

Name _____

The Wealthy Maze: How Economic Systems Influence Income Distribution

Open-Ended Response Answer Key

1. Advantage: Income inequality in a capitalist economy can motivate individuals and businesses to work hard, innovate, and pursue success. Disadvantage: It can lead to social divisions, limited opportunities for some, and disparities in access to essential services.
2. Socialism might face challenges in achieving equitable income distribution when there is resistance to government control, difficulties in resource allocation, or when economic conditions change rapidly.
3. Income distribution impacts access to education and healthcare by determining the resources available for public services. More equitable income distribution can provide funding for quality education and healthcare, benefiting society as a whole.
4. Global economic policies and cooperation can reduce income disparities among countries by promoting fair trade practices, providing development assistance, and implementing measures to prevent exploitation of less developed nations. This can lead to a more equitable global economic system.

