industry...; The California Environmental Quality Act requires companies to identify 'significant environmental impacts'...



Activity 4

Comparative Economic Systems

Using both the Economic Systems infographic (bit.ly/frba-economic-systems) and the *CIA World Factbook*, answer the following questions and writing prompt:

- Using the *CIA World Factbook* at <https://www.cia.gov/the-world-factbook/>, look up each country and record the information for each on the chart below.

	North Korea	Cuba	Iran	India	Saudi Arabia	United Kingdom	Australia
Geography							
Natural Resources: How many and what types of natural resources are available?							
Land Use: What percentage of the land is arable (capable of being farmed)?							
People							
Life Expectancy at Birth: How long are children born today expected to live?							
Total Fertility Rate: How many children does each woman have on average?							
Literacy Rate: What percentage of people over the age of 15 can read and write?							



Federal Reserve Bank of Atlanta

Birmingham • Jacksonville • Miami • Nashville • New Orleans

	North Korea	Cuba	Iran	India	Saudi Arabia	United Kingdom	Australia
Government							
Government Type: How are leaders elected?							
Government Spending as Percent of GDP							
Military Spending as a Percentage of GDP							
Economy							
GDP per Capita: What is the value of goods and services produced per person?							
Population below the Poverty Line: How many people live in poverty?							
GDP Composition by Sector: What percentage of GDP is industry and services?							
Labor Force by Occupation: What percentage of workers is in agriculture?							
Industries: What are the primary industries?							
Industries: Are industries producing more consumer or more government goods?							
Agriculture Products: What are the primary agricultural goods produced?							
Industrial Production Growth Rate							
Electricity Production							
Telephones: Main Lines in Use							
Internet Service Providers							
Railways							
Paved Highways							
Airports (Paved Runways)							



2. For each country, find the section of the country’s profile entitled “Economy—Overview.” Read the description and identify the most important economic challenge facing the country. Describe this challenge in the table below.

	Biggest Economic Challenge
United Kingdom	
Australia	
Saudi Arabia	
North Korea	
Cuba	
Iran	
India	

3. Locate the continuum at the top of the Economic Systems Infographic. Using the information, you collected from the *CIA World Factbook*, write a paragraph for each country citing at least three pieces of evidence from your research supporting or refuting where that country would fall on the continuum. (Hint: Look for examples of how the country answers the three basic economic questions.)