

Global Studies

Unit 1, Lesson 2

Global Economic Systems



Unit 1, Lesson 2: Global Economic Systems



How do other countries distribute wealth? Every country has its own unique way of setting up an economy.



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Global Studies

Briefing

Global Economic Systems



Your goals are to learn how to complete these objectives:

- Explain various ways that countries produce income
- Explain various ways that countries distribute wealth
- Describe global economic systems
- Describe how economics and politics mix

Economics is a very serious subject. After all, you are talking about money! Your editor has another job for you to learn more about this important matter before you go out on your next major story.

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Read the lesson's objectives in the Briefing Tab.

Now that you're familiar with basic economic terms, it's time to find out about other countries' economies.



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Assignment

Global Economic Syst

Do you remember the definition of economics? The various ways that money is made in economics. Now it is time to think about how countries make their money and who gets it. Keep in mind that economics is a very complicated subject. Economic issues are wars between different countries. Even people within countries disagree how money is

Economics is an important subject. After all, we are talking about money. Having it or not eating, between having shelter or not having a place to live. Some families have more are rich countries and poor countries.



Your editor wants you to investigate how countries make their money. Use the slide show below to help you learn how countries make their money and how that money is distributed. Like all good reporters, you know that taking detailed notes will help you with your assignment that follows. The attached work file is one way to organize the facts collected during your investigation.

Print out the Work File, which will help you take notes in the next section.

The notes you take in the Work File will be important to study for the quiz at the end of this lesson.

Global Economic Systems Work File

Print out this sheet and use it to help you organize the information from the lesson.

Write a brief definition of each term:

Agricultural Nation	
Resource Dependent Nation	
Developing Nation	
Industrial Nation	
Hunting and Gathering	
Feudalism	
Capitalism	
Socialism	
Communism	
Subsistence Economy	
Traditional Economy	
Market Economy	
Command Economy	
Mixed Economy	



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How does a country make money?

Use the Work File you just printed out to take notes on this "Global Economic Systems" slide show, found in the Assignment Tab.

Click the arrow at the bottom to advance the slides.




Global Economic Systems



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How a country makes and distributes its wealth and how it uses its power are closely connected. People, as well as countries, must do things to make a living. Just as politics is the study of how power is used, economics is the study of how money is made and distributed. "Money is power" some people say, so it will help you to have a basic understanding of how income and power distribution are often related.

Use the next and back arrows to view slides



Unit 1, Lesson 2: Global Economic Systems

How do political systems affect economic systems?

Click this link to find out these systems work together.

Don't forget to TAKE NOTES!

Some people say, but it will help you to have a better understanding of how income and power distribution are often related.

Use the next and back arrows to view slide

When you watch the news on television and you hear about situations or problems in different kinds of political systems work in combination with certain economic systems will certainly understand global issues. Keep in mind there are a variety of ways in which income and politics mix. Find out more about the ways economics and politics mix at the following link.

[Mixing Politics and Economics](#)



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Mixing Politics and Economics

How a country makes and distributes its wealth and how it uses its power are closely connected. Take a look at some of the examples given below that demonstrate how economics and politics mix.

Feudal Economy and Dictatorship

Where there is a dictatorship, you will usually find a feudal economy. Picture such a situation as a pyramid. In this example, very few people control almost all of the nation's wealth. They would be placed at the top of the pyramid and are supported by a huge base of poor people. As you can imagine, the majority of people are unhappy because of their poor situation and would probably vote very quickly to change things. In order to stay in their position of power and wealth, the very small ruling class uses military force to keep everyone under control. Voting, if there is any, does not really provide any real choices. Democracy is not something that is found where there is such a disparaging difference between classes.

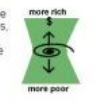


Capitalist Economy and Democracy

Where democracy is found, you will usually find a capitalist economy. To visualize what this system looks like, you need to imagine a diamond shape. There is a relatively small number of extremely wealthy people at the top and a small number of desperately poor people at the bottom. Most people fall somewhere in the middle, meaning they earn a living from blue collar (labor) or white collar (management) jobs. Their incomes allow them to buy the products of their labor or that of other workers. They have the personal freedom to choose the work they do and the things they buy. Most people live in relative comfort and the government does not need to get involved to keep the system going.



The capitalist/democratic system can come under stress when the wide middle class is squeezed, and the shape becomes more like an hourglass. High taxes, inflation, unemployment, and other economic problems can cause some people in the middle to fall toward the bottom. On the other hand, some people can do well and rise toward the top. The gap between the rich and poor becomes greater, and it is hard to find a compromise between them. Decisions that benefit those at the top will anger those at the bottom, and vice versa. Politics can get nasty when the diamond shape is not maintained.



Socialist Economy and Democracy

Capitalism works best without government interference. However, there is always concern about those forced into extreme poverty due to conditions beyond their control. A system that combines a mild form of socialism tries to establish a line below which no one is forced to live. But where does the money come from to provide assistance to those in need? It comes from government programs that are funded by taxing more heavily those who are affluent. Obviously, no one wants to pay higher taxes, so it takes government management of at least a part of a nation's economy to accomplish this. The object of this type of system is to remove the extreme points on the diamond shape thereby creating a stop sign shape. While the numbers of extremely wealthy and extremely poor have been eliminated through government control of the economy, there is still the widest range of opportunity for the greatest number of people.



Communist Economy and Dictatorship

The goal of an extremely socialistic or communistic economy is to remove class barriers and thereby leave the nation's entire population living in almost the same economic conditions. This, of course, is an artificial way of life. Since not everyone has the same economic interests, abilities, or resources, it requires government force to create this pancake structure. And, if it requires force to create and maintain this "classless" society, you can bet it is a military government doing the forcing. The Soviet Union came close to creating such a way of life, but we know how successful that was since the desire to break free of government control eventually led to the disintegration of the Soviet Union.



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Report

Global Economic Systems

"Money is power" some people say, but so is knowledge. You have covered a good deal of ground in this and the previous lesson to gain basic knowledge of economics and how countries make and distribute their wealth. You should also have an understanding of how income and power distribution are often related. Below is a list of terms and topics that you should be able to define, explain, or discuss accurately before going on to complete the assessment for this lesson:

- Agricultural Nation
- Capitalism
- Communism
- Command Economy
- Developing Nation
- Feudalism
- Hunting/Gathering
- Industrial Nation
- Market Economy
- Mixed Economy
- Resource-Dependent Nation
- Socialism
- Subsistence Economy
- Traditional Economy

Try the quiz below to see how well you understand the terms.



★★★★★
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Here is a list of terms and topics that you are responsible for knowing. Be sure you've taken notes on these concepts!

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Time to practice what you've learned! Take the Global Economic Systems Practice Quiz to see how well you know the material.

Use the arrow at the bottom to advance the questions.

6.02 Global Economic Systems Practice Quiz

Click the next button to take the quiz.

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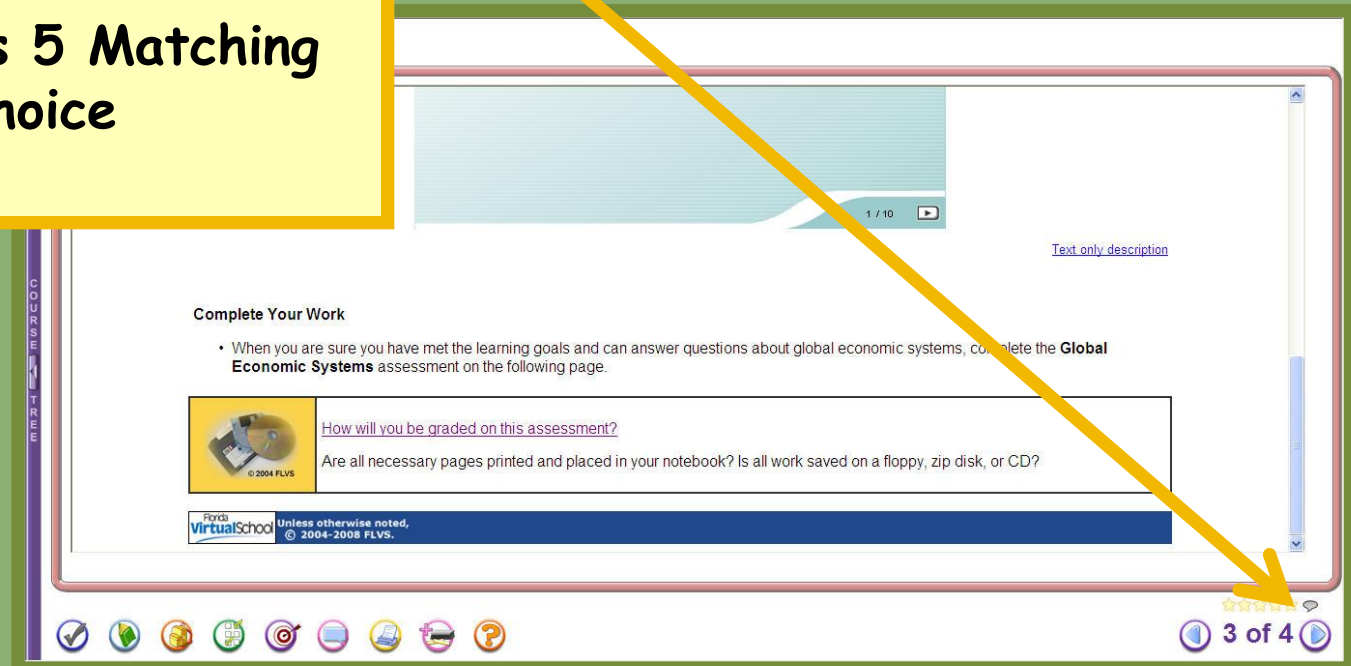


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How did you do on the practice quiz? Are you ready for the real thing?

After you've studied and reviewed your notes, click the arrow to take the lesson's quiz.

The quiz contains 5 Matching and 5 Multiple Choice questions.



The screenshot shows a web browser window displaying a page from Florida Virtual School. The page title is "Complete Your Work". Below the title, there is a bullet point: "When you are sure you have met the learning goals and can answer questions about global economic systems, complete the **Global Economic Systems** assessment on the following page." A yellow arrow points from the text in the yellow box to a play button icon in the bottom right corner of the browser window. The browser window also shows a video player at the top with a progress bar at 1/10 and a "Text only description" link. At the bottom of the browser window, there is a navigation bar with several icons and a "3 of 4" indicator.

Complete Your Work

- When you are sure you have met the learning goals and can answer questions about global economic systems, complete the **Global Economic Systems** assessment on the following page.

How will you be graded on this assessment?

Are all necessary pages printed and placed in your notebook? Is all work saved on a floppy, zip disk, or CD?

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