# Economic Geography Multi-Day Lesson Plan

Harold Weston

SSE5641: Reading and Basic Skills in the Content Areas

Professor Johnston

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# Economic Geography Multi-Day Lesson Plan

**Title:** Economic Geography: The Impact of Natural Resources on Societies

Grade Level: 9th

Time Frame: 5 days

#### Goals:

1. Compare how the various economic systems (traditional, market, command, mixed) answer the questions: (1) What to produce? (2) How to produce? and (3) For whom to produce? (SS.912.E.1.3)

2. Compare the current United States economy with other developed and developing nations. (SS.912.E.3.5)

# **Objectives:**

- 1. Given a Fryer Model, students will explain the concepts behind the four types of economic systems; to include the definitions along with four examples and four non-examples.
- 2. Given four Concept Definition Maps, students will name the four economic levels, accurately define each level, identify the activities involved at each level and provide accurate examples.
- 3. Given an Analogical Guide, students will define each of the three basic types of natural resources, describe the characteristics of each and give at least three examples of each type.
- 4. After classroom discussion, given a CLOZE test from the textbook, students will complete the test with a minimum of 80% accuracy.
- 5. Given a Semantic Feature Analysis, students will compare the four types of economies, the four levels of economic activities and the three basic types of natural resources.

#### **Lesson Overview:**

This unit focuses on the four economic systems and how each system answers the major economic questions of what to produce, how to produce and for whom the production is for. Further instruction will focus on the four levels of economic activities and demonstrate how multiple resources may be required for the production of a single product. Finally, this unit will cover the three types of natural resources and how the availability of natural resources affects production within a given economy.

Traditional economies, command economies, market and mixed economies make up the four economic systems available. Each system is designed to answer the basic economic questions of what to produce, how to produce and for whom to produce. The advantages and disadvantages

of each of these systems are especially visible when compared to the system under which the individual lives and is most familiar with.

The four levels of economic activity (primary, secondary, tertiary, and quaternary) describe the amount of processing involved in the production of the final product. They range from the primary level, where natural resources are gathered and used without any value added processing, to the quaternary, where the introduction of management and high-tech personnel are added into the production mix.

Natural resources are a necessity for production. However, the availability of resources can also be a limiting factor. Natural resources are therefore divided into three categories to help define the impact of resource consumption. They are renewable, non-renewable and inexhaustible energy sources such as solar and wind energy production.

Upon completion of this lesson plan, students will have a basic understanding of how the various economic systems work and how they compare to that of the United States, as well as how the economic system of a given country in conjunction with the availability of resources impacts production decisions.

# Day 1 Lesson Plan

**Title:** Economic Systems

#### Goals:

Compare how the various economic systems (traditional, market, command, mixed) answer the questions: (1) What to produce?; (2) How to produce?; and (3) For whom to produce? (SS.912.E.1.3)

#### **Objective:**

Given a Fryer Model, students will explain the concepts behind the four types of economic systems; to include the definitions along with four examples and four non-examples.

#### **Materials:**

- 1. Text: In McDougal & Lattell. World Geography (pp. 91). Houghton Mifflin Company.
- 2. K-W-L worksheets
- 3. Fryer Model worksheets
- 4. Semantic Feature Analysis worksheets
- 5. Writing materials (pencil/pen and paper)

## Warm Up:

Handout K-W-L sheets as bell work to the students as they enter the classroom; students will continue to work on the sheets for the first five minutes of class.

Instruct students to fill out column K with everything they already know about the various economic systems and column W with what they think they might learn or what they would like to learn.

#### **Main Activities:**

- 1. Begin with a brief lecture over the four types of economic systems as listed on page 91 of the text. Include some examples within the lecture.
- 2. Divide class into three groups, and the three main economic systems (traditional, market and command) are assigned as the topics; one topic per group
- 3. Groups will develop a Fryer Model of their assigned economic system
- 4. Groups will elect a spokesperson to present their Fryer Model to the class.
- 5. Students will need to listen and take notes as each group presents its Fryer Model.
- 6. Students will be handed a Semantic Feature Analysis worksheet to compare the three types of economies with the addition of the fourth (mixed) economy.
- 7. Divide students into teams of three or four to work on the worksheet for the remainder of the class period.

8. Assign the linking activity for homework.

#### **Assessment:**

Assessment will be based on content of the Fryer Model and Semantic Feature Analysis. Also, monitor the conversations during the group activities to ensure that each student is contributing and understanding the material.

# **Linking Activity:**

Instruct the students to read the next section on Economic Activities (Page 92) as pre-reading for Day 2 instruction. Have students brainstorm possible answers to the three major economic questions (1. What to produce? 2. How to produce? 3. For whom to produce?) based on the economic group they were assigned to for the Fryer Model.

**Supplementary Materials:** (See pages 6-12)

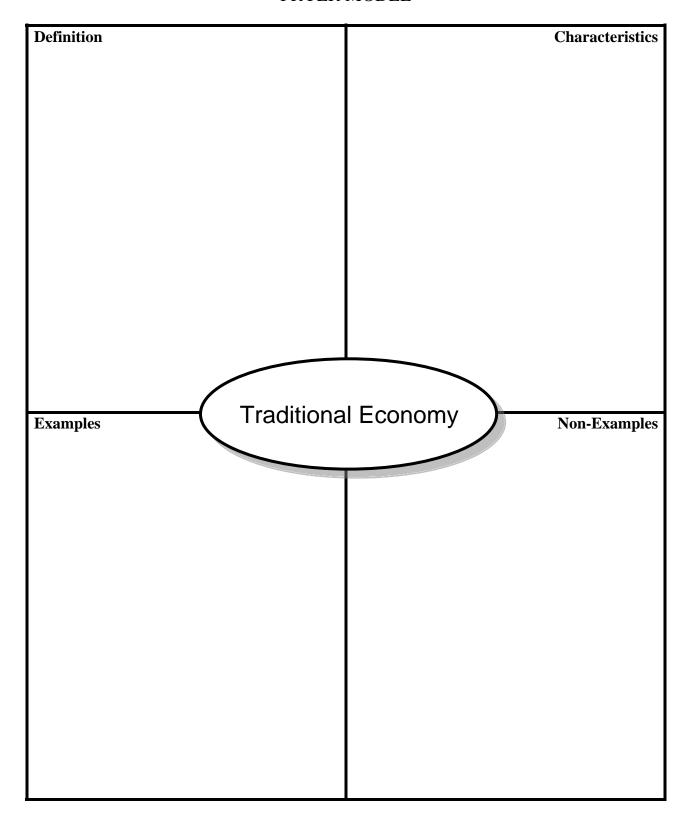
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Name:	
Topic:	Economic Geography (Fill in the column K with what you already know about Economics.

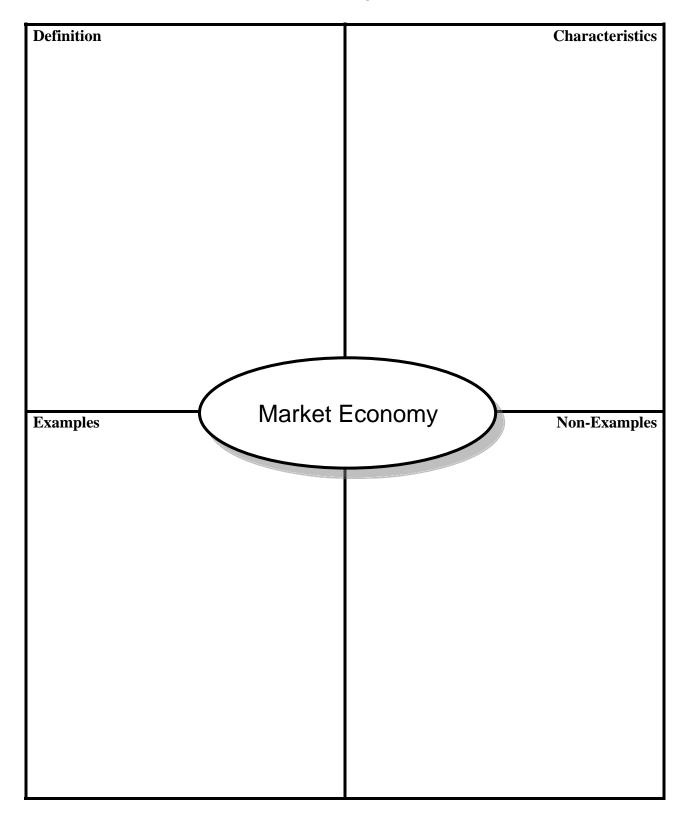
**Topic:** Economic Geography (Fill in the column K with what you already know about Economics. Next, fill in column W with what you want to learn about economics. Column L will be filled in after the chapter is covered)

K What I Know	W What I Want to Know	L What I Learned

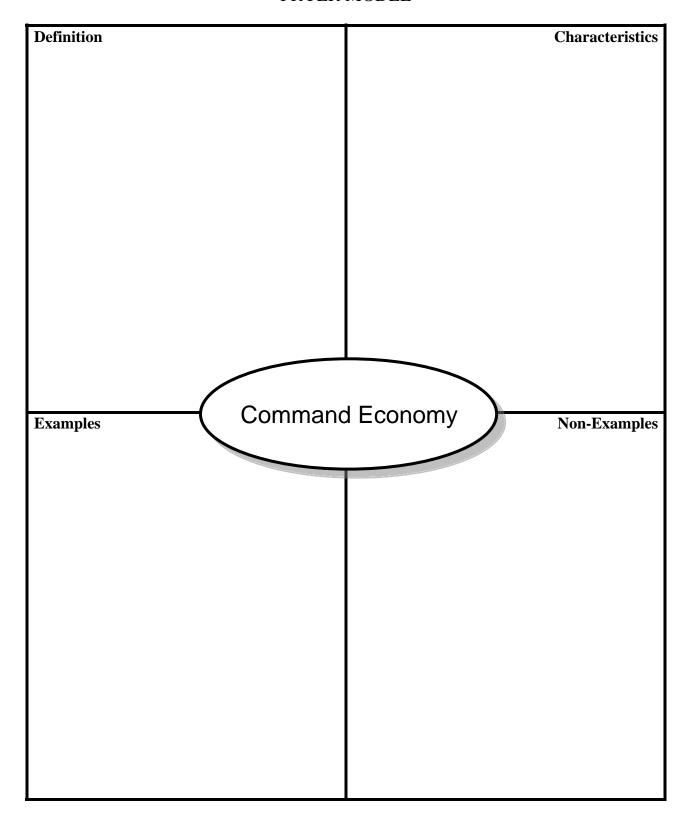
# FRYER MODEL



# FRYER MODEL



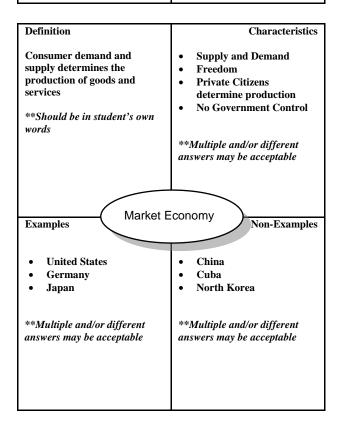
# FRYER MODEL



# FRYER MODEL (Answer Key)

Definition	Characteristics
Goods and services are exchanged without money  **Should be in student's own words	Social Network     Inheritance Based     Exchange of Physical Goods
	**Multiple and/or different answers may be acceptable
Examples	Economy Non-Examples
Medieval Europe     Early Native American     Cultures     Lunchroom food     exchange	Developed Nations     United States  **Multiple and/or different answers may be acceptable
**Multiple and/or different answers may be acceptable	

	Y
Definition	Characteristics
Central government determines the production of goods and services.  **Should be in student's own words	Collectivism Communism Planned Government Control  **Multiple and/or different answers may be acceptable
Examples	Economy Non-Examples
Former Soviet Union	United States
• China	Canada
• Cuba	• Germany
**Multiple and/or different answers may be acceptable	**Multiple and/or different answers may be acceptable



# SEMANTIC FEATURE ANALYSIS

Compare the three main economic types along with the mixed economy. Three comparisons are listed across the top. Come up with your own comparisons for the remainder.

	Economic Type	Government Controls	Consumers Control					
Traditional Economy								
Command Economy								
Market Economy								
Mixed Economy								

# SEMANTIC FEATURE ANALYSIS (Answer Key)

Student answers may vary

Compare the three main economic types along with the mixed economy. Three comparisons are listed across the top. Come up with your own comparisons for the remainder.

	Economic Type	Government Controls	Consumers Control	Reflects Consumer Demand	Supply and Demand Driven	Children adopt family trade	Developed Countries			
Traditional Economy	Х					x				
Command Economy	Х	Х					х			
Market Economy	Х		Х	х	х		Х			
Mixed Economy	Χ	Х	Х	Х	Х		Х			

\*\*\*This chart will vary tremendously with the students' choice of comparison.

Only a few possibilities are listed above\*\*\*

# Day 2 Lesson Plan

**Title:** Economic Systems and Economic Activities

#### Goals:

Compare how the various economic systems (traditional, market, command, mixed) answer the questions: (1) What to produce?; (2) How to produce?; and (3) For whom to produce? (SS.912.E.1.3)

#### **Objective:**

- 1. Given a Fryer Model, students will explain the concepts behind the four types of economic systems; to include the definitions along with four examples and four non-examples.
- 2. Given an Analogical Guide, students will name the four economic levels, identify the activities involved at each level and appropriately relate all four.

#### **Materials:**

- 1. Text: In McDougal & Lattell. World Geography (pp. 91). Houghton Mifflin Company
- 2. Overhead projector or ELMO
- 3. Overhead transparency of the Semantic Feature Analysis (from day 1)
- 4. Semantic Feature Analysis worksheets (from day 1)
- 5. K-W-L worksheets (from day 1)
- 6. Structured Note-Taking worksheets
- 7. Writing materials (pencil/pen and paper)

#### Warm Up:

Give the teams the first five minutes of class to discuss any additional information or ideas that they may have related to their Semantic Feature Analysis.

#### **Main Activities:**

- 1. Begin the class with an overhead transparency of the Semantic Feature Analysis and fill in the information that the various teams have to offer.
- 2. Discuss openly with the class anything unique that one group may have had over the others.
- 3. Students will pull out their K-W-L worksheets from Day 1. Have the students fill out column L and randomly discuss some of the column L comments.
- 4. Have students make up three Structured Note Taking sheets. Have them write three main economic systems (traditional, market and command) as the topics at the top (one topic per sheet) and the following questions on each sheet:
  - What to produce?

- How to produce?
- For whom to produce?
- 5. Use the remainder of the class to lecture and discuss how these questions are answered under each economic system.
- 6. Assign the linking activity for homework.

#### **Assessment:**

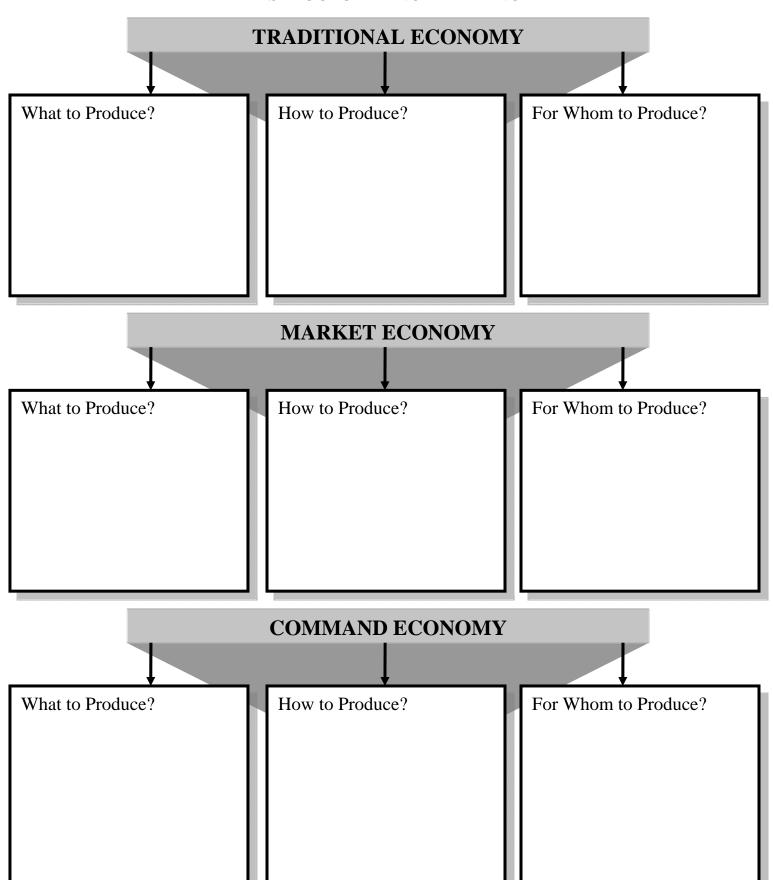
Assessment will be based on class participation and feedback from the students.

# **Linking Activity:**

Instruct students to look over the Economic Activities section (Page 92) again for homework. In addition students will need to bring in a magazine of their choice for Day 3 activities.

**Supplementary Materials:** (See pages 15-16)

# STRUCTURED NOTE TAKING



# STRUCTURED NOTE TAKING (Answer Key)

Student answers may vary

# TRADITIONAL ECONOMY

# What to Produce?

Determined by the individual – usually skills are passed down from previous generations; farms remain in the family children adopt the trade and skills of their parents

# How to Produce?

Solely left up to individual farmers and tradesmen

# For Whom to Produce?

Production usually for self in an agricultural society with excess traded for other goods and services; tradesmen generally provide services in exchange for goods.

# MARKET ECONOMY

# What to Produce?

Determined by supply and demand

If demand decreases the producer will reduce production

# How to Produce?

Determined by the producer or supplier

Cost of production

Available technology

# For Whom to Produce?

Consumer determined

Price determines who the consumer will be

# **COMMAND ECONOMY**

## What to Produce?

Determined by the central government

Does not always reflect consumer demand

# How to Produce?

Determined by the central government

# For Whom to Produce?

Government driven

# Day 3 Lesson Plan

**Title:** Economic Activities

#### Goals:

Compare how the various economic systems (traditional, market, command, mixed) answer the questions: (1) What to produce?; (2) How to produce?; and (3) For whom to produce? (SS.912.E.1.3)

#### **Objective:**

Given four Concept Definition Maps, students will name the four economic levels, accurately define each level, identify the activities involved at each level and provide accurate examples.

#### **Materials:**

- 1. Text: In McDougal & Lattell. World Geography (pp. 92). Houghton Mifflin Company.
- 2. Magazines
- 3. Poster Board
- 4. Concept Definition Map worksheets
- 5. Writing materials (pencil/pen and paper)

# Warm Up:

Give students the first ten minutes of class to find one and two page advertisements in the magazine they brought in. Hand out the teachers extra magazines for those students that failed to bring in a magazine.

#### **Main Activities:**

- 1. Students will make a list of all the one and two page advertisements in their magazine.
- 2. Divide the class into small groups (four or five) to make a collective list of the advertisements they found and write them down on a poster board.
- 3. Post the list around the room and compare the list with the class. Discuss which items are common to all or most of the lists and which ones are unique.
- 4. Introduce the four levels of economic activities (primary, secondary, tertiary, and quaternary) and discuss the differences with examples of each.
- 5. Use the Think-Pair-Share strategy and divide students into pairs. Have the pairs create a four column chart with the economic activities as the column headings and categorize the advertisements within the chart. Then have the students share their results with the class.
- 6. Write the pair answers on the board for visual effect.
- 7. Hand out four Concept Definition Maps to student. Instruct them to fill out one sheet for each of the economic levels.

8. Students will finish the Concept Definition Maps for homework if not completed in class

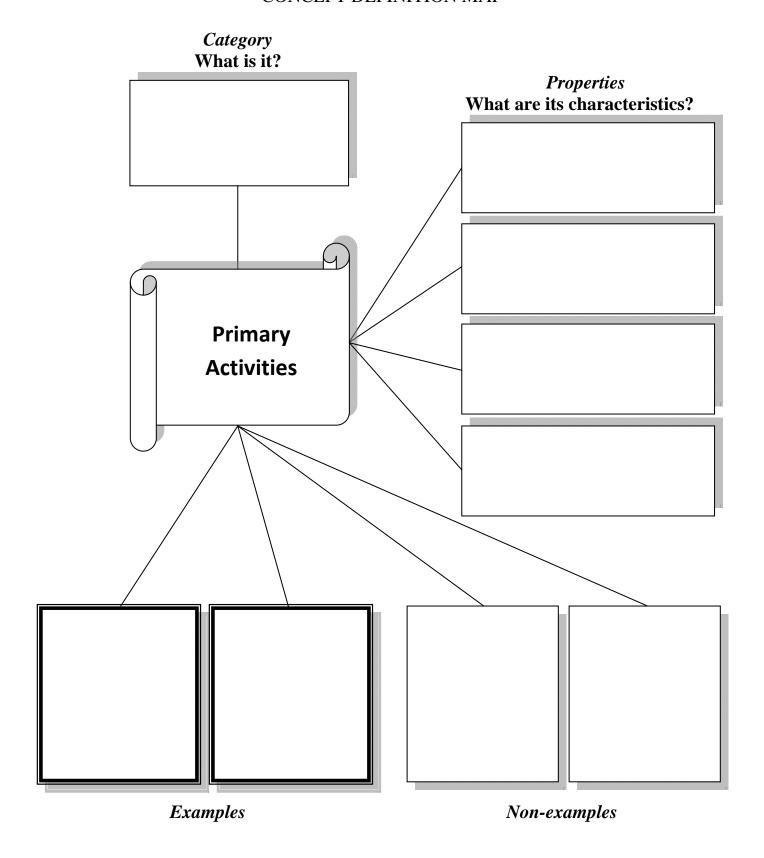
#### **Assessment:**

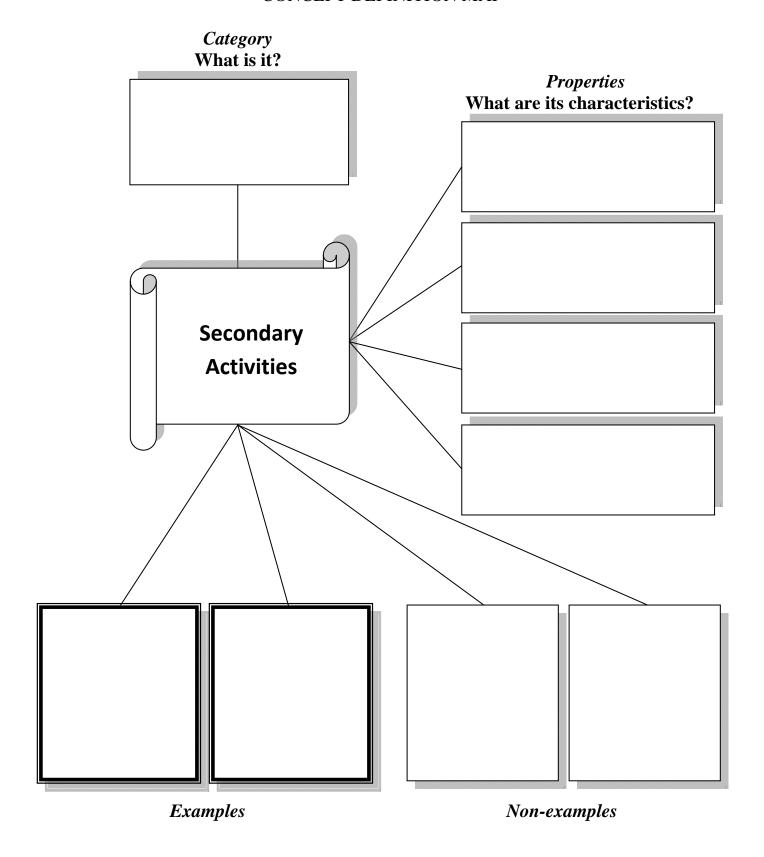
Assess class based on the quality of information provided from the Think-Pair-Share activity and the accuracy of the Concept Definition Maps to be collected on Day 4.

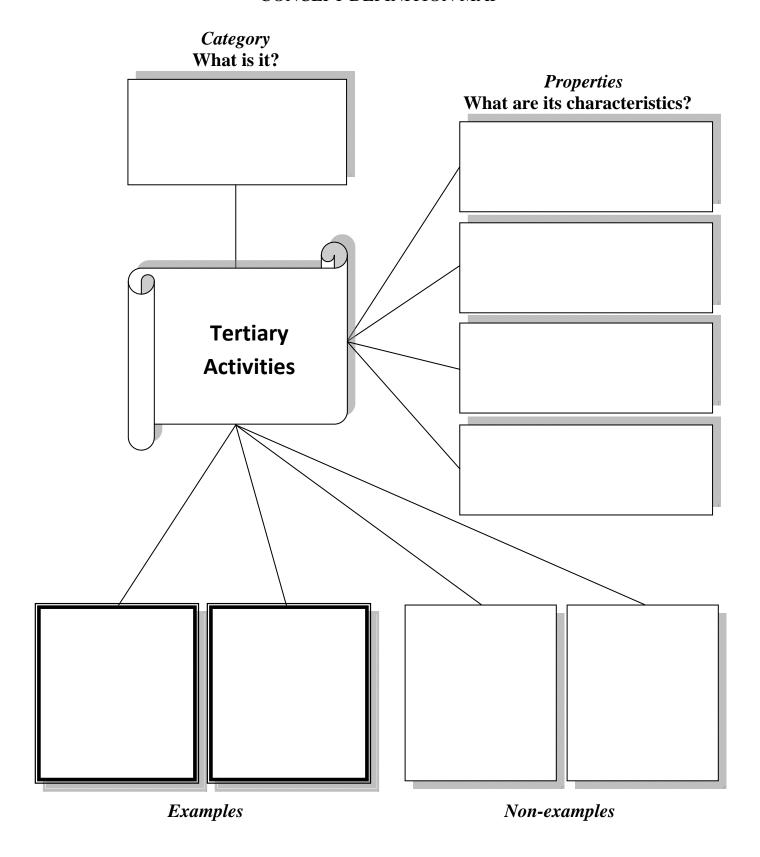
# **Linking Activity:**

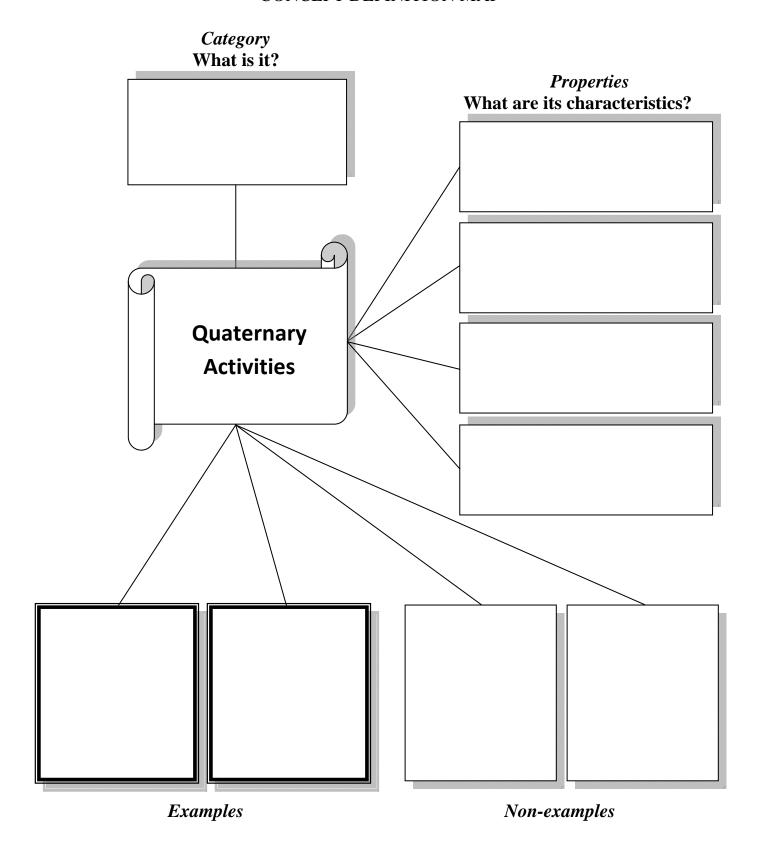
Instruct the students to read over The Economics of Natural Resources on page 93. In addition have them brainstorm some ideas of renewable, non-renewable and inexhaustible energy sources and bring the brainstorm list to class for Day 4.

**Supplementary Materials:** (See pages 19-26)

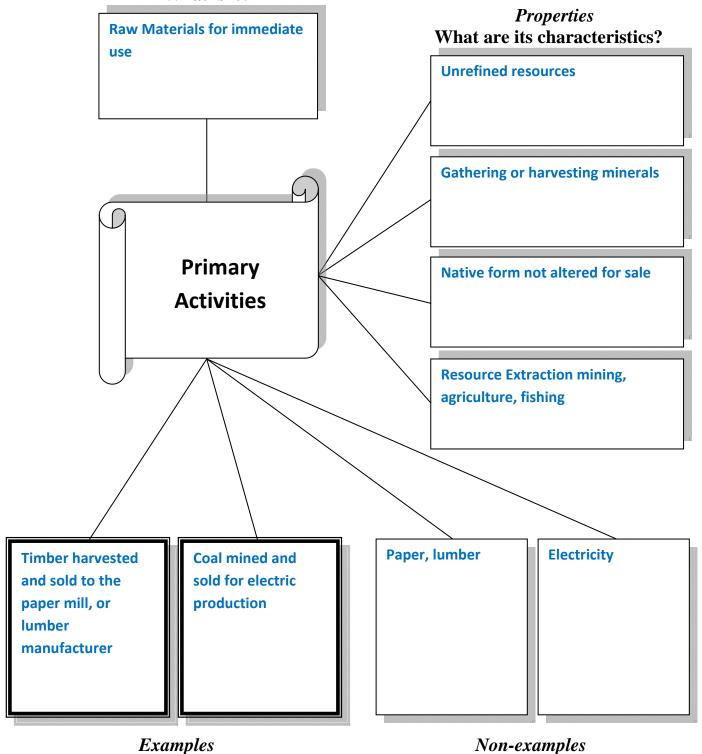




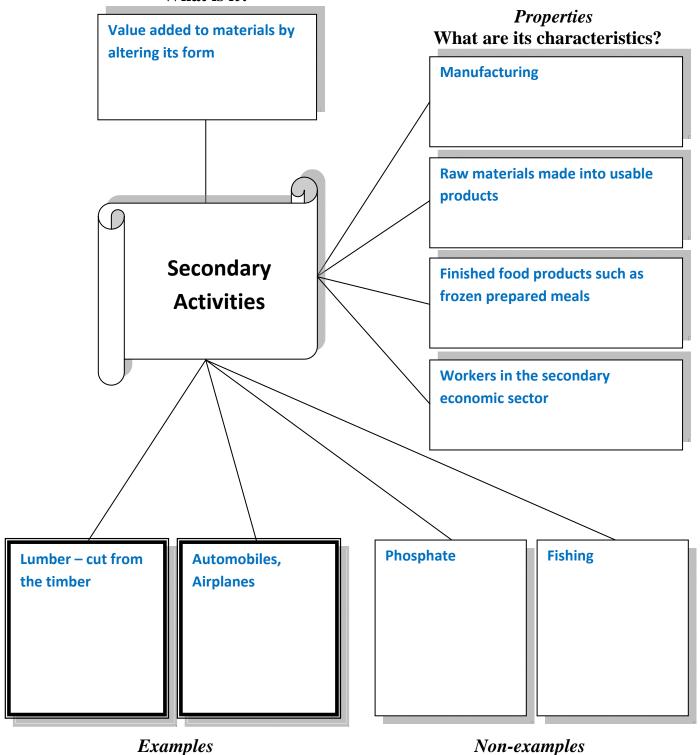




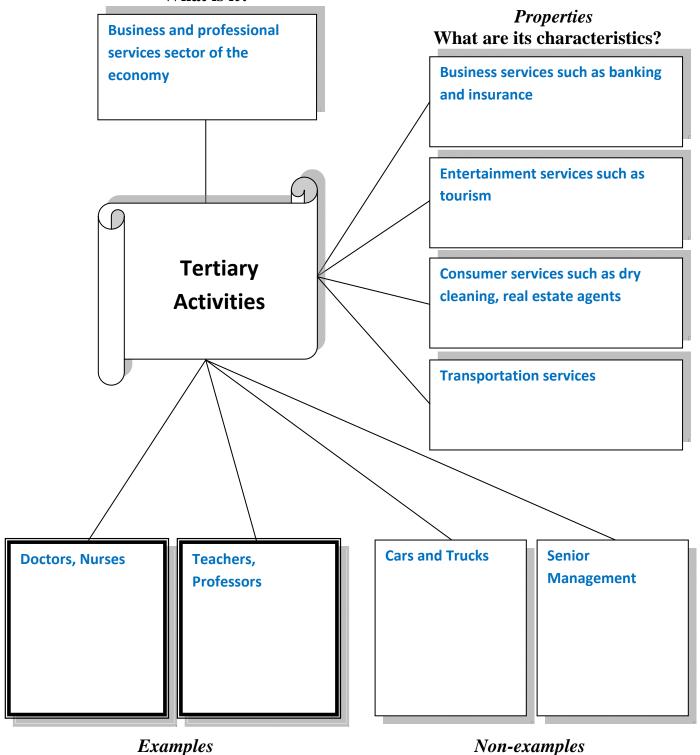
Student answers may vary



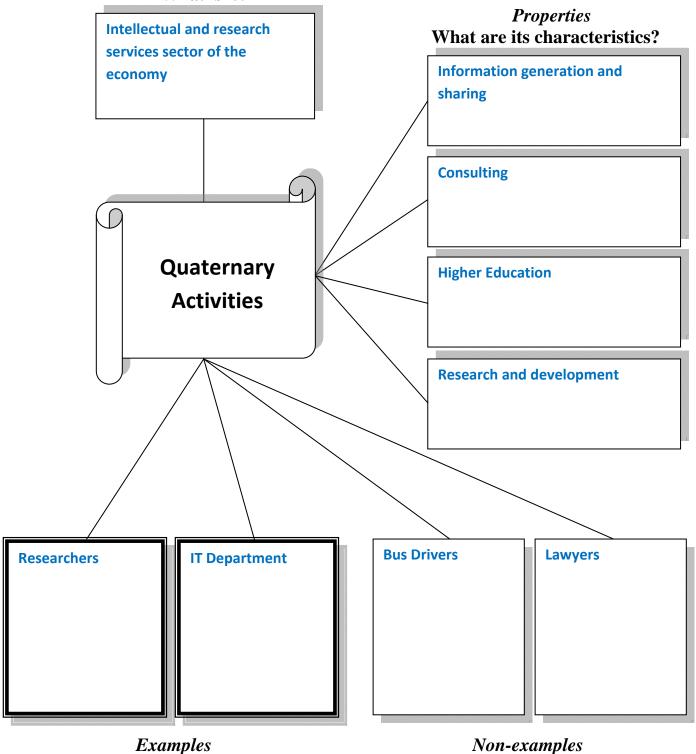
Student answers may vary



Student answers may vary



Student answers may vary



## Day 4 Lesson Plan

**Title:** Natural Resources

#### Goals:

Compare how the various economic systems (traditional, market, command, mixed) answer the questions: (1) What to produce?; (2) How to produce?; and (3) For whom to produce? (SS.912.E.1.3)

#### **Objectives:**

- 1. Given an Analogical Guide, students will define each of the three basic types of natural resources, describe the characteristics of each and give at least three examples of each type.
- 2. After classroom discussion, given a CLOZE test from the textbook, students will complete the test with a minimum of 80% accuracy.

#### Materials:

- 1. Text: In McDougal & Lattell. World Geography (pp. 93). Houghton Mifflin Company.
- 2. Analogical Guides
- 3. Cloze Test
- 4. Writing materials (pencil/pen and paper)

#### Warm Up:

Give the students the first few minutes of class to finalize their brainstorming list. Some students may have additional ideas obtained from their classmates – at least they are discussing the topic and learning from each other.

#### **Main Activities:**

- 1. Collect Concept Definition Maps for assessment.
- 2. Begin class by discussing the importance of understanding the different types of natural resources. Define and give examples of each type (renewable, non-renewable and inexhaustible energy sources)
- 3. Students will be given an analogical guide to compare dining at restaurant with types of natural resources.
- 4. Students will list items found on a dining table in a restaurant and define whether they are or are related to renewable, non-renewable or inexhaustible energy sources. For example: flatware is made of a renewable resource, water on the table is related to an inexhaustible energy resource, etcetera.

- 5. Recreate the Analogical Guide on the Chalkboard/Dry Erase Board and have each student add a comparison to the list.
- 6. Hand out CLOZE test for students to complete during the last ten minutes of class.
- 7. Assign linking activity for homework.

#### **Assessment:**

Students will be given a CLOZE test from the text; students will be expected to complete the test with a minimum of 80% accuracy.

# **Linking Activity:**

Instruct the students to look over the handouts and research notes as homework and be prepared to teach their economic system to their jigsaw team during tomorrow's class. Also, encourage students with internet access to look for any additional information on their assigned economy that may add value to their teams.

**Supplementary Materials:** (See pages 29-32)

# ANALOGICAL GUIDE

Relate the items used when dining out to the type of economic resource used. For example, a glass of water; the water is a renewable resource as well as an inexhaustible energy resources, and the glass itself is a renewable resource.

Dining in a Restaurant	Economic Resource

# ANALOGICAL GUIDE (Answer Key)

Student answers may vary

Relate the items used when dining out to the type of economic resource used. For example, a glass of water; the water is a renewable resource as well as an inexhaustible energy resources, and the glass itself is a renewable resource.

Dining in a Restaurant	Economic Resource
Drinking Glass	Glass is a renewable resource
Water	Water can be both an inexhaustible energy resource and a renewable resource
Porcelain plate	Non-Renewable resource
Flatware	Renewable resource – metal can be recycled
Napkin	Non-Renewable resource
Table and Chairs	May be renewable or non-renewable depending on the construction material
Food	Non-Renewable resource

# CLOZE TEST FOR ECONOMIC GEOGRAPHY

People may	choose from a variety of methods	s to meet their basic needs.	Some groups simply
raise	_ food or animals to	_ their need to eat,	have little left
over se	ell to others. This called	subsistence agriculture. In	ı areas,
market-oriented	agriculture crops or	animals thats	sell to markets.
In	places, industries dominate ec	conomic Sma	ll industries often
involve	family of craftpersons who	goods to be so	ld a
local area. Since	e often take place in	home, these business	es referred
to as cottage	Finally, commercial in	ndustries meet	needs of people
within	_ very large area. Economic	are related to the	activities
described below			
No	how small or large	business is, it operates _	one of
four economic _	The four levels of	activity de	escribe how
materials	gathered and processed into	or how service	es areto
consumers.			
Primary Act	ivities gathering raw	materials such	_ timber for
immediate use _	to use in the	of a final product.	
	Activities involve adding v	alue mater	ials by changing
their	Manufacturing automobiles is	s an	
Tertiary Act	ivities involve providing	or professional s	services.
Salespeople,	, or doctors are example	es.	
	Activities provide informatio	n, management,	research
services by high	ly persons.		
The more de	evelopedeconomy is,	, the greaternu	mber and variety
ofy	ou will find.		
An	part of economic geography	understanding	which resources
ap	oossesses. Natural resources are	on or in the	– such as
trees, fish, or co	oal – that have economic value. I	Materials from the earth bec	come resources only
when the so	ociety has the technology and abil	lity to transform those resou	arces into goods.

# CLOZE TEST FOR ECONOMIC GEOGRAPHY (ANSWER KEY)

People may choose from a variety of methods to meet their basic needs. Some groups simply
raise <u>enough</u> food or animals to <u>meet</u> their need to eat, <u>but</u> have little left
over to sell to others. This is called subsistence agriculture. In other areas,
market-oriented agriculture <u>produces</u> crops or animals that <u>farmers</u> sell to markets.
In <u>some</u> places, industries dominate economic <u>activities</u> . Small industries often
involve <u>a</u> family of craftpersons who <u>produce</u> goods to be sold <u>in</u> a
local area. Since <u>they</u> often take place in <u>the</u> home, these businesses <u>are</u> referred
to as cottage <u>industries</u> . Finally, commercial industries meet <u>the</u> needs of people
within <u>a</u> very large area. Economic <u>behaviors</u> are related to the <u>economic</u> activities
described below.
No <u>matter</u> how small or large <u>a</u> business is, it operates <u>at</u> one of
four economic <u>levels</u> . The four levels of <u>economic</u> activity describe how
materials <u>are</u> gathered and processed into <u>goods</u> or how services are <u>delivered</u> to
consumers.
Primary Activities <u>involve</u> gathering raw materials such <u>as</u> timber for
immediate use or to use in the making of a final product.
Secondary Activities involve adding value to materials by changing
their <u>form</u> . Manufacturing automobiles is an <u>example</u> .
Tertiary Activities involve providing <u>business</u> or professional services.
Salespeople, <u>teachers</u> , or doctors are examples.
Quaternary Activities provide information, management, and research
services by highly- <u>trained</u> persons.
The more developed an economy is, the greater the number and variety
of <u>activities</u> you will find.
An <u>important</u> part of economic geography <u>is</u> understanding which resources
a <u>nation</u> possesses. Natural resources are <u>are</u> on or in the <u>earth</u> – such as
trees, fish, or coal – that have economic value. Materials from the earth become resources only
when the society has the technology and ability to transform those resources into goods.

# Day 5 Lesson Plan

**Title:** Economic Systems Impact on Activities and Resources

#### Goals:

Compare the current United States economy with other developed and developing nations. (SS.912.E.3.5)

#### **Objective:**

Given a Semantic Feature Analysis, students will compare the four types of economies, the four levels of economic activities and the three basic types of natural resources.

#### **Materials:**

- 1. Text: In McDougal & Lattell. *World Geography* (pp. 91-93). Houghton Mifflin Company.
- 2. Computer lab with internet access
- 3. Web Page: https://www.cia.gov/library/publications/the-world-factbook/index.html
- 4. Primary Statistical Data obtained from the CIA website listed above
- 5. Semantic Feature Analysis worksheets
- 6. Writing materials (pencil/pen and paper)

#### Warm Up:

Students will review information that they have obtained over the prior four days either individually or in pairs for the first few minutes of class. The information ties together for this final exercise.

#### **Main Activities:**

- 1. Begin class with a discussion on primary source information
- 2. Pair students up for internet research.
- 3. Instruct students collect information on the United States economy and at least four other countries from the Central Intelligence Agency's World Factbook website at <a href="https://www.cia.gov/library/publications/the-world-factbook/index.html">https://www.cia.gov/library/publications/the-world-factbook/index.html</a>. They are to compare economic data such as the countries' economic type, resources, products imported and exported, etcetera.
- 4. Students will develop a Semantic Feature Analysis comparing their countries.
- 5. Conduct a class discussion on the results of each pair.

#### **Assessment:**

Evaluate the Semantic Feature Analysis of the students to determine comprehension.

# **Linking Activity:**

None, final day for lesson plan.

**Supplementary Materials:** (See pages 35) Answers will vary depending on student choices.

# SEMANTIC FEATURE ANALYSIS

Compare the United States' economy with that of four other nations (select one country from each continent: South America, Europe, Asia, and Africa). Some comparisons are listed across the top. Come up with your own comparisons for the remainder.  Current, primary source data to be obtained from the CIA Website https://www.cia.gov/library/publications/the-world-factbook/index.html.	United States		
	Uni		
Traditional Economy			
Market Economy			
Command Economy			
Mixed Economy			
Developed Economy			
Developing Economy			
Exports Petroleum Products			
Imports Petroleum Products			
Exports Agricultural Goods			
Imports Agricultural Goods			

#### **Bibliography:**

In McDougal & Littell, World Geography (pp. 91-93). Houghton Mifflin Company.

*The World Factbook.* (2009). Retrieved from Central Intelligence Agency: https://www.cia.gov/library/publications/the-world-factbook/index.html

### **Text Structure Analysis:**

The text structure is descriptive. Each paragraph is written to describe how something functions or the definition to a term.

Text layout is adequate; it meets the 10-12 point size that is satisfactory for 9th grade readers. The average line length is 11words; within the recommended 7-12 word length. Not every paragraph is spaced apart from the preceding paragraph as recommended. However, they are indented and are spaced between main topics. The text also uses a variety of colors, as opposed to all black print, to highlight the topic areas in each segment, and the use of indented bullets helps to break up the text and improve readability.

## Fry Readability:

Fry readability is borderline 14-15 based on the following text extracts:

From Page 91 - One of the most valuable of natural resources – petroleum – wasn't always used as a source of energy. Until the world began to run on gasoline-powered machinery, oil was used for a variety of purposes. Native Americans, for instance, used "rock oil" for medicinal purposes. Egyptians used oil as a dressing for wounds; Ancient Persians wrapped oil-soaked fibers around arrows, lit them, and fired them into the city of Athens in 480 B.C. Sometimes a resource only becomes valuable after the technology to use it is developed. In today's world, petroleum is vital to providing power for industry, commerce, and transportation.

Syllables = 171 / Sentences = 8

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From Page 92 - People may choose from a variety of methods to meet their basic needs. Some groups simply raise enough food or animals to meet their need to eat, but have little left over to sell to others. This is called subsistence agriculture. In other areas, market-oriented agriculture produces crops or animals that farmers sell to markets. In some places, industries dominate economic activities. Small industries often involve a family of craftspersons who produce goods to be sold in a local area. Since they often take place in the home, these businesses are referred to as cottage industries. Finally, commercial industries meet the needs of people within a very large area.

Syllables = 170 / Sentences = 7.3

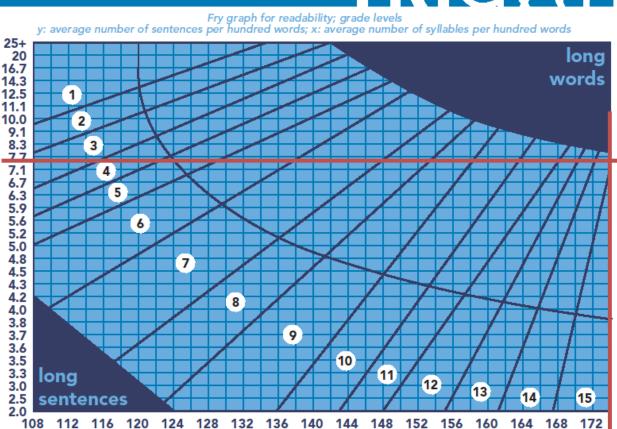
From Page 94 - A nation's infrastructure consists of the basic support systems needed to keep an economy going, including power, communications, transportation, water, sanitation, and

education systems. The more sophisticated the infrastructure, the more developed the country. One of the most important systems in the infrastructure is transportation. Geographers look at the patterns of roads and highways, ports, and airports to get an idea of how transportation affects economic growth. For example, the country of Honduras has only one major north-south highway. The highway leads to port cities where a major export, bananas, is shipped out of the country. Areas not accessible to the major highway remain undeveloped.

Syllables = 182 / Sentences = 6.5

Average Sentences = 7.3 Average Syllables = 174.3

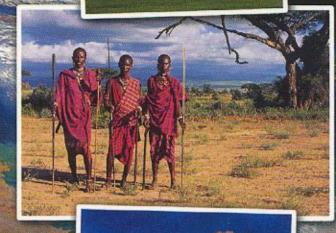




RESOURCE DOCUMENT

McDOUGAL LITTELL

# World Geograph







RAND MENALLY



**A HUMAN PERSPECTIVE** One of the most valuable of natural resources—petroleum—wasn't always used as a source of energy. Until the world began to run on gasoline-powered machinery, oil was used for a variety of purposes. Native Americans, for instance, used "rock oil" for medicinal purposes. Egyptians used oil as a dressing for wounds. Ancient Persians wrapped oil-soaked fibers around arrows, lit them, and fired them into the city of Athens in 480 B.C.

Sometimes a resource only becomes valuable after the technology to use it is developed. In today's world, petroleum is vital to providing power for industry, commerce, and transportation. Petroleum plays a powerful role in the economies of nations that supply it and consume it.

#### Main Ideas

- Economic activities depend on the resources of the land and how people use them.
- The level of economic development can be measured in different ways.

#### **Places & Terms**

economy
economic system
command economy
market economy
natural resources
infrastructure
per capita income
GNP
GDP

# **Economic Systems**

An **economy** consists of the production and exchange of goods and services among a group of people. Economies operate on a local, regional, national, or international level. Geographers study economic geography by looking at how people in a region support themselves and how economic activities are linked across regions.

**TYPES OF ECONOMIC SYSTEMS** The way people produce and exchange goods and services is called an **economic system**. In the world today, there are four basic types of economic systems:

- Traditional Economy Goods and services are traded without exchanging money. Also called "barter."
- **Command Economy** Production of goods and services is determined by a central government, which usually owns the means of production. Production does not necessarily reflect the consumer demand. Also called a planned economy.
- Market Economy Production of goods and services is determined by the demand from consumers. Also called a demand economy or capitalism.
- Mixed Economy A combination of command and market economies provides goods and services so that all people will benefit.

Economic behaviors and activities to meet human needs take place within these economic systems.

**PLACE** A woman sells goods on a Moscow street. Russia is changing from a command economy to a market economy.

Is the activity in this photograph an example of a command or market economy?



#### RESOURCE DOCUMENT

# **Economic Activities**

People may choose from a variety of methods to meet their basic needs. Some groups simply raise enough food or animals to meet their need to eat, but have little left over to sell to others. This is called subsistence agriculture. In other areas, market-oriented agriculture produces crops or animals that farmers sell to markets.

In some places, industries dominate economic activities. Small industries often involve a family of craftspersons who produce goods to be sold in a local area. Since they often take place in the home, these businesses are referred to as cottage industries. Finally, commercial industries meet the needs of people within a very large area. Economic behaviors are related to the economic activities described below.

**LEVELS OF ECONOMIC ACTIVITY** No matter how small or large a business is, it operates at one of four economic levels. The four levels of economic activity describe how materials are gathered and processed into goods or how services are delivered to consumers.

**Primary Activities** involve gathering raw materials such as timber for immediate use or to use in the making of a final product.

**Secondary Activities** involve adding value to materials by changing their form. Manufacturing automobiles is an example.

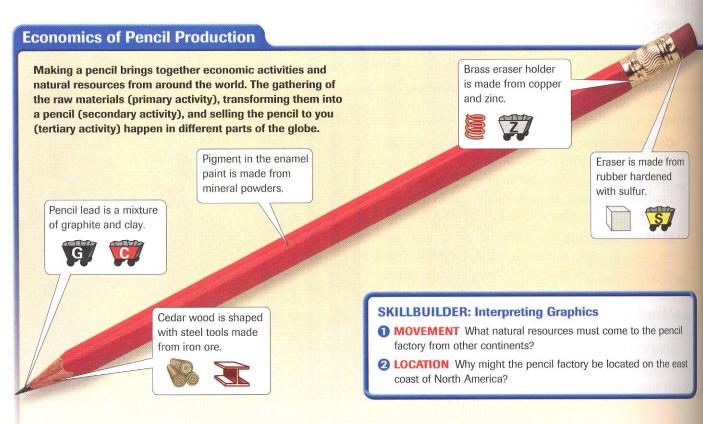
**Tertiary Activities** involve providing business or professional services. Salespeople, teachers, or doctors are examples.

Quaternary Activities provide information, management, and research services by highly-trained persons.

The more developed an economy is, the greater the number and variety of activities you will find.



Making
Comparisons
Into which
level of activity
would insurance
sales fit?



# **The Economics of Natural Resources**

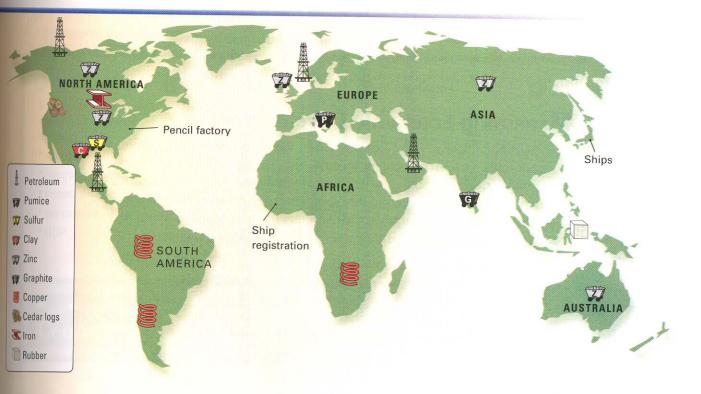
An important part of economic geography is understanding which resources a nation possesses. Natural resources are materials on or in the earth—such as trees, fish, or coal—that have economic value. Materials from the earth become resources only when the society has the technology and ability to transform those resources into goods. So, iron ore is useless until people have the technology to produce steel from it.

Natural resources are abundant but are not distributed equally around the world. As a result, when geographers study the economy of a country, they look closely at the location, quality, and quantity of its natural resources. They also divide natural resources into three basic types:

- · Renewable—These resources can be replaced through natural processes. Examples include trees and seafood.
- · Non-renewable—These resources cannot be replaced once they have been removed from the ground. Examples include metals, such as gold, silver, and iron, and non-metals, such as gemstones, limestone, or sulfur. Also included are fossil fuels, petroleum, natural gas, and coal. They are the basis of energy production.
- Inexhaustible energy sources—These resources, which are used for producing power, are the result of solar or planetary processes and are unlimited in quantity. They include sunlight, geothermal heat, winds, and tides.

Natural resources are a major part of world trade. This is especially true of the fossil fuels, since industry relies on them for both power and raw materials in manufacturing. The value of a natural resource depends on the qualities that make it useful. For example, trees can provide lumber for building or pulp for paper. Countries trade for raw materials that they need for energy and to manufacture products.





Levels of economic development are measured in goods and services available in a country. In this graphic, the possessions of three families reflect economic development levels.

#### **DEVELOPING NATION**

Mali (family of 11)

5 ceramic pots

- 2 water kettles
- 2 sieves for sifting grain
- 1 bicycle
- 1 radio



#### NATION IN TRANSITION

Cuba (family of 9)

- 4 bicycles
- 3 televisions
- 2 stereos
- 3 radios
- 1 VCR



# **Economic Support Systems**

Producing and distributing goods and services requires a series of support systems. The most important of these services is infrastructure.

**INFRASTRUCTURE** A nation's <u>infrastructure</u> consists of the basic support systems needed to keep an economy going, including power, communications, transportation, water, sanitation, and education systems. The more sophisticated the infrastructure, the more developed the country.

One of the most important systems in the infrastructure is transportation. Geographers look at the patterns of roads and highways, ports, and airports to get an idea of how transportation affects economic growth. For example, the country of Honduras has only one major north-south highway. The highway leads to port cities where a major export, bananas, is shipped out of the country. Areas not accessible to the major highway remain undeveloped.

Communications systems give geographers an idea of how a country is linked internally as well as with the outside world. Countries with a strong economy are linked internally and externally by high-speed Internet and satellite communications.

The level of available technology and access to it is also an indicator of the development of a country. A country may have valuable natural resources but be unable to profit from them because its people lack the skills to make use of them. Technology may be available, but a country may lack educated workers to run and maintain sophisticated equipment.

# Geographic Thinking

Using the Atlas
Use the map
on page A13. What
are the port cities
of Honduras?

# **Measuring Economic Development**

Geographers use a variety of standards to make comparisons among economies. One is **per capita income**, the average amount of money earned by each person in a political unit. Another way of comparing economies examines levels of development based on economic activities such as industry and commerce. Still others use a standard of living that reflects a society's purchasing power, health, and level of education.

**GNP AND GDP** A commonly-used statistic to measure the economy of a country is the **gross national product (GNP).** The **GNP** is the total value of all goods and services produced by a country over a year or some other specified period of time.

Because economies have become so interconnected, the GNP may reflect the value of goods or services produced in one country by a com-

# RESOURCE DOCUMENT

#### **DEVELOPED NATION**

Japan (family of 4)

3 bicycles 3 radios

1 microwave oven 1 motor vehicle

1 telephone 1 computer 1 television 1 VCR



SOURCE: Material World: A Global Family Portrait by Peter Menzel

pany based in another country. For example, the value of sport shoes produced in Thailand by an American company is counted as U.S. production, even though the shoes were not produced in the United States. To adjust for situations like this, a second statistic is used—**GDP**, or gross domestic product—which is the total value of all goods and services produced within a country in a given period of time.

**DEVELOPMENT LEVELS** Countries of the world have different levels of economic development. Developing nations are nations that have a low GDP and limited development on all levels of economic activities. These countries lack an industrial base and struggle to provide their residents with items to meet their basic needs.

Developed nations, on the other hand, are countries with a high per capita income and varied economy, especially with quaternary activities such as computer software development. Western European nations, Japan, Canada, and the United States have highly developed economies.

In this chapter, you've learned that human geography is a complex mix of human activities and the earth's resources. As you study the regions of the world, remember that a geographer views those regions by looking at the space and the interactions that take place there.

# countries that

BACKGROUND

Developing have greatly improved their GDP are called countries in transition.

# Assessment

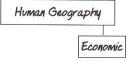
#### Places & Terms

Explain the meaning of each of the following terms.

- economy
- natural resources
- infrastructure
- · per capita income
- · GDP

# Taking Notes

PLACE Review the notes you took for this section.



- · What are the four basic economic systems?
- · What are the three types of resources?

# Main Ideas

- a. What are the basic activities in each of the four economic activity levels?
- **b.** What role do natural resources play in the economy of a country?
- c. What systems are a part of a country's infrastructure?

# Geographic Thinking

Drawing Conclusions Fossil fuels are non-renewable resources. What does this suggest about worldwide supplies of this energy?

#### Think about:

- · industrial need for power
- · alternative sources of power



MAKING COMPARISONS Study the types of economic systems on page 91. Create a series of illustrations showing the differences among the systems. Be sure your illustrations show the role of the consumer and the government in determining what goods or services are produced in each type of economy.