Chapter 8:
SS7E1, 5, 8
Traditional: Agricultural societies (primitive), Africa, Asia, South America. Produce what is needed to survive - farming, hunting/gathering; make own tools; **trade** with others.
Command: Government controls what is produced, how it is produced. Government owns resources/decides who gets what. Decision based on class, reward system, waiting in line. North Korea is example.
Market: Supply/Demand determines what to produce/how to produce. Producers make products for least amount of money so they can make a profit. United States is example. Countries economic decisions based on what people want to buy and sell.

Economy	What to produce	How to produce	For whom to produce
Traditional	What need to survive	farming/hunting/ gathering	make own supplies/ trade with others
Command	government decides	government decides	by class, reward, waiting in lines
Market	what people want to buy/sell	supply and demand	determined by how much a person can pay for it

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1. What economic systems do you think consumers (like you) would like the most.
a. traditional b. command c. market
2. Which economic system would be the worst for competition between consumers?
a. traditional b. command c. market
3. A market economy has ___ ownership of property and resources.
a. private b. government c. tribal
4. Which economic system is found in simple agricultural societies.
a. traditional b. command c. market
5. What is the most common economic system today?
a. command b. mixed c. traditional
6. An example of a government-owned resource is:
a. postal system b. grocery store chain c. restaurant

South Africa Economy:
Mixed market economy: transitioning from command to market for decades.
Government still owns oil/gas companies, postal service, telecommunications.
Grown from primarily mining, fishing to manufacturing and service industries.
Apartheid system was when people were discriminated based on race.
In 1980s began offering training job skills to blacks, but still divided economically with richer whites and poverty in black communities. Program called Black Economic Empowerment to help blacks in all levels of business/industry.

Nigeria Economy:
Have many natural resources; Africa's largest producer of oil. Government badly managed economy and it collapsed in the 1980s after a very wealthy previous decade.
Neglected agriculture industry, neglected country's infrastructure.
Nigeria has mixed market growing at 7 percent annually. government working to reform economy; partnerships between government and private industry. Trying to change dependence on oil economy. 2/3 live in poverty and high unemployment.

Country	**Type of Economy**	**Growing/ Struggling**	**Important Industries**
South Africa			
Nigeria			

1. South Africa has the strongest economy in Sub-Sahara Africa. T/F
2. Nigeria neglected agriculture while developing it's oil industry. T/F
3. Blacks typically have higher incomes than whites in South Africa. T/F
4. Nigerian citizens are some of the wealthiest people in Africa. T/F
5. The international community did not agree with South Africa's treatment of blacks during the apartheid period. T/F

Chapter 9: SS7E2
African officials are encouraging voluntary trade among countries and specialization however it is not easy for countries to trade with one another.

Economic Community of West Africa (ECOWAS) to improve trade. Barriers include bad roads, border patrol searches, other problems.
International Monetary Fund (IMF) says there are problems within Africa prevented trade among neighbors but for two decades trying to boost trade. Africa's textiles, art wanted around world. U.S. lifted tariff on Africa's diamonds and gold, allowing Africa to import what it needs.

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Cite specific textual evidence showing how specialization benefits these countries (in paragraph at top of page.)

Trade barriers in Africa include tariffs (increase prices on imports), quotas (restricts amounts of imports), and embargoes (U.S. forbid diamond trade because of apartheid.)
High tariffs discourage trade within Africa -
17 percent tariff on imports (to cut down on competition)
Quotas - cut out cheap Chinese textile imports to protect jobs in South Africa.
Embargo against Liberia "conflict diamonds" lifted, money had been used to fund wars across region. Now diamonds requiring certificates to show authenticity.

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1. The UN has forbidden arms to be imported into Africa. This is an example of:
a. tariff b. quota c. embargo
2. If the European Union voted to lift the restriction on the amount of cocoa that can be imported from West African countries, that would be an example of:
a. tariff b. quota c. embargo
3. In September 2008, the United States and Canada banned trade with Zimbabwe, protesting the illegal regime of its president. This is an example of :
A. tariff b. quota c. embargo
4. To give its farmers an advantage, Nigeria has placed a high tax on imported rice. This is an example of:
a. tariff b. quota c. embargo

Currency exchange is required because every country does not use the same type of money. Foreign exchange is converting one country's money to that of another country. In South Africa $1 = 9.18 rands (each worth the same amount.)