

# GOVERNMENT & ECONOMIC

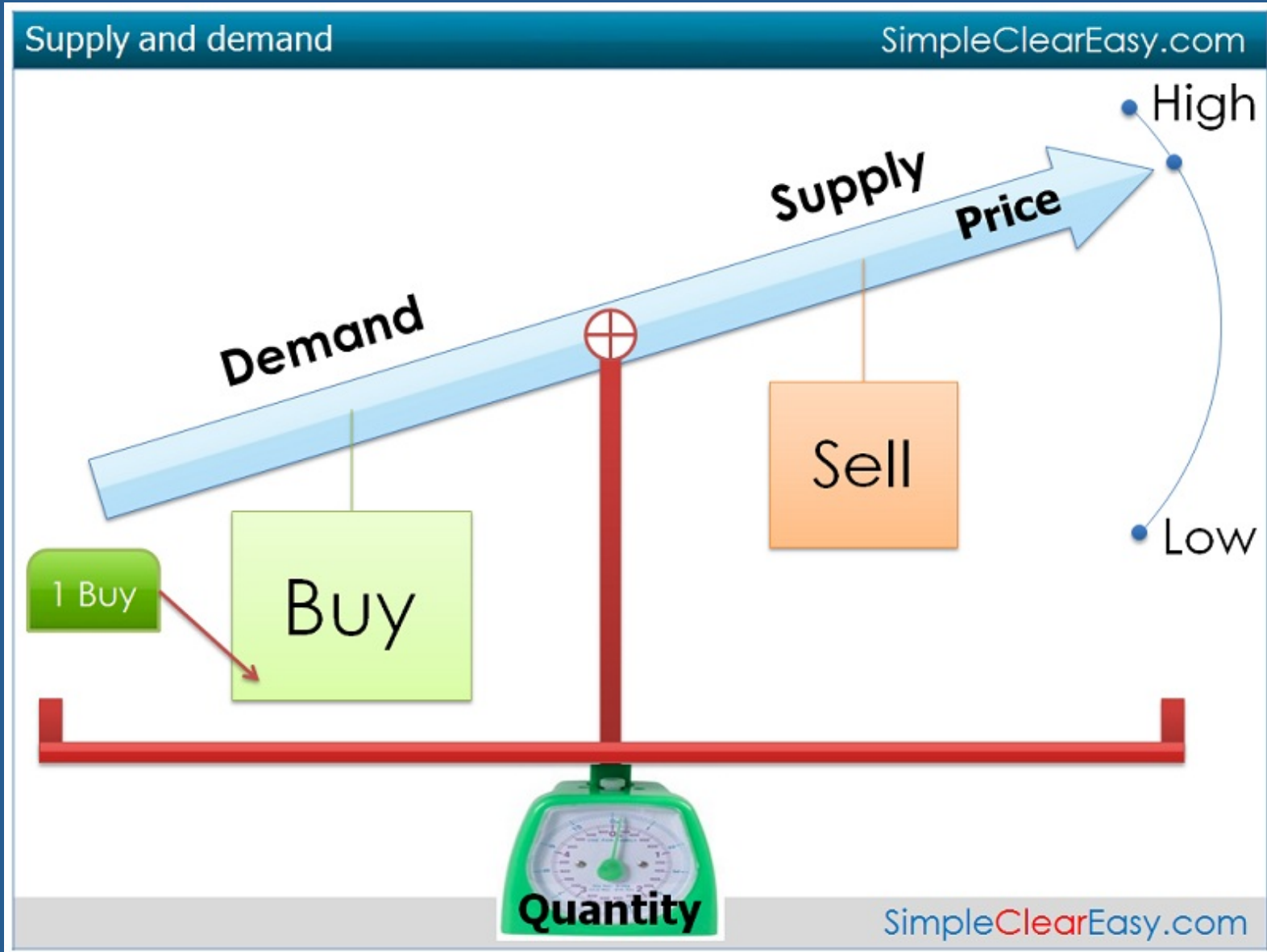
# What is Economics?

- A social science concerned with **description** and **analysis** of the **production, distribution** and **consumption** of **goods** and **services**.

Things you use or consume (*food, books, cars, cell phones, etc.*); things you can touch

Something someone does for you (*haircut, someone fixes your car, someone tutors you, etc.*); things you cannot touch

# Supply and Demand



# Supply and Demand

Supply, demand, price and quantity

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Demand	Supply	Price	Quantity
	unchanged		
	unchanged		
unchanged			
unchanged			

SimpleClearEasy.com

Subsistence Agriculture  
(Farmers grow enough  
for their family)

## Economic Systems

Controlled  
Economy

Free Market  
Free Enterprise

Communism

Socialism

Capitalism

Government  
Control

Public  
Ownership  
(land and/or  
natural  
resources)

Low degree of  
government  
control

# Economic Systems

Subsistence Agriculture  
(Farmers grow enough  
for their family)

Communism  
(Command  
Economy)

Socialism

Capitalism  
(Free-Market  
Economy; Free  
Enterprise)

How much control over the means of  
production (how much to produce/what  
to produce, to whom/how it is  
distributed and the overall decision  
making process)

Production

Distribution

Consumption

Goods and  
Services

# Economic Systems

- **Traditional:** This economic system is based on hunter-gather or subsistence agriculture
- **Free Enterprise (Capitalism):** This economic system is based on private ownership of business and individual decisions on what to buy or sell.
- **Command Economy:** This economic system is based on government control of businesses and decisions regarding types and locations of economic activity and production. Citizens can be assigned or strongly encouraged into various employment. There is little or no private ownership of businesses.
- **Socialism:** This economic system is based on state ownership of capital.
- **Mixed Economy:** This economic system forms the array between free enterprise (capitalism) and command economies (communism) with some private ownership and some government control of businesses.

# Types of Government

- **Communism** – a type of government in where one ruler makes all the decisions and everyone in the country is equal. In a Communist system, individual people do not own land, factories, or machinery. Instead, the government or the whole community owns these things. Everyone is supposed to share the wealth that they create.
- **Totalitarian** – a government that seeks to subordinate the individual to the state by controlling not only all political and economic matters, but also the attitudes, values, and beliefs of its population. *Ex. Hitler – Germany*
- **Dictatorship** – a form of government in which a person or a small group rules with almost unlimited power (with no constitution or laws). *Ex. North Korea*
- **Theocracy** – a form of government in which a Deity is recognized as the supreme civil ruler, but the Deity's laws are interpreted by ecclesiastical authorities (bishops, mullahs, etc.); a government subject to religious authority. *(Iran, Vatican City)*

# Types of Government

- **Monarchy** – a government in which the supreme power is lodged in the hands of a monarch who reigns over a state or territory, usually for life and by hereditary right; the monarch may be either a sole absolute ruler or a sovereign - such as a king, queen, or prince - with constitutionally limited authority. *Ex. Saudi Arabia*
- **Constitutional Monarchy** – a system of government in which a monarch is guided by a constitution whereby his/her rights, duties, and responsibilities are spelled out in written law or by custom. *Ex. United Kingdom*
- **Democracy** – “rule by the people.” In a **democracy**, the people have a say in how the government is run. They do this by voting.
- **Republic** – a form of government in which the people elect, or choose, their leaders. In most countries with republican government, the people elect the head of the government, such as a president. They also elect other people, called representatives, to make laws.

# Economic Activities

## Primary

Economic activity involving agriculture, fishing, and extraction of mineral resources such as mining, forestry, and farming.



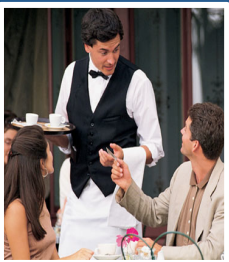
## Secondary

Economic activity involving the conversion of raw material into a product such as automobile production, textile production, energy utilities, and construction.



## Tertiary

Economic activity involving providing services such as restaurants, clerical services, media, tourism, insurance, banking, healthcare, and law.



## Quaternary

Economic activity involving the collection, processing, and distribution of information such as culture, scientific research, education, and information technology



# Economic Activities

Primary

Secondary

Tertiary

Quaternary

Developing Countries

Developed Countries

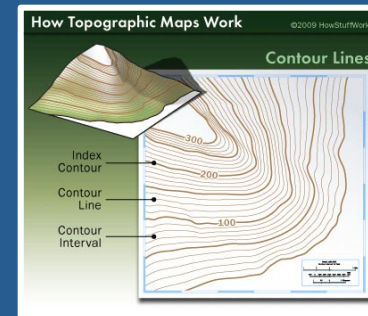
# People's Basic Needs

- Subsistence agriculture
- Commercial agriculture
  
- Cottage industries
- Commercial industries



# Location of Economic Activities

- Subsistence Agriculture
  - *climate, soil, and topography*
- Commercial Agriculture
  - *transportation, technology, resources*
- Manufacturing
  - *labor, close to market, near resources*
- Service Industries
  - *cost of setting of industry, government regulations, area where cost is minimized*



# Location of Economic Activities

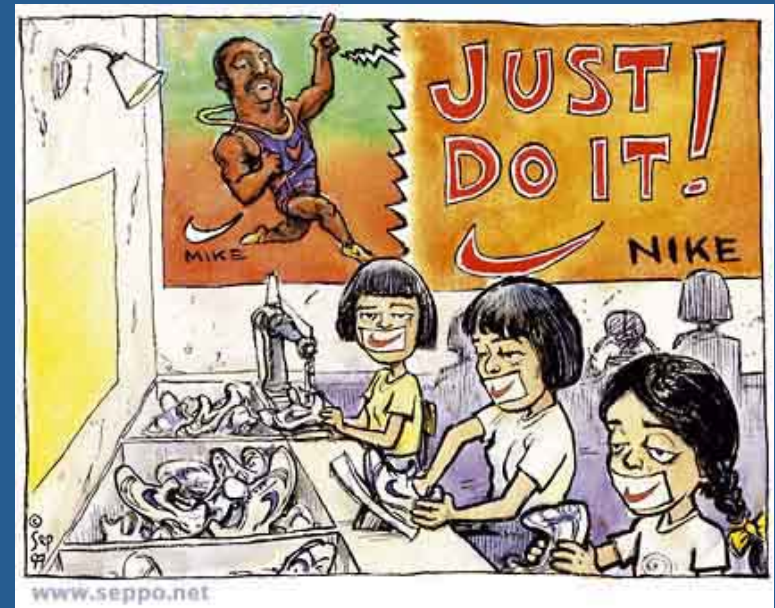
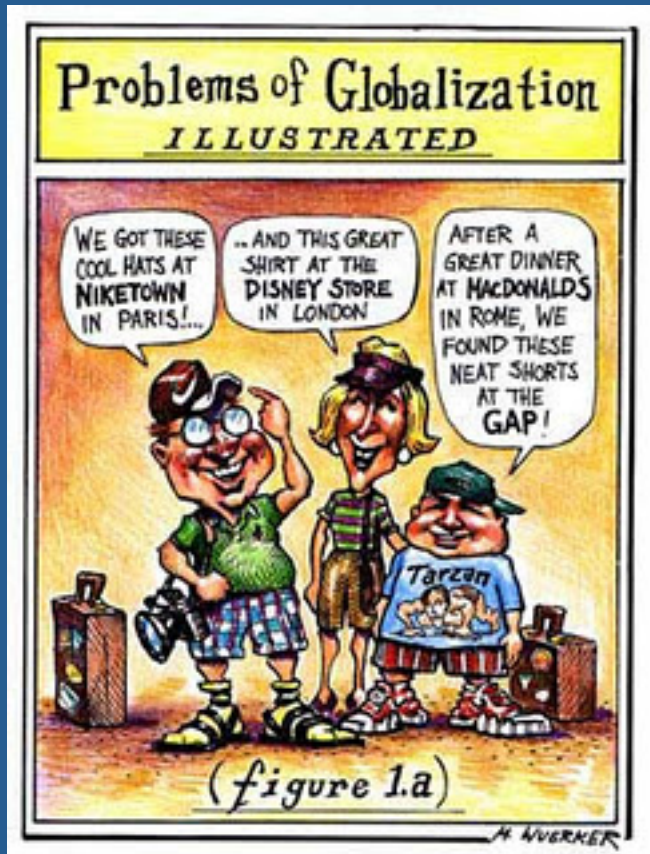
- Subsistence Agriculture
- Commercial Agriculture
- Manufacturing
- Service Industries

**Can location change?  
How?**

# Globalization

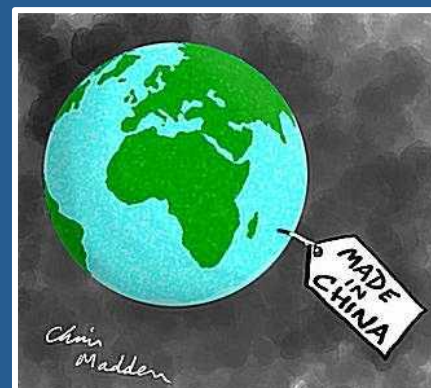
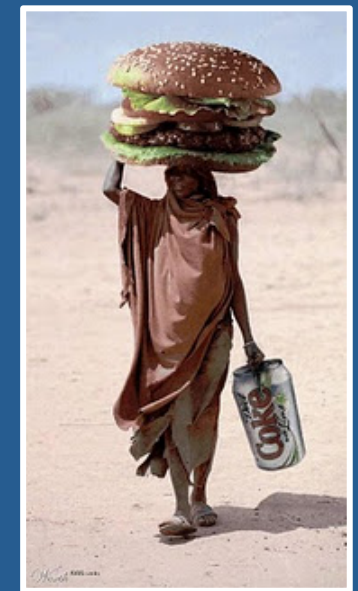
- describes an ongoing process by which regional economies, societies, and cultures have become integrated through a globe-spanning network of communication and trade

# Benefits and Challenges of Globalization



# Benefits and Challenges of Globalization

- Connectivity
- Standard of Living
- Pandemics (disease)
- Loss of Local Culture
- Interdependency



# Opportunities for Women and Minorities

In different cultures...

- Social?
- Political?
- Economic?