

# Background Information

## Governmental Systems:

1. **Authoritarian** governments have unchecked power.
2. **Dictatorship** is the most common type of authoritarian government. It is often a military government with most of the power concentrated in a small group or one single person. They keep control with military force or terrorism.
3. The most extreme type of dictatorship is a **totalitarian government**. In a totalitarian government, the government controls all aspects of society. A good example is Nazi Germany.
4. **Monarchy** is the oldest type of governing body. The power is hereditary and the leader is the head of the royal family. Nowadays most monarchies either share power with an elected body or are symbolic, with no real power.
5. **Democratic republic**: The citizens elect representatives who act as a governing body, usually making laws.

## Economic Systems:

1. **Capitalism**: Individuals, rather than the government, decide what will be produced and how it will be distributed. It is also called a market system, free market system, free enterprise or private enterprise because this system allows people to make economic decisions basically free from government control. In most market systems, including the United States, the government does take a role in the economy through health and safety regulations, pollution controls, controlling inflation, etc.
2. **Communism**: The government owns all means of production and distribution. The state makes all economic decisions, including what will be produced, wages, prices, and resource allocation. It is also called a command or planned economy.
3. **Socialism**: The state owns and runs basic industries like mass transit, telecommunications, and banking. Everything else is privately-owned and operated. Some socialist countries are welfare states where taxes are very high to pay for many government-sponsored social benefits, including child care, health care, pensions, and housing developments.



**Teacher Note:** Since the fall of Communism in the Soviet Union and before, many countries no longer have governments or economic systems that can be characterized by simple terms such as those above. Many have mixed systems with attributes of several types. Examples of these include: *constitutional monarchy*, *socialist market economy*, *parliamentary democracy*, *state-dominated economy moving to a market economy*, etc. Many countries also are in a state of transition, moving, successfully or less-successfully, from one system to another.

