

FORMS OF GOVERNMENT AND ECONOMIC SYSTEMS

SS.912.CG.4.1 Analyze how liberty and economic freedom generate broad-based opportunity and prosperity in the United States.

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2023 BENCHMARK UPDATES

- Updated from SS.912.C.4.1
 - Changed from “~~Explain how the world’s nations are governed differently.~~” to “Analyze how liberty and economic freedom generate broad-based opportunity and prosperity in the United States.”
- Depth of Knowledge Changes within Benchmark
 - Changed from “Explain” to “Analyze”
- Addition of Benchmark Clarifications
 - Benchmark clarifications are an addition to the 2023-2024 high school civics and government benchmarks. Benchmark clarifications are listed in the lesson summary below.

Essential Teacher Content Background Information

[Teacher Content Notes Not Appropriate For Student Use]

This section addresses the following topics:

1. Comparing Forms of Government
2. Distinguishing the United States' Form of Government From Other Countries
3. Economic Systems
4. Economic Prosperity and Opportunity of Current Nations

1. Comparing Forms of Government

Below is a brief chart on various forms of government with a small number of example countries listed for each. Data is current as of 2023. It is important to note that when labeling a country based on its form of government, most do not fit neatly inside one box. Countries often combine and alter elements of multiple forms of government. The label may also vary from how a country describes itself compared to how an outsider looking in may describe it.

Form of Government	Explanation	Example(s)
Republic	A republic is a form of government in which the people elect representatives to make policies and laws for them; sometimes called a representative democracy or indirect democracy	The United States, France, India, Germany Roots in Ancient Rome
Democracy	Democracy is a form of government in which political power is held by the people. There are two types of democracies: direct and indirect. <i>Direct democracy</i> is when the power to govern is directly in the hands of the people rather than elected representatives. <i>Indirect democracies</i> have people elect representatives to make policies and laws for them. An indirect democracy can also be called a representative democracy. Elements of a democracy (both direct or indirect) can often overlap with republics and monarchies.	Direct Democracy: Switzerland Indirect Democracy: India, France, United States Florida's constitutional amendment process is an example of direct democracy in a component of a government Roots in Ancient Greece
Monarchy	In a monarchy, power is held by a single person whose right to rule is based on	Constitutional Monarchy: Spain; Britain

	<p>birth (that person is born into a family of kings and queens) and who has the power to remain in office for life.</p> <p>The power of a monarch may vary; there are <i>absolute monarchies</i> (a type of autocracy) and <i>constitutional monarchies</i>, where the monarch is strongly limited by a constitution that outlines a rule of law.</p>	Absolute Monarchy: Brunei
Oligarchy	<p>Oligarchy means the rule of the few, and those few are generally the rich in the society. People who rule in oligarchies may be elected, born into their positions, or may have a certain amount of money or land which entitles them to be a part of the ruling group.</p> <p>Oligarchies are often controlled by a few powerful families whose children are raised and taught to inherit the power of the oligarchy, often at some sort of expense to those who are governed.</p>	Russian Federation
Theocracy	A form of government in which religious authorities rule in the name of a god or deity.	Islamic Republic of Iran, Islamic Emirate of Afghanistan, Vatican City
Autocracy	<p>A form of government in which unlimited power is concentrated in one individual or small group.</p> <p>One form of an autocracy is a dictatorship where an individual has absolute control over a country, often achieving it and keeping it through violent means. Another form of autocracy is an absolute monarchy where a person becomes the sole leader of a country by being born into a family of rulers.</p>	Cuba, Venezuela, Syria, North Korea

2. Distinguishing the United States' Form of Government From Other Countries

Comparing forms and systems of government enables one to clarify the advantages and disadvantages of each. The manner in which the powers of government are distributed within the systems and how those powers of government are organizationally structured as the form helps to determine the role citizens play in the election of government leaders and whether or not the system of government utilized is capable of balancing

interests and guarding against authoritarianism. To make that determination, one can evaluate a country's application of the following:

- A. checks and balances
- B. consent of the governed
- C. democratic practices
- D. due process of law
- E. federalism
- F. individual rights
- G. limited government
- H. representative government
- I. republicanism
- J. rule of law
- K. separation of powers

3. Economic Systems

There are numerous types of economic systems around the world. The economic system of a country, combined with its political system, shape the government, marketplace, and society in which they function. Economic systems are best thought of as a spectrum, with pure planned/command economies on one end, pure free market economies on the other, and mixed economic systems in between. Along that spectrum lie capitalism, communism, and socialism.

Command, Mixed, and Market Economies

- A. Characteristics of a command economy
 1. The state owns the factors of production (natural resources, capital goods)
 2. Planners in the state direct the economy
 3. Planners in the state determine what should be produced
 4. Planners in the state determine how to produce
 5. Planners in the state determine how goods and services are distributed
 6. Economic activity is based on collective well-being and in strengthening the state
 7. Individuals have little power to make decisions in buying, producing, and even in the nature of their work
 8. Private property is either limited or non-existent
 9. Work is obligatory and is on behalf of the state
- B. Characteristics of a market economy
 1. Individual buyers decide what should be produced
 2. Individual sellers decide how to produce
 3. There is no central planner directing economic activity
 4. Emergent prices direct resources, goods, and services
 5. Private property rights are strongly protected
 6. People are free to buy and sell goods and services to satisfy their own desires
 7. The state's power is strongly limited
 8. Human freedom in decision-making must be maximized
 9. The potential for profit provides the incentive to create and to work

Capitalism, Communism, Socialism

Capitalism falls closest to the pure free market end of the economic systems spectrum. It is a free enterprise system that allows private individuals to own and control most of the factors of production. In examining their definitions, “capitalism” refers to the rule of law with property rights supporting governments with a robust private sector. “Free market” means an economy free of government regulation, and with low taxation. Capitalism supports free enterprise that allows for private ownership of the means of production and their operation for profit. It rests on the philosophy that the free market will regulate itself through supply and demand without needing government interference. As such, this provides the most significant amount of both political and economic freedom as well as better alternatives for promoting economic growth. Free market economies foster competition that benefits both producers and consumers. It leads to increased efficiency, product diversity, price equilibrium, and more innovation. This system, first described by Adam Smith in his *The Wealth of Nations*, is most often, though not exclusively, associated with democracies or republics. Both of these forms of government and the economic system of capitalism rely on individual freedom and power resting with citizens.

On the other end of the economic systems spectrum is communism. Communism is a centralized political and economic system in which a single party dictatorship abolishes private property and controls the means of production and distribution of goods and services. Communism is a type of command economy because the central government determines production, investment, prices, and wages. While communism, as described in *The Communist Manifesto* by Karl Marx and Friedrich Engels, predicted that this system would result in a democratically oriented worker-led government of equals, in practice, that has not been the case. Historically, all attempts at achieving a communist economic system with a utopian class-free society have failed. Communism is most associated with autocratic or totalitarian regimes since the government must have control of the means of production.

While a socialist economic system falls more in the middle of the economic spectrum, it still sits much closer to the planned economy end. Socialism is a political and economic way of organizing the state and economy in which the government owns and controls most major industries rather than individual people and companies. In its original conception, theorists and leaders like Karl Marx and Vladimir Lenin viewed socialism as an advanced phase of progress towards full communism. In its purest forms, both communism and socialism rely on planned economies with government controlled institutions rather than privately-owned businesses. However, with socialism, individuals may still retain ownership of personal property and people are compensated not just based on need but contributions. Using this definition of socialism, a modern day example may be North Korea or Venezuela, however no country has ever truly built a successful socialist society. More often, the term “socialism” today is used to describe countries with higher levels of government involvement in their economies, an increased number of social services provided by the government, and higher levels of taxation. Governments in these countries may provide universal services such as healthcare, education, and public transportation to its citizens but require them to pay higher personal taxes. Government size, in terms of level of involvement in the economy, may be gauged by using the World Bank’s measure of government expenses as a percent of GDP. Using this definition and those metrics, modern day examples may be Greece, France, Norway, Netherlands, Latvia, South Africa and numerous others.




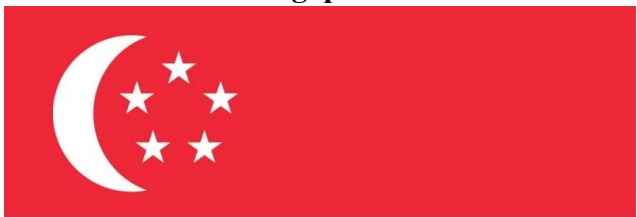
It should also be noted that many nations will blend various economic and political systems. China, for example, maintains the political domination of the Communist Party and is a totalitarian state with government ownership of many core industries. However, it has adopted some free market oriented economic policies as it allows private property ownership, individual investments, and the establishment

of Special Economic Zones (SEZs). The United States, as a constitutional republic, is predominantly capitalist/free market but has specific sectors of the economy that are wholly or partially government-run, such as utilities and public schools.

4. Economic Prosperity and Opportunity of Current Nations

When attempting to compare economic systems and countries, there are numerous data points that may be used including, but not limited to: Gross Domestic Product (GDP), Gross National Product (GNP), Purchasing Power Parity (PPP), the Human Development Index (HDI), Gini Index, and Inflation Rate. See the chart below based on the CIA World Factbook to compare current nations' economic prosperity and opportunities.

Economic indicators for the countries in the chart below will be examined in this lesson.

Command Economy	Market Economy
<p>Cuba</p>  <p>CIA World Factbook Description: A state-run planned economy, although privatization increasing under new constitution. Widespread protests due to lack of basic necessities and electricity and widespread corruption</p>	<p>Australia</p>  <p>CIA World Factbook Description: An Asian and global economic leader and partner for 3 decades with a strong financial sector and highly traded domestic currency. Australia has become an internationally competitive, advanced market economy due in large part to economic reforms adopted in the 1980s and its proximity to East and Southeast Asia.</p>
<p>North Korea</p>  <p>CIA World Factbook Description: A centrally planned economy that faced serious</p>	<p>Singapore</p>  <p>CIA World Factbook Description: Singapore is one of the world's most prosperous</p>

<p>economic setbacks after the fall of the communist Soviet Union in 1991. It has been hard hit by COVID-19, crop failures, shortages, international sanctions, and isolationist policies which has led to declining growth and trade, heavy reliance on China, and poor exchange rate stability. New economic development plans in the 2010s failed to meet government-mandated goals for key industrial sectors, food production, or overall economic performance.</p>	<p>and high-income countries. It is a service-based economy renowned for its financial markets. They have strong international trading links (its port is one of the world's busiest in terms of tonnage handled) and its per capita GDP among the highest globally.</p>
<p style="text-align: center;">Venezuela</p>  <p>CIA World Factbook Description: Economic policies have expanded the state's role in the economy through expropriations of major enterprises, strict currency exchange and price controls that discourage private sector investment and production. Venezuela has an overdependence on the petroleum industry for revenues which has resulted in economic decline Since the mid-2010s they have seen reduced government social spending, shortages of basic goods, and high inflation. Living conditions have prompted over 7 million Venezuelans to migrate, mainly settling in nearby countries.</p>	<p style="text-align: center;">United States</p>  <p>CIA World Factbook Description: The U.S. has a high-income, highly diversified economy. It is a global economic leader as the largest importer and second-largest exporter. It is home to leading financial exchanges and typically has low interest and taxation rates.</p>

Sources:

<https://hdr.undp.org/data-center/specific-country-data#/countries/VEN>

<https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm>

<https://www.cia.gov/the-world-factbook/>

<https://books.lib.uoguelph.ca/mgmt1000/chapter/1-2-economic-systems-around-the-world/>

https://docs-of-freedom.s3.amazonaws.com/uploads/document/attachment/635/7.1_Handout_D_Characteristics_of_Command_and_Market.pdf

<https://www.cia.gov/the-world-factbook/>

<https://direct.mit.edu/isec/article-abstract/44/1/160/12235/The-End-of-War-How-a-Robust-Marketplace-and?redirectedFrom=fulltext>

<https://data.worldbank.org/>

Lesson Summary

BENCHMARK		
SS.912.CG.4.1 Analyze how liberty and economic freedom generate broad-based opportunity and prosperity in the United States.		
BENCHMARK CLARIFICATIONS		
<ul style="list-style-type: none">Students will differentiate between government systems (e.g., autocracy, democracy, monarchy, oligarchy, republic, theocracy).Students will differentiate between economic systems (e.g., capitalism, communism, mixed market, socialism).Students will analyze the disadvantages of authoritarian control over the economy (e.g., communism and socialism) in generating broad-based economic prosperity for their population.		
FLORIDA CIVIC LITERACY EXAM COMPETENCY CONNECTION		
Competency 1: Understanding of the basic principles and practices of American democracy and how they are applied in our republican form of government		
OVERVIEW		
In this lesson, students will analyze how liberty and economic freedom in the United States generate broad based economic opportunity and prosperity.		
ESSENTIAL QUESTION		
How does the form of government and economic system used in the United States generate opportunity and prosperity?		
GOVERNMENT CONTENT VOCABULARY		
<ul style="list-style-type: none">absolute monarchy, anarchy, authoritarian, autocracy, capitalism, command economy, communism, constitutional monarchy, constitutional republic, democracy, dictatorship, direct democracy, economic freedom, economic indicators, economic prosperity, economic systems, factors of production, form of government, laissez-faire, liberty, market economy, mixed market economy, monarchy, oligarchy, opportunity, representative democracy, republic, socialism, standard of living, theocracy, totalitarian, traditional economy		
INSTRUCTIONAL STRATEGIES		
Class discussion	Note-taking	Data research
MATERIALS		
<ul style="list-style-type: none">Student digital devicesSticky note or index cardOutsiders Looking In... slideForms of Government Graphic Organizer		

- Who Rules? reading
- Constitutional Republic slide
- Differentiated Economic Systems slides (external links included)
- Economic Systems Graphic Organizer
- Comparing Economic Systems of Nations Graphic Organizer
- Assessment Questions

B.E.S.T. STANDARDS

The grade in which this lesson is taught will determine the specific B.E.S.T. standards correlation.

Thematically, this lesson aligns to:

- ELA.R.3.2 Paraphrase and Summarize
- ELA.C.4.1 Researching and Using Information
- ELA.V.1.1 Academic Vocabulary

Suggested Student Activity Sequence & Pace

DAY	ACTIVITY SEQUENCE
DAY 1	<ol style="list-style-type: none"> 1. Begin class by having students complete a quick brainstorm in which they make a list of things they like/admire about the United States. What are they thankful for? What makes the United States a great place to call home? 2. Have students share some of their responses. 3. Next, display the “Outsiders Looking In…” slides. Review the information and generate a class discussion on the topics that are interesting or admirable about the United States from the lens of people that don’t live here. 4. Continue the discussion by asking students some guiding questions: Are there things that surprise you on the list? Are there things that you would include that are missing? What things might you take for granted? 5. Lead students to the understanding that the opportunities and prosperity that exists in the United States may be traced to the form of government and economic system that we have in place. When we observe other countries who may not be as desirable a place to live as the United States, it is often because of their choice of government and economic system. 6. Explain to students that over the course of this lesson, they will be analyzing some of those other government and economic systems. 7. Assign students to pairs or small groups. 8. Pass out the “Forms of Government Graphic Organizer” to each student. 9. Pass out the “Who Rules?” reading to each student. 10. In pairs or small groups, have students read about the forms of government in the reading and fill in the corresponding section of the graphic organizer. (They are not answering the questions yet) 11. Circulate the classroom to check for student engagement, and meet with each group/pair to check for student understanding. 12. Once groups have finished filling out the graphic organizers, review student responses by calling on different groups. Encourage students to revise their answers if needed. Teacher Note: Use the answer key provided to guide the discussion. 13. Ask students: Do you know the name for the form of government used in the United States? Hint: It is technically not in the reading. 14. Display the “Constitutional Republic” slide for students. Give students time to record the definition at the bottom of their organizer under question one. Work through follow-up questions two and three as a class. 15. Conclude class by having students complete an exit ticket on a sticky note or index card in which they answer the following question: <i>How does the United States’ constitutional republic promote prosperity and opportunity?</i>

DAY 2	<ol style="list-style-type: none"> 1. Begin class by asking students: What job opportunities do you have right now as a high school student? What job opportunities will you have 10 years from now? Have them brainstorm and record responses. 2. Ask for responses. Continue the discussion by asking students: Why are there so many choices available to you and your classmates? 3. Ask for responses. Answers will vary, but lead students to the understanding that there are
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many choices due to the opportunities afforded by the economic freedoms within the United States. Explain to students that today we will be examining the economic system of the United States, but also other economic systems that do not afford their citizens the same opportunities and prosperity.

4. Project the “Differentiated Economic Systems” slides.
5. Pass out the “Economic Systems Graphic Organizer” to each student.
6. Explain each of the economic systems, as noted in the presentation and watch the short videos provided. Allow students to fill in the graphic organizer as they listen/observe.
7. Upon reaching slide 14, reiterate to students that the economic systems act as a spectrum, and many countries fall on various points of that spectrum.
8. Ask students: Where would capitalism, communism, and socialism fall on the spectrum? (capitalism on the free market side, communism/socialism more on the command economy side)
9. Returning to the opening question, ask students: How might your opportunities be different if you were a teenager in another country with fewer economic freedoms, like North Korea, China, or Cuba?
10. Have students retrieve their device/computer at this point and pass out the “Comparing Economic Systems of Nations Graphic Organizer” to each student.
11. Explain to students that they will research four different nations by going to the websites listed at the top of the graphic organizer. They will fill in the information within the graphic organizer about each of the four nations.
12. As students work, circulate throughout the room, monitor for student engagement, and check for understanding.
Teacher Note: Students may need a varying amount of time to complete the graphic organizer and therefore this activity sequence may extend into a third day in order to do so.
13. Once a student completes their graphic organizer, provide them with the final short response “Assessment Questions.”
14. Instruct students to use their notes and the data they collected to form well-crafted responses.

Government Content Vocabulary

Word/Term	Definition
absolute monarchy	a form of monarchy with no limits on the monarch's power
anarchy	the absence of any form of government
authoritarian	a form of government that forces strict obedience to authority, especially that of the government, at the expense of personal freedom
autocracy	a form of government where one person has unlimited power
capitalism	an economic system in which private individuals own and control most of the factors of production
command economy	the government owns and controls production
communism	a system of centralized political power and economic system in which a single-party or dictatorship abolishes private property and controls the means of production and the distribution of goods and services
constitutional monarchy	a form of monarchy where the monarch serves in only a limited or symbolic role, restricted by a written set of laws
constitutional republic	a form of government in which there is democratic voting, but governmental power is limited by the existence of a constitution that protects the rights of citizens
democracy	a system of government in which political power is held by the people
dictatorship	a form of autocracy where an individual has absolute control over a country, often achieving it and keeping it through violent means
direct democracy	a form of democracy in which the power to govern is directly in the hands of the people rather than elected representatives
economic freedom	the ability of citizens in a society to make economic choices
economic indicators	data used to help measure the health of the economy; common examples include GDP, PPP, HDI, employment numbers, inflation, home sales etc.
economic prosperity	successful, flourishing, or thriving
economic systems	the methods used by a society or government to organize production and distribute resources, goods and services
factors of production	the resources needed to produce a good or service including land, labor, capital, and entrepreneurship
form of government	the way a government is structured and operates

laissez-faire	an economic policy in which government does not intervene in the actions of private businesses and the people, it lets the people do as they will
liberty	the state of being free within a society
market economy	an economic system in which production and prices are determined by supply and demand and unrestricted competition between privately owned businesses
mixed market economy	an economic system of resource allocation, that combines some elements of capitalism (market) and socialism (command); the government is involved to some extent in a nation's economy
monarchy	a form of government headed by a king or queen who inherits the position, rules for life, and holds power that can range anywhere between limited to absolute
oligarchy	a form of government in which a small group (often of wealthy people) that is unaccountable to the people has total control and power
opportunity	an occasion or situation that makes it possible to do something you want to do or have the do
representative democracy	a form of democracy in which the people elect representatives to make policies and laws for them; sometimes called a republic or representative democracy
republic	a system of government in which the people elect representatives to make policies and laws for them, also known as a representative democracy
socialism	a political and economic way of organizing the state and society in which the government owns and controls major industries rather than individual people and companies
standard of living	how well people live in a town, region, or country in terms of income and wealth
theocracy	a form of government in which a religious body holds significant power
totalitarian	a form of government in which power is centralized with one individual or group and requires complete subservience to the state
traditional economy	customs and beliefs shape the production and distribution of goods and services in a village, rely heavily on tradition

ADDITIONAL RESOURCES

[Florida Department of Education: Florida Civic Literacy Exam Homepage](#)

Florida Department of Education's Civic Literacy Reading List

- N/A

ANSWER KEYS

Sample Answers: Forms of Government Graphic Organizer

Sample Answers: Economic Systems Graphic Organizer

Sample Answers: Comparing Economic Systems of Nations Graphic Organizer

Written Response: Sample Scoring Rubric

SOURCES

Who Rules? Lesson plan from iCivics: <https://www.icivics.org/teachers/lesson-plans/who-rules>

The CIA World Factbook: [The World Factbook - The World Factbook \(cia.gov\)](#)

World Bank Group: <https://www.worldbank.org>

Communism vs. Socialism vs. Capitalism video from Illustrate to Educate:

https://www.youtube.com/watch?v=_8gTqgaczTI

The 4 Types of Economies video from ThinkEcon: <https://www.youtube.com/watch?v=5vTdPNY7P2w>

U.N. Human Development Reports: <https://hdr.undp.org/data-center/specific-country-data#/countries/VEN>

OECD Data: <https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm>

Economic Systems Around the World from University of Guelph:

<https://books.lib.uoguelph.ca/mgmt1000/chapter/1-2-economic-systems-around-the-world/>

Documents of Freedom from Bill of Rights Institute:

https://docs-of-freedom.s3.amazonaws.com/uploads/document/attachment/635/7.1_Handout_D_Characteristics_of_Command_and_Market.pdf

The End of War: How a Robust Marketplace and Liberal Hegemony Are Leading to Perpetual World Peace by Michael Mousseau:

<https://direct.mit.edu/isec/article-abstract/44/1/160/12235/The-End-of-War-How-a-Robust-Marketplace-and?redirectedFrom=fulltext>

All citations for images on slides are sourced within the presentations