

# POLITICAL AND ECONOMIC SYSTEMS

How societies balance **SCARCITY & COMPETING INTERESTS** to allocate power (Politics) and scarce resources (Economics).

<i>World-wide Political Spectrum</i>	<b>LEFT</b>		<b>RIGHT</b>
<b>Political System</b>	<u><b>TOTALITARIAN</b></u> Single-Party State Dictatorship Theocracy Monarchy	<u><b>CONSTITUTIONAL REPUBLIC</b></u> Presidential Democracy Parliamentary Democracy	<u><b>DIRECT DEMOCRACY</b></u> No national example today Ancient Athens Citizen Ballot Measures
<b>PHILOSOPHY</b> <i>Can people be trusted to govern themselves?</i>	<i>Thomas Hobbes = No!</i> Human nature is evil; "life would be "brutish, nasty and short" without gov't to control people.	<i>John Locke = Yes.</i> Human nature is good; people are born with rights the government can't take away.	<i>Jean Jacques Rousseau</i> Yes. Human nature is good; government corrupts and "enslaves" people.
<b>PURPOSE</b> <i>What is the goal of the political system?</i>	Order, efficiency, survival thru total gov't control; Gov't (the state) is superior to the individual	To protect individual's liberty and rights (life, liberty and property)	To meet the needs of the majority (group) which are superior to individual rights.
<b>POWER</b> <i>Who decides? Where do they get the power to govern?</i>	Totalitarian control by a monarch, party, dictator, ayatollah; Citizens are forced to obey government for their own protection and the survival of the state.	Elected representatives are chosen by citizens to govern; citizens can abolish and replace an unjust government that doesn't protect their rights.	Citizens govern themselves thru majority rules; individuals are responsible to others, not to a government.
<b>Economic System</b>	<u><b>COMMAND ECONOMY</b></u> Communism Market Socialism (China)	<u><b>MIXED ECONOMY</b></u> Market System with necessary government regulations Democratic Socialism	<u><b>MARKET ECONOMY</b></u> Capitalism Free Enterprise
<b>PHILOSOPHY</b> <i>Should individuals be free to pursue their own self-interest?</i>	<i>Karl Marx = No.</i> Centralized government should control self-interest-- "Take from each person according to his abilities; give to each according to his needs." <u>Communist Manifesto</u>	<i>J.M. Keynes = Usually.</i> Use free markets when they work well and substitute government regulation when markets are "unfair" <u>The General Theory</u>	<i>Adam Smith = Yes.</i> Society benefits from the freedom of individuals to become wealthy, which makes nations and the whole world wealthy. <u>The Wealth of Nations</u>
<b>PURPOSE</b> <i>What is the goal of the economic system?</i>	Economic equality	Economic opportunity	Economic freedom
<b>POWER</b> <i>Who owns/controls scarce resources and decides who does and gets what?</i>	Government owns/controls all economic activities and employs, and distributes goods and services to, all citizens.	Individuals and corporations own/control their economic activities within "necessary" governmental regulations.	Individuals/corporations own resources, decide what to produce, & who to employ, with no government interference with market forces.

Use the *POLITICAL AND ECONOMIC SYSTEMS* matrix to find the answers.

***POLITICAL SYSTEMS***

1. What gets allocated in politics?
2. What are the four types of totalitarian governments?
3. What type of political system is found in the U.S.?
4. How did Thomas Hobbes describe life without a government to control the evil nature of humans?
5. What did John Locke say about human nature?
6. Which political philosopher said the government corrupts and “enslaves” people?
7. In which form of government is the government superior to the individual?
8. What is the purpose of presidential and parliamentary democracies?
9. In which political system are the needs of the majority superior to the needs of the individual?
10. What do people trade in a totalitarian government?
11. Who holds power in a presidential democracy and from whom do they get the power to govern?
12. In what type of political system are citizens responsible to each other instead of the government?
13. (1 point) Ask one ***ASTUTE*** question about political systems that is not answered in the matrix.

## ***ECONOMIC SYSTEMS***

14. What gets allocated in economics?
15. What type of economic system is communism?
16. What type of command economic is found in China?
17. What is a Mixed Economy?
18. Capitalism and free enterprise are examples of what type of economic system?
19. Who wrote the *Communist Manifesto*?
20. J.M. Keynes wrote that government should regulate the economy only if \_\_\_\_\_ are unfair.
21. According to Adam Smith, what makes nations and the whole world wealthy?
22. What is the purpose of a Command Economy?
23. What is the purpose of a Market Economy?
24. What is the purpose of a Mixed Economy?
25. In which economic system does the government own and control all economic activities?
26. Who owns and controls economic activities in a Market Economy?
27. What is the major difference between a Market Economy and a Mixed Economy?
28. (1 point) Ask one ***ASTUTE*** question about economic systems that is not answered in the matrix.