

Government and Economic\$

DIRECTIONS: Based on these definitions, rank each form of government from NOT AT ALL FREE (1) to COMPLETELY FREE (10).

- _____ **DICTATORSHIP** - Rule by one leader who often uses the military to maintain control; little concern is shown for public opinion or individual rights.
- _____ **COMMUNISM** - Government ruled by leaders of the Communist Party that control everything. People must do as the government tells them, as personal freedom is strictly curtailed.
- _____ **THEOCRACY** - Government ruled according to a religious belief system and the laws of that religion. Religious leaders hold most of the power.
- _____ **ABSOLUTE MONARCHY**- A monarchy has a king or queen with total control and rule passed through the family. The ruler may also control the nation's resources, business, and trade.
- _____ **REPUBLIC**- Government in which the people elect representatives to govern and lead. (Some "republics" may have elections that are neither fair nor free.)
- _____ **DEMOCRACY** - Government by the people. Modern democracies elect representatives to govern and lead (see Republic and Parliamentary).
- _____ **PARLIAMENTARY** - Government in which people elect party representatives to govern. The party's leader, usually a prime minister, rules and remains in power as long as his/her party does.
- _____ **CONSTITUTIONAL MONARCHY**- Government with a king or queen who holds little or no power. Power rests instead with an elected legislature and usually a prime minister as head-of-state (see Parliamentary).
- _____ **FAILED STATE / ANARCHY** - No government controls the entire nation, such as during a civil war. The situation is lawless and dangerous.

NOW: Read about each economic system and list the forms of government you think might have that type of economy. Briefly explain your ideas.

A **TRADITIONAL ECONOMY** is very simple, based mostly on farming. Trade and business are very limited.

In a **MARKET ECONOMY**, or capitalism, people own their own businesses and property and must buy services such as healthcare. Little government control allows prices of goods and services to rise and fall based on supply and demand for them.

In a **COMMAND ECONOMY**, or socialism, business, property, resources, and all other economic activities are controlled by the government, which owns many of the nation's industries. Education, health care, and welfare services are all provided, but people have little choice of goods and services.

A **MIXED ECONOMY** combines aspects of market and command economies. The market is largely free, but the government is involved in many ways.



Different Reactions?



Form of Government _____

Famine (severe food shortages)	
Fuel and gasoline shortage	
Rise in educational level	
Citizens can access Internet	
Terrorist attack(s) in the country	
Major natural disaster	
Population of country explodes	
Oil discovered in country	
Protests against government	
Major political scandal	

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