Public Opinion  Create a short questionnaire to find out how people in your community feel about government. Ask questions such as, “Do public officials care about what people like you think? Yes or no?” After tabulating the survey results, draw a circle graph that portrays public attitudes and display the graphs in class.
Independence Hall

Take a virtual tour of Independence Hall in Philadelphia, where the Continental Congress met and founded the United States of America.

Glencoe’s Democracy in Action
Video Program

Independence Hall, or the Old State House, was the birthplace of both the Declaration of Independence and the U.S. Constitution. The Democracy in Action video program “Independence Hall,” referenced below, shows the unique role of Independence Hall in American history.

As you view the video program, try to identify some of the people involved in framing the United States government.

Also available in videodisc format.
View the videodisc by scanning the barcode or by entering the chapter number on your keypad and pressing Search.

Disc 2, Side 1, Chapter 1

Hands-On Activity

Use your school’s computerized card catalog or the Internet to research additional information about the historical significance of Independence Hall. How did its location contribute to the events that unfolded there? Using multimedia tools or software, create a multimedia presentation about the role of Independence Hall during the early years of our nation. Incorporate images from the Internet.

The first die for the Great Seal of the United States and the larger die of the Old Treaty Seal, used to make pendant seals for American treaties
Chapter 1

People and Government

Why It’s Important

People and Government Around the world, people live under a variety of governments. Are governments necessary? How well do governments serve people? Chapter 1 will explain the basic forms of government so that you can answer these questions.

To better understand the foundations of government and their impact on your life, view the Democracy in Action Chapter 1 video lesson:

Government and Our Lives

GOVERNMENT Online

Chapter Overview Visit the United States Government: Democracy in Action Web site at gov.glencoe.com and click on Chapter 1—Overview to preview chapter information.
Principles of Government

In 1972, for the first time, many 18-year-olds were allowed to vote. Perhaps waiting in line to vote allowed time for reflection. Why am I doing this? Will it make a difference? Is government really necessary? What does government have to do with my life?

While most of us realize that government is necessary, people have asked basic questions about the institution of government for centuries. What is the proper function of government? What form of government serves best? Where or why did government originate? Many scholars have written much about these issues. This text will help answer some of these basic questions.

The State

Aristotle, a scholar in ancient Greece, was one of the first students of government. He studied the polis, the ancient Greek city-state. Many terms and concepts of government, such as politics, democracy, and republic, originated in ancient Greece and Rome.

The familiar terms country and state have basically the same meaning. The word state comes from a form of the Latin word stare, meaning “to stand.” Today the word state precisely identifies a political community that occupies a definite territory and has an organized government with the power to make and enforce laws without approval from any higher authority. The United States is one of more than 160 states in the world today.

To citizens of the United States, the term state sometimes has a different meaning. The name United States was first used in 1776 when the thirteen British colonies became states by declaring their independence. At that time, each state thought of itself as a country. Even though the states later joined together as one nation under the Constitution, the term state continued to be used to describe the main political units within the United States.
The term *nation* is often used to describe an independent state or country. Strictly speaking, however, a *nation* is any sizable group of people who are united by common bonds of race, language, custom, tradition, and, sometimes, religion. Usually the territorial boundaries of modern states and those of nations are the same. For example, although not all citizens of France are of French descent, the territories of both the nation of France and the state of France coincide. The term *nation-state* is often used to describe such a country.

Not all groups that consider themselves to be nations have their own states. Eastern Canada, for example, includes many French-speaking Catholics who prefer to follow French culture and traditions rather than those of the English-speaking non-Catholic majority of Canada. Some of these people want to break away from Canada and establish their own state. On the other hand, in Africa the populations of some national groups are divided among several African states, the result of artificial borders established during European colonialism. The popular use of the term *nation*, however, fits the standard definition of state. For this reason this text will use the terms *state* and *nation* interchangeably.

### Essential Features of a State

The states that make up today’s political world share four essential features: population, territory, sovereignty, and government.

#### Population

The most obvious essential for a state is people. The nature of a state’s population affects its stability. States where the population shares a general political and social *consensus*, or agreement about basic beliefs, have the most stable governments. For example, most Americans share basic beliefs about the value of democratic government.

Another way that population affects the political organization of a state is through its mobility. Millions of Americans change residences each year. As a result, political power is slowly changing and being modified. A major shift in population from the North and East to the South and West caused Southern and Western states to gain representatives in Congress based on the census, while some states in the North and East lost representation. The movement of some of the population from inner cities to suburban areas resulted in a similar shift in political power.
Territory  A state has established boundaries. The United States’s continental boundaries are the Atlantic and Pacific Oceans and recognized borders with Canada and Mexico.

The exact location or shape of political boundaries is often a source of conflict among states. Territorial boundaries may change as a result of war, negotiations, or purchase. The territory of the United States, like that of some other states, has grown considerably since the original thirteen states declared their independence. By purchase, negotiation, and war the United States extended its territory to the shores of the Pacific Ocean.

Sovereignty  The key characteristic of a state is its sovereignty. Political sovereignty means that the state has supreme and absolute authority within its territorial boundaries. It has complete independence, and complete power to make laws, shape foreign policy, and determine its own course of action. In theory, at least, no state has the right to interfere with the internal affairs of another state.

Because every state is considered sovereign, every state is equal with respect to legal rights and duties—at least in theory. In practice, of course, states with great economic strength and military capabilities have more power than other states.

### Critical Thinking
The Treaty of Paris, which ended the Revolutionary War, established the original boundaries of the United States. Why do you think the United States acquired so many territories in the South Pacific?
Government  Every state has some form of government. Government is the institution through which the state maintains social order, provides public services, and enforces decisions that are binding on all people living within the state.

Theories of the Origin of the State

How did the state or government come to be? No one knows precisely how or why people created the earliest governments. Many scholars have constructed theories that attempt to explain the origin of the state.

Evolutionary Theory

Some scholars believe that the state evolved from the family. This is the basis of the evolutionary theory of government origin. The head of the primitive family was the authority that served as a government. An extended family might include hundreds of people. Abraham’s descendents in the Old Testament of the Bible are an example of the emergence of this kind of rule. Gradually the large extended family needed more organization.

Force Theory

In the earliest civilizations people worked together to build walled cities, to control floods, to construct buildings for worship, and to cooperate in other ways. Leaders issued decrees and soldiers went to war to protect their city. Some scholars believe that the state was born of force. The force theory says that government emerged when all the people of an area were brought under the authority of one person or group.

Divine Right Theory

The notion that the gods have chosen certain people to rule by divine right has been important in many civilizations. The Egyptians, Chinese, and Aztec were among those who believed that their rulers were either descendents of gods or at least chosen by gods. In Europe beginning in the 1400s, monarchs often referred to their right to rule as coming from God. People believed that the state was created by God, and those who were born to royalty were chosen by God to govern. To oppose the monarch was to oppose God and was both treason and sin.

Social Contract Theory

Beginning in the 1600s, Europeans challenged the rule of sovereigns who ruled by divine right. They were often supported by the writings of philosophers who believed that the origin of the state was in a social contract. Thomas Hobbes in England was one of the first to theorize how the social contract came about. He wrote that in a “state of nature,” no government existed. Without an authority to protect one person from another, life was “cruel, brutish, and short.” By contract, people surrendered to the state the power needed to maintain order. The state, in turn, agreed to protect its citizens. Hobbes believed that people did not have the right to break this agreement.

John Locke took the social contract a step further. In 1688 the British Parliament forced King James II to flee and invited William and Mary of Orange to rule. Locke defended Parliament’s overthrow of the king. He wrote that people were naturally endowed with the right to life, liberty, and property. To preserve their rights, they willingly contracted to give power to a governing authority. When government failed to preserve the rights of the people, the people could justly break the contract.

Nearly a century later, the American colonies revolted against King George III. They declared their independence supported by the political philosophy of natural rights that Locke had written.
The Purposes of Government

Today governments serve several major purposes for the state: (1) to maintain social order; (2) to provide public services; (3) to provide for national security and a common defense; and (4) to provide for and control the economic system. In carrying out these tasks, governments must make decisions that are binding on all citizens of the state. Government has the authority to require all individuals to obey these decisions and the power to punish those who do not obey them.

The decisions of government are authoritative—that is, they can be enforced upon all of society. Governments derive their authority from two sources—their legitimacy and their ability to use coercive force. Legitimacy means the willingness of citizens to obey the government. In democratic countries legitimacy is based on the consent of the people. Americans understand that if their elected officials fail to respond to the interests of the people, they can be voted out of office. Therefore, the people entrust their government with power.

Coercive force, the second source of government authority, derives from the police, judicial, and military institutions of government. Government can force people to pay taxes and can punish offenders by fines or imprisonment.

Maintaining Social Order  

John Locke, writing in Two Treatises of Government in 1690, explained:

"Men being, as has been said, by Nature, all free, equal and independent, no one can be put out of this Estate, and subjected to the Political Power of another, without his own Consent. The only way whereby any one divests himself of his Natural Liberty, and puts on the bonds of Civil Society is by agreeing with other Men to joyn [join] and unite into a Community. . . ."

—John Locke, 1690

According to the social contract theory, people need government to maintain social order because they have not yet discovered a way to live in groups.

Government in Daily Life

Government is much closer than the officials working in Washington, your state capital, or even city hall. Many things that Americans take for granted result from services and protections offered by government.

The roads on which you drive are constructed and maintained by the government. Traffic laws dictate how you drive on those roads. When you go to the store, government regulations make it likely that the groceries you buy will not poison you. Your hair stylist and dentist are expected to be skilled professionals because government licenses these and other businesses and sets minimum standards. Turn on your radio or TV. The program you receive will be clear because government prevents stations from interfering with each other’s signals. All in all, the presence of government in daily life is greater than you may think.

Solving Problems  

Assume you serve on your city council. A group of citizens has petitioned the city to change the speed limit on all nonresidential streets from 35 mph to 50 mph. Brainstorm the advantages and disadvantages of each alternative and how it would impact citizens. Recommend what speed limit should be in effect and why.
Without conflict. There are many sources of conflict in any group. Two people may argue over the boundary line between their properties. Members of a community may disagree about what is best for the group. In any group, some members may try to take unfair advantage of others. Conflict seems to be an inescapable part of group life.

Governments provide ways of resolving conflicts among group members, helping to maintain social order. Governments have the power to make and enforce laws. Governments can require people to do things they might not do voluntarily, such as pay taxes or serve in the army. Governments also provide structures such as courts to help people resolve disagreements in an orderly manner.

Without government, civilized life would not be possible. Government controls and contains conflict between people by placing limits on what individuals are permitted to do. Government provides a group with law and order. An effective government allows citizens to plan for the future, get an education, raise a family, and live orderly lives.

Providing Public Services  Abraham Lincoln identified one purpose of government:

“The legitimate object of government is to do for a community of people whatever they need to have done but cannot do at all, or cannot so well do for themselves in their separate and individual capacities. But in all that people can individually do for themselves, government ought not to interfere.”

—Abraham Lincoln, 1854

One of the important purposes of government is to provide essential services that make community life possible and promote the general welfare. Governments undertake projects, such as building sewer systems, that individuals could not or would not do on their own.

Governments also provide an essential service by making and enforcing laws that promote public health and safety. Government inspectors check meat and produce to prevent the sale of spoiled food. State legislators pass laws that require people to pass a driving test.

Providing National Security  A third task of government is to protect the people against attack by other states or from threats such as terrorism. Protecting its national security is a major concern of each sovereign state. In today’s world of nuclear weapons, spy satellites, international terrorists, and huge armies, the job of providing for the defense and security of the state is complex.

In addition to protecting the nation from attack, government handles normal relations with other nations. The United States Constitution gives our national government a monopoly over our nation’s dealings with foreign countries. Thus, our national government has the exclusive power to make treaties with other nations. Government helps to provide economic security by enacting

Student Web Activity  Visit the United States Government: Democracy in Action Web site at gov.glencoe.com and click on Chapter 1–Student Web Activities for an activity about principles of government.
trade agreements with other countries. Some state governments maintain informal relations with foreign governments for trade and cultural purposes. The national government, however, has the power to limit these arrangements.

**Making Economic Decisions** Nations vary greatly in their ability to provide their citizens with economic opportunities or resources. No country provides its citizens with everything they need or desire. Even in a wealthy country like the United States, many people are poorly clothed, housed, and fed. The problem of scarcity is far greater in many other nations around the world.

Material scarcity is often the cause of conflict in society. Countries in which the gap between rich and poor is great may experience civil unrest. Historically this has been the primary cause of several full-blown revolutions. For this reason governments often use their power to reduce the cause of such conflict by intervening in the economic system.

Governments do not limit their intervention to only domestic necessities. They may intervene in the economic affairs of another nation. For example, after World War II, the United States provided economic aid to nations in which it believed economic conditions might foster Communist revolutions.

Governments pass the laws that determine and control the economic environment of the nation. Such a function could be as limited as simply providing a national currency, or it could be as extensive as controlling every individual’s economic decisions.

Governments also may make choices that distribute benefits and public services among citizens. For example, the government can make payments to farmers who raise certain crops or allow tax advantages to certain industries. The government’s decision to build a veterans’ hospital in a certain town benefits some of the people and not others. Governments usually try to stimulate economic growth and stability through controlling inflation, encouraging trade, and regulating the development of natural resources.

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**Checking for Understanding**

1. **Main Idea** In a graphic organizer similar to the one below, identify four major purposes of government and give an example of each.

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Example</th>
</tr>
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<tr>
<td></td>
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</table>

2. **Define** state, nation, nation-state, consensus, sovereignty, government, social contract.


4. **What are the four essential features of a state?**

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**Critical Thinking**

5. **Making Comparisons** Thomas Hobbes and John Locke both subscribed to the social contract theory of government. Compare and contrast their views of that theory.

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**Public Policy** Read news articles concerning decisions made by foreign governments. Classify those decisions that you believe are making life better for their citizens and those you believe are making life worse.
The government of each nation has unique characteristics that relate to that nation’s historic development. To carry out their functions, governments have been organized in a variety of ways. Most large countries have several different levels of government. These usually include a central or national government, as well as the governments of smaller divisions within the country, such as provinces, states, counties, cities, towns, and villages.

**Government Systems**

The relationship among the national government and the smaller divisions can be described as either unitary or federal.

**Unitary System** A unitary system of government gives all key powers to the national or central government. This does not mean that only one level of government exists. Rather, it means that the central government creates state, provincial, or other local governments and gives them limited sovereignty. Great Britain, Italy, and France developed unitary governments as these nations gradually emerged from smaller kingdoms.

**Federal System** A federal system of government divides the powers of government between the national government and state or provincial governments. Each level of government has sovereignty in some areas. The United States developed a federal system after the thirteen colonies became states.

To begin with, the United States formed a confederacy, a loose union of independent states. When the confederacy failed to provide an effective national government, the Constitution made the national government supreme, while preserving some state government powers. Today, other countries with federal systems include Canada, Switzerland, Mexico, Australia, and India.
Constitutions and Government

A constitution is a plan that provides the rules for government. A constitution serves several major purposes. (1) It sets out ideals that the people bound by the constitution believe in and share. (2) It establishes the basic structure of government and defines the government’s powers and duties. (3) It provides the supreme law for the country. Constitutions provide rules that shape the actions of government and politics, much as the rules of basketball define the action in a basketball game.

Constitutions may be written or unwritten; however, in most modern states, constitutions are written. The United States Constitution, drawn up in 1787, is the oldest written constitution still serving a nation today. Other nations with written constitutions include France, Kenya, India, Italy, and Switzerland. Great Britain, on the other hand, has an unwritten constitution based on hundreds of years of legislative acts, court decisions, and customs.

All governments have a constitution in the sense that they have some plan for organizing and operating the government. In this sense the People’s Republic of China has a constitution. The term constitutional government, however, has a special meaning. It refers to a government in which a constitution has authority to place clearly recognized limits on the powers of those who govern. Thus, constitutional government is limited government. Despite the existence of a written constitution, the People’s Republic of China does not have constitutional government. In that country, there are few limits on the power of the government.

Incomplete Guides Constitutions themselves are important but incomplete guides to how a country is actually governed. They are incomplete for two reasons. First, no written constitution by itself can possibly spell out all the laws, customs, and ideas that grow up around the document itself. In the United States, for example, until Franklin D. Roosevelt was elected president four times, it was custom, rather than law, that no person should be elected president more than twice.

Only when the Twenty-second Amendment went into effect was a president limited by law to two elected terms.

Second, a constitution does not always reflect the actual practice of government in a country. The People’s Republic of China, for example, has a written constitution filled with statements about the basic rights, freedoms, and duties of citizens. Yet, for years the Chinese government has maintained an extensive police force to spy on Chinese citizens and punish those whose ideas are not acceptable to the state. Although the government relaxed some restrictions in the late 1980s, authorities crushed a pro-democracy movement in 1989.

A Statement of Goals Most constitutions contain a statement that sets forth the goals and purposes to be served by the government. This statement is usually called the preamble. The Preamble to the United States Constitution states the major goals of American government:
A Framework for Government  The main body of a constitution sets out the plan for government. In federal states, such as the United States, the constitution also describes the relationship between the national government and state governments. Most written constitutions also describe the procedure for amending, or changing, the constitution.

The main body of a constitution is usually divided into parts called articles and sections. The United States Constitution has 7 articles containing a total of 21 sections. The French constitution has 92 articles grouped under 15 titles. The Indian constitution, the longest in the world, consists of hundreds of articles.

The Highest Law  Constitutions provide the supreme law for states. A constitution is usually accepted as a superior, morally binding force. It draws its authority from the people or from a special assembly chosen by the people to create the constitution. **Constitutional law** involves the interpretation and application of the constitution.

Thus, constitutional law primarily concerns defining the extent and limits of government power and the rights of citizens.

Politics and Government  The effort to control or influence the conduct and policies of government is called **politics**. The Constitution did not prevent the development of politics because politics and government are closely related. In fact, a major political struggle developed over the ratification of the Constitution itself. Within a few years major political parties played key roles in elections.

People are taking part in politics when they join a citizens’ group protesting higher taxes or when they meet with the mayor to ask the city to repave the streets in their neighborhood. Legislators are acting politically when they vote to have government buildings constructed in the districts they represent.

Seeking Government Benefits  Participation in politics arises because people realize that government has the potential to influence their lives in many ways. Different people make different demands on government. Construction workers may want government to support the building of new highways to create jobs. Conservationists may want the government to spend its money on mass transit and public parks instead. Still other people, who favor lower taxes, may want neither the new highways nor more public parks.
In a large, diverse nation like the United States, there is a continual struggle over what benefits and services government should provide, how much they should cost, and who should pay for them. Through politics, individuals and groups seek to maximize the benefits they get from government while they try to reduce the costs of these benefits. Through politics, people also seek to use government to turn their values and beliefs into public policy. One group, for example, tries to influence government to ban smoking in public places. Other people pressure government not to restrict smoking in any way.

**Importance of Politics** Through politics, conflicts in society are managed. As people seek rewards and benefits, politics provides a peaceful way for them to compete with one another. The outcomes of politics—the struggle to control government—affect such key matters as the quality of air and water, economic conditions, peace and war, and the extent of citizens’ rights and freedoms.

**Special Interests** The Constitution says that government should promote the general welfare. The Framers believed government should operate in the interests of all the people, not favoring any special group or person. One of the issues that concerned the Framers of the United States Constitution was the possibility that groups of people, united by special political interests, would hinder the launching of the new government. James Madison explained his concerns in a series of articles called *The Federalist*:

> “Among the numerous advantages promised by a well-constructed Union. . . [is] its tendency to break and control the violence of faction. . . . By a faction, I understand a number of citizens . . . who are united and actuated [moved] by some common impulse of passion, or of interest, adverse to the rights of other citizens, or to the permanent and aggregate interests of the community. . . .”
>
> —James Madison, 1787

Some people equate politics with bribery or corruption. They believe the general welfare may be sacrificed to the desires of a special-interest group. The misuse of politics, however, should not obscure the value of a political system.

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**We the People**

**Making a Difference**

**Laura Epstein**

Laura Epstein did not plan to stir her community to action when she spent the summer of 1996 with a paint brush. She and eight other young people only wanted to paint over graffiti-covered walls to help beautify downtown Seattle.

Working with Seattle’s waste department, Laura and her team painted murals on many of the city’s graffiti-covered walls. Volunteers helped decorate one of the park walls, once a graffiti eyesore, with giant bugs.

Laura was surprised when the graffiti-erasing campaign turned into a creative project for the community and the children in the neighborhood. “That was the best part—having the neighbor kids help us paint and get involved,” she said. Laura feels she has contributed to the neighborhood by leaving behind something that neighborhood kids can point to and say, “Hey, I helped make that!”

The antigraffiti project is just one of hundreds of projects being carried out by youth teams across the nation who are members of the Youth Volunteer Corps of America (YVCA). The YVCA is a project funded by the federal government that gives young people a way to get involved in their communities. According to Bill Barrett, who works for the national program, “People who serve others are providing the solutions to our country’s problems.”
Inequalities Among Countries  Nations must cooperate to solve worldwide concerns. Today the increasing demands for natural resources threaten many tropical rain forests, like this one in South America. What tensions do you think occur between developing nations and industrialized nations over the destruction of the rain forests?

Destruction and Development

Governing in the Twentieth Century

The United States government conducts policy in a complex world. Changing relationships challenge the policies of every nation. It is not easy to define the boundaries of government.

Major Inequalities Among States Because of great inequalities among countries, the world today is full of contrasts. The United States and about 20 other states, such as Japan, Canada, Australia, and France, are industrialized nations. Industrialized nations have generally large industries and advanced technology that provide a more comfortable way of life than developing nations do. Developing nations are only beginning to develop industrially. More than 100 developing nations have average per capita, or per person, incomes that are a fraction of those of industrialized nations. In the poorest countries, starvation, disease, and political turmoil are a way of life. Many states of Africa south of the Sahara and of Southeast Asia are developing nations. Between these two levels of nations are many newly industrialized states like Mexico, South Korea, and Argentina, as well as other states in South America, Eastern Europe, and the Middle East.

Growing Interdependence Although each state is sovereign, it must exist in a world of many nations. Nations today are in constant contact with one another, and they are becoming more and more interdependent.

Interdependence means that nations must interact or depend on one another, especially economically and politically. The larger countries of North America—Canada, Mexico, and the United States—are developing greater economic, social, and political ties. In 1993 the United States signed the North American Free Trade Agreement (NAFTA) that linked North America in a far-reaching trade partnership that affected goods produced and sold between the United States, Canada, and Mexico.

Interdependence affects the developing states. Many of the developing states have become very dependent on the industrialized ones for economic aid, medical supplies and services, financial investment, assistance to cope with natural disasters, and military aid.

Growing interdependence means that events in one nation affect events throughout the world. In 1990, for example, President Bush sent troops to Saudi Arabia after Iraq invaded neighboring Kuwait. The United States relied on the Middle Eastern states for an important part of its oil supply. As war threatened to break out in the region, people feared that there would be an oil shortage in the United States. The United States and its allies defeated Iraq in the Persian Gulf War in 1991; however, tensions in the Gulf have continued. In 1996 the United States launched 27 missile attacks against Iraq because the policies of its president, Saddam Hussein, had threatened oil-producing countries again. In 1997 new tensions arose when Iraq refused to comply with the terms of the United Nations cease-fire agreement.
Travel, trade, and communications among states are increasing. In 1970 United States exports of goods and services were more than $62 billion, while imports were nearly $60 billion. By 2000 United States yearly exports climbed to more than $950 billion, and imports passed the one trillion mark. An increase in international communications more than matched this huge increase in trade. Fiber optic telephone cable enabled Americans to exceed a tenfold increase in overseas telephone contacts between 1977 and the early 1990s. Satellite television has connected people of every continent.

**Nonstate International Groups** Today’s world also contains some groups that are not states but that play an important role in international politics. These nonstate groups fall into three categories: (1) political movements such as national liberation organizations; (2) multinational corporations; and (3) international organizations. Nonstate groups play major roles in international affairs because they impact policies and decisions of the diverse states of the world.

Some national liberation organizations, such as the Palestine Liberation Organization (PLO), maintain diplomatic relations with many states. States may refuse to recognize those that conduct terrorist activities, however.

Multinational corporations are huge companies with offices and factories in many countries. While they do not have political sovereignty, they do carry out their activities on a global scale, selling their products worldwide and entering into agreements with foreign governments. Thus, multinational corporations influence international politics and the internal decisions of their host countries. Richard Holder, president of Reynolds Metals Company, explained that a global company is one that

“... operates as a worldwide, integrated system in which all operations, wherever they may be, are interdependent in terms of operations and strategies. Every decision ... is considered in the light of a worldwide system.”

—Richard Holder, October 1989

General Motors, American Telegraph and Telegraph, Unilever, Nabisco, British Petroleum, Royal Dutch Shell, Mitsubishi, and Sony are examples of global corporations that have attained worldwide economic importance.

Finally, the modern world includes many international organizations. These groups range from the United Nations (UN) to more specialized organizations such as the International Sugar Council and the Universal Postal Union. These organizations undertake a wide variety of tasks, often to serve the needs of member states. The World Meteorological Organization, for example, facilitates the exchange of weather information among states.

**Section 2 Assessment**

**Checking for Understanding**

1. **Main Idea** In a Venn diagram similar to the one at the right, show the similarities and differences between a constitutional government and a government that merely has a constitution.

2. **Define** unitary system, federal system, confederacy, constitution, constitutional government, preamble, constitutional law, politics, industrialized nation, developing nation.

3. **Identify** The Federalist.

4. **Compare** sovereignty in a unitary system of government with sovereignty in a federal system.

**Critical Thinking**

5. **Drawing Conclusions** The Framers of the Constitution wanted to prevent “factions,” or special interest groups. Would it be possible to have government without interest groups? Explain.

**Concepts IN ACTION**

**Global Perspectives** Choose five foreign nations and find out about each nation’s basic structure of government. When was its constitution adopted? Is the government democratic? Obtain information from a local library or on the Internet.
The United States has established a representative democracy that serves as a model for government and inspires people around the world. Students in China in 1989 marched for “government of the people, by the people, and for the people.” Yet other forms of government outnumber true democracies.

Over the centuries, people have organized their governments in many different ways. In Saudi Arabia, for example, the ruling royal family controls the government and its resources. Family members choose the king from among themselves. Thousands of miles away, in Burkina Faso in Africa, a small group of wealthy landowners and military officers governs that country. In Sweden the people elect the Riksdag, the national legislature, which in turn selects the prime minister to carry out the laws.

Major Types of Government

Governments can be classified in many ways. The most time-honored system comes from the ideas of the ancient Greek philosopher Aristotle. It is based on a key question: Who governs the state? Under this system of classification, all governments belong to one of three major groups: (1) autocracy—rule by one person; (2) oligarchy—rule by a few persons; or (3) democracy—rule by many persons.

Autocracy Any system of government in which the power and authority to rule are in the hands of a single individual is an autocracy. This is the oldest and one of the most common forms of government. Historically, most autocrats have maintained their positions of authority by inheritance or the ruthless use of military or police power. Several forms of autocracy exist. One is an absolute or totalitarian dictatorship. In a totalitarian dictatorship, the ideas of a single leader or group of leaders are glorified. The government seeks to control all
aspects of social and economic life. Examples of totalitarian dictatorship include Adolf Hitler’s government in Nazi Germany (from 1933 to 1945), Benito Mussolini’s rule in Italy (from 1922 to 1943), and Joseph Stalin’s regime in the Soviet Union (from 1924 to 1953). In such dictatorships, government is not responsible to the people, and the people lack the power to limit their rulers.

Monarchy is another form of autocratic government. In a monarchy a king, queen, or emperor exercises the supreme powers of government. Monarchs usually inherit their positions. Absolute monarchs have complete and unlimited power to rule their people. The king of Saudi Arabia, for example, is such an absolute monarch. Absolute monarchs are rare today, but from the 1400s to the 1700s, kings or queens with absolute powers ruled most of Western Europe.

Today some countries, such as Great Britain, Sweden, Japan, and the Netherlands, have constitutional monarchs. These monarchs share governmental powers with elected legislatures or serve mainly as the ceremonial leaders of their governments.

Oligarchy An oligarchy is any system of government in which a small group holds power. The group derives its power from wealth, military power, social position, or a combination of these elements. Sometimes religion is the source of power. Today the governments of Communist countries, such as China, are mostly oligarchies. In such countries, leaders in the Communist Party and the armed forces control the government.

Both dictatorships and oligarchies sometimes claim they rule for the people. Such governments may try to give the appearance of control by the people. For example, they might hold elections, but offer only one candidate, or control the election results in other ways. Such governments may also have some type of legislature or national assembly elected by or representing the people. These legislatures, however, approve only policies and decisions already made by the leaders. As in a dictatorship, oligarchies usually suppress all political opposition—sometimes ruthlessly.

Democracy A democracy is any system of government in which rule is by the people. The term democracy comes from the Greek demos (meaning “the people”) and kratia (meaning “rule”). The ancient Greeks used the word democracy to mean government by the many in contrast to government by the few. Pericles, a great leader of ancient Athens, declared, “Our constitution is named a democracy because it is in the hands not of the few, but of the many.”

The key idea of democracy is that the people hold sovereign power. Abraham Lincoln captured this spirit best when he described democracy as “government of the people, by the people, and for the people.”
Democracy may take one of two forms. In a direct democracy, the people govern themselves by voting on issues individually as citizens. Direct democracy exists only in very small societies where citizens can actually meet regularly to discuss and decide key issues and problems. Direct democracy is still found in some New England town meetings and in some of the smaller states, called cantons, of Switzerland. No country today, however, has a government based on direct democracy.

In an indirect or representative democracy, the people elect representatives and give them the responsibility and power to make laws and conduct government. An assembly of the people’s representatives may be called a council, a legislature, a congress, or a parliament. Representative democracy is practiced in cities, states, provinces, and countries where the population is too large to meet regularly in one place. It is the most efficient way to ensure that the rights of individual citizens, who are part of a large group, are represented.

In a republic, voters hold sovereign power. Elected representatives who are responsible to the people exercise that power. As Benjamin Franklin was leaving the last session of the Constitutional Convention in Philadelphia in 1787, a woman approached him and asked, “What kind of government have you given us, Dr. Franklin? A republic or a monarchy?” Franklin answered, “A republic, Madam, if you can keep it.” Franklin’s response indicated that the Founders preferred a republic over a monarchy but that a republic requires citizen participation.

For most Americans today, the terms representative democracy, republic, and constitutional republic mean the same thing: a system of limited government where the people are the ultimate source of governmental power. It should be understood, however, that throughout the world not every democracy is a republic. Great Britain, for example, is a democracy but not a republic because it has a constitutional monarch as the head of state.

**Characteristics of Democracy**

Today some nations of the world misuse the word democracy. Many countries call their governments “democratic” or “republic” whether they really are or not. The government of North Korea, for example, is an oligarchy, because a small number of Communist Party leaders run the government. Yet their country is called the Democratic People’s Republic of Korea. A true democratic government, as opposed to one that only uses the term democracy in its name, has characteristics that distinguish it from other forms of government.
Individual Liberty  No individual, of course, can be completely free to do absolutely anything he or she wants. That would result in chaos. Rather, democracy requires that all people be as free as possible to develop their own capacities. Government in a democracy works to promote the kind of equality in which all people have an equal opportunity to develop their talents to the fullest extent possible.

Majority Rule with Minority Rights  Democracy also requires that government decisions be based on majority rule. In a democracy people usually accept decisions made by the majority of voters in a free election. Representative democracy means that laws enacted in the legislatures represent the will of the majority of lawmakers. Because these lawmakers are elected by the people, the laws are accepted by the people.

At the same time, the American concept of democracy includes a concern about the possible tyranny of the majority. The Constitution helps ensure that the rights of the minority will be protected.

Respect for minority rights can be difficult to maintain, especially when society is under great stress. For example, during World War II, the government imprisoned more than 100,000 Japanese Americans in relocation camps because it feared they would be disloyal. The relocation program caused severe hardships for many Japanese Americans and deprived them of their basic liberties. Even so, the program was upheld by the Supreme Court in 1944 in *Korematsu v. United States* and in two similar cases.

Landmark Cases  **Endo v. United States**  The Supreme Court, however, upheld the rights of Mitsuye Endo in 1944. A native-born citizen, Endo was fired from a California state job in 1942 and sent to a relocation center. Her lawyer challenged the War Relocation board’s right to detain a loyal American citizen. The case finally reached the Supreme Court in 1944.

On the day after the exclusionary order was revoked by the military commander, the Court

Civil Liberties  More than 70,000 of the people of Japanese descent interned during World War II were *Nisei*, or American-born. What kind of recompense did internment victims receive in the 1980s?

ruled that Mitsuye Endo could no longer be held in custody. Justice Frank Murphy wrote:

“Detention in Relocation Centers of people of Japanese ancestry regardless of loyalty is not only unauthorized by Congress or the Executive, but is another example of the unconstitutional resort to racism inherent in the entire evacuation program. . . . Racial discrimination of this nature bears no reasonable relation to military necessity and is utterly foreign to the ideals and traditions of American people.”

—Justice Frank Murphy, 1944

In recent years the wartime relocation program has been criticized as a denial of individual rights and as proof that tyranny can occur in even the most democratic societies. In 1988 Congress acknowledged the “grave injustice” of the relocation experience and offered payments of $20,000 to those Japanese Americans still living who had been relocated.

**Free Elections** As we have seen, democratic governments receive their legitimacy by the consent of the governed. The authority to create and run the government rests with the people. All genuine democracies have free and open elections. Free elections give people the chance to choose their leaders and to voice their opinions on various issues. Free elections also help ensure that public officials pay attention to the wishes of the people.

In a democracy several characteristics mark free elections. First, everyone’s vote carries the same weight—a principle often expressed in the phrase “one person, one vote.” Second, all candidates have the right to express their views freely, giving voters access to competing ideas. Third, citizens are free to help candidates or support issues. Fourth, the legal requirements for voting, such as age, residence, and citizenship, are kept to a minimum. Thus, racial, ethnic, religious, or other discriminatory tests cannot be used to restrict voting. Fifth, citizens may vote freely by secret ballot, without coercion or fear of punishment for their voting decisions.

**Participating IN GOVERNMENT**

**Determining the Social Consensus**

Democracy depends, in part, on a social consensus. Certain ideas, values, and beliefs that are shared by a great majority of people help to support and stabilize democratic governments. What are the key elements in the social consensus of your community?

Survey a variety of people asking whether they agree or disagree with the following:

1. Everyone should be given an opportunity for a free public education.
2. Burning the American flag as a symbol of protest should be made unconstitutional.
3. Freedom of speech includes the right to lie on your income tax form.
4. Wealthy people should pay a higher percentage of taxes than low-income people.
5. People or companies should be fined for dumping trash on public property.
6. Scientists should not be permitted to use animals for experiments.

**Activity**

Compile the results of your survey. Analyze the data and create a poster that illustrates the social consensus of your survey group. Be sure your poster includes charts and graphs that display the survey results.
Competing Political Parties  Political parties are an important element of democratic government. A political party is a group of individuals with broad common interests who organize to nominate candidates for office, win elections, conduct government, and determine public policy. In the United States, while any number of political parties may compete, a two-party system in which the Republicans and the Democrats have become the major political parties has developed.

Rival parties help make elections meaningful. They give voters a choice among candidates. They also help simplify and focus attention on key issues for voters. Finally, in democratic countries, the political party or parties that are out of power serve as a “loyal opposition.” That is, by criticizing the policies and actions of the party in power, they can help make those in power more responsible to the people.

The Soil of Democracy  Historically, few nations have practiced democracy. One reason may be that real democracy seems to require a special environment. Democratic government is more likely to succeed in countries which to some degree meet five general criteria that reflect the quality of life of citizens.

Active Citizen Participation  Democracy requires citizens who are willing to participate in civic life. Countries in which citizens are able to inform themselves about issues, to vote in elections, to serve on juries, to work for candidates, and to run for government office are more likely to maintain a strong democracy than countries where citizens do not participate fully in their government.

A Favorable Economy  Democracy succeeds more in countries that do not have extremes of wealth and poverty and that have a large middle class. The opportunity to control one’s economic decisions provides a base for making independent political decisions. In the United States this concept is called free enterprise. If people do not have control of their economic lives, they will not likely be free to make political decisions.

Countries with stable, growing economies seem better able to support democratic government. In the past, autocrats who promised citizens jobs and food have toppled many democratic
governments during times of severe economic depression. People who are out of work or unable to feed their families often become more concerned about security than about voting or exercising other political rights.

**Widespread Education**  Democracy is more likely to succeed in countries with an educated public. The debate over public education in America was settled in the 1830s. For example, in 1835 Pennsylvania voted to fund public schools. Thaddeus Stevens, speaking to the Pennsylvania state legislature in favor of the funding legislation, said:

> If an elective republic is to endure for any great length of time, every elector must have sufficient information . . . to direct wisely the legislature, the ambassadors, and the executive of the nation. . . . [I]t is the duty of government to see that the means of information be diffused to every citizen.

—Thaddeus Stevens, April 1835

**Strong Civil Society**  Democracy is not possible without a civil society, a complex network of voluntary associations, economic groups, religious organizations, and many other kinds of groups that exist independently of government. The United States has thousands of such organizations—the Red Cross, the Humane Society, the Sierra Club, the National Rifle Association, your local church and newspaper, labor unions, and business groups. These organizations give citizens a way to make their views known to government officials and the general public. They also give citizens a means to take responsibility for protecting their rights, and they give everyone a chance to learn about democracy by participating in it.

**A Social Consensus**  Democracy also prospers where most people accept democratic values such as individual liberty and equality for all. Such countries are said to have a social consensus. There also must be general agreement about the purpose and limits of government.

History shows that conditions in the American colonies favored the growth of democracy. Many individuals had an opportunity to get ahead economically. The American colonists were among the most educated people of the world at the time. Thomas Jefferson remarked that Americans

> . . . seem to have deposited the monarchial and taken up the republican government with as much ease as . . . [they] would throwing off an old and putting on a new suit of clothes.

—Thomas Jefferson, 1776

The English heritage provided a consensus of political and social values. In time, the benefits of democracy would extend to all Americans.

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**Section 3 Assessment**

**Checking for Understanding**

1. **Main Idea** In a graphic organizer similar to the one at the right, show who rules the state in each of Aristotle’s three classifications of government.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Ruler(s)</th>
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2. **Define** autocracy, monarchy, oligarchy, democracy, republic, political party, free enterprise.

3. **Identify** “one person, one vote.”

4. **What characteristics of democracy distinguish it from other forms of government?**

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**Critical Thinking**

5. **Distinguishing Fact from Opinion** Suppose you are assigned to interview the president of the Republic of Mauritania. What questions would help you determine if democracy exists there?

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**Concepts in Action**

**Cultural Pluralism**  How well are the will of the majority and the rights of minorities being preserved in the United States? Ask several people their opinions. Come to class prepared to share your findings.
Background of the Case

Rock concerts are regularly held in New York City’s Central Park. Area residents had complained of too much noise at some events. At other events audiences said the sound was not loud enough. In 1986 the city passed a regulation requiring groups performing in the park to use a sound system provided and operated by the city.

Rock Against Racism, an anti-racist rock group, had sponsored annual concerts in Central Park and had always provided their own sound equipment and sound technician. Rock Against Racism charged that the city regulation violated their rights to free speech under the First Amendment. The group won a lower federal court case. The Supreme Court agreed to hear the case in 1989.

The Constitutional Issue

Music has long been considered a form of protected speech under the First Amendment. However, the courts do allow governments to make regulations that may incidentally limit speech in an effort to accomplish a legitimate purpose of government. Thus, in several cases the Supreme Court had said that the governments can limit the time, place, and manner of speech if the aim is not to censor the content of the speech but to help further such interests as health and safety. To be constitutional, however, such regulations must not be directed at the content of the speech.

Rock Against Racism argued that the regulation violated the First Amendment by giving city officials artistic control over performers in the park. The group claimed the regulation was not narrowly focused and gave city officials the chance to select poor equipment or to modify the sound if they did not like the message. The city responded that it had a legitimate purpose in protecting citizens from excessive noise and that its guidelines were focused on controlling noise levels in a way that was fair to the audience, the performers, and citizens living nearby.

Questions to Consider

1. Was the regulation a proper exercise of the government’s power to maintain order, or was it a violation of the First Amendment?
2. If officials did not like the message in the music, could they use the regulation to control the content?

You Be the Judge

The courts have established that governments may enforce regulations that incidentally limit speech if the regulation serves a legitimate government interest. What was the city’s goal in drawing up the regulation? Was there another, less intrusive way the city could have handled this issue?
Employment and wages, taxes and spending, production and distribution of products—these are economic concepts. Economics can be defined as the study of human efforts to satisfy seemingly unlimited wants through the use of limited resources. Resources include natural materials such as land, water, minerals, and trees. Resources also include such human factors as skills, knowledge, and physical capabilities. There are never enough resources to produce all the goods and services people could possibly want. Therefore, people in every nation must decide how these resources are to be used. Governments generally regulate this economic activity.

The Role of Economic Systems

Governments around the world provide for many kinds of economic systems. All economic systems, however, must make three major economic decisions: (1) what and how much should be produced; (2) how goods and services should be produced; and (3) who gets the goods and services that are produced. Each major type of economic system in the world—capitalism, socialism, and communism—answers these questions differently.

Capitalism

At one end of the spectrum is an economic system in which freedom of choice and individual incentive for workers, investors, consumers, and business enterprises is emphasized. The government assumes that society will be best served by any productive economic activity that free individuals choose. This system is usually referred to as free enterprise, or capitalism. Pure capitalism has five main characteristics: (1) private ownership and control of property and economic resources; (2) free enterprise; (3) competition among businesses; (4) freedom of choice; and (5) the possibility of profits.
Origins of Capitalism

No one person invented the idea of capitalism. It developed gradually from the economic and political changes in medieval and early modern Europe over hundreds of years. Two important concepts laid the foundation for the market system that is at the heart of capitalism. First is the idea that people could work for economic gain. Second is the idea that wealth should be used aggressively.

Major changes in the economic organization of Europe began with the opening of trade routes to the East in the thirteenth century. As trade increased, people began to invest money to make profits. By the eighteenth century, Europe had national states, a wealthy middle class familiar with money and markets, and a new attitude toward work and wealth. Included in this new attitude were the ideas of progress, invention, and the free market. The free market meant that buyers and sellers were free to make unlimited economic decisions in the marketplace.

In 1776 Adam Smith, a Scottish philosopher and economist, provided a philosophy for this new system. Smith described capitalism in his book The Wealth of Nations. From the writings of Smith and others came the basic idea of laissez-faire economics. Laissez-faire, a French term, means “to let alone.” According to this philosophy, government should keep its hands off the economy. In laissez-faire economics, the government’s role is strictly limited to those few actions needed to ensure free competition in the marketplace.

In theory, what does a free-enterprise economy mean? In a free-enterprise or pure market economy, economic decisions are made by buyers (consumers) and sellers (producers). Sellers own businesses that produce goods or services. Buyers pay for those goods and services that they believe best fit their needs. Thus, the answer to the question of what to produce is determined in the marketplace by the actions of buyers and sellers, rather than by the government.

Competition plays a key role in a free-enterprise economy. Sellers compete with one another to produce goods and services at reasonable prices. Sellers also compete for resources. At the same time, consumers compete with one another to buy what they want and need. These same consumers in their roles as workers try to sell their skills and labor for the best wages or salaries they can get.
Free Enterprise in the United States  No nation in the world has a pure capitalist system. The United States, however, is a leading example of a capitalist system in which the government plays a role. For the most part, the government’s main economic task has been to preserve the free market. The national government has always regulated American foreign trade, and it has always owned some property. Nevertheless, the government has tried to encourage business competition and private property ownership.

Governmental Influence  Since the early 1900s, however, the national government’s influence on the economy of the United States has increased in several ways. First, as the nation’s government has grown, it has become the single largest buyer of goods and services in the country. Second, since the early 1900s, the United States government has increasingly regulated the economy for various purposes. The Meat Inspection Act and Pure Food and Drug Act were early attempts by government to protect the consumer. Since then, many laws have been passed giving the government a role in such areas as labor-management relations, the regulation of environmental pollution, and control over many banking and investment practices.

Third, the Great Depression of the 1930s left millions of Americans without jobs. The national government set up the Social Security system, programs to aid the unemployed, and a variety of social programs. In addition, the government began to set up public corporations like the Tennessee Valley Authority that competed directly with private companies to provide services such as electricity.

Mixed-Market Economy  Today the American economy and others like it are described by economists as mixed-market economies. A mixed-market economy is an economy in which free enterprise is combined with and supported by government decisions in the marketplace. Government keeps competition free and fair and protects the public interest.

Even though it is a mixed-market economy, the American economic system is rooted deeply in the idea of individual initiative—that each person knows what is best for himself or herself. Further, it respects the right of all persons to own private property. Finally, it recognizes that freedom to make economic choices is a part of the freedom of political choice.

Socialism  Under the second type of economic system—socialism—the government owns the basic means of production, determines the use of resources, distributes the products and wages, and provides social services such as education, health care, and welfare. Socialism has three main goals: (1) the distribution of wealth and economic opportunity equally among people; (2) society’s control, through its government, of all major decisions about production; and (3) public ownership of most land, factories, and of other means of production.

The basic ideas behind modern socialism began to develop in the nineteenth century. Industrialization in Europe caused several problems. A class of low-paid workers lived in terrible poverty, slums grew in cities, and working conditions were miserable. In reaction to these problems, some socialists rejected capitalism and favored violent revolution. Others planned and built socialist communities where laborers were supposed to share equally in the benefits of industrial production.

Democratic Socialism  The socialists who believed in peaceful changes wanted to work within the democratic political system to improve economic conditions, under a system called democratic socialism. Under this system the people have basic human rights and have some control over government officials through free elections and multiparty systems. However, the government owns the basic means of production and makes most economic decisions.

Great Britain, Tanzania, Denmark, Norway, and Sweden today operate under a form of democratic socialism. The government controls steel mills, shipyards, railroads, and airlines. It also provides services such as health and medical care.

Opponents of socialism say that it stifles individual initiative. They also claim that socialist nations’ high tax rates hinder economic growth. Further, some people argue that, because socialism requires increased governmental regulation, it helps create big government and thus may lead to dictatorship.
Communism

Karl Marx (1818–1883), a German thinker and writer, was a socialist who advocated violent revolution. After studying the conditions of his time, he concluded that the capitalist system would collapse. He first published his ideas in 1848 in a pamphlet called The Communist Manifesto. He later expanded his ideas in his book called Das Kapital (1867). Marx believed that in industrialized nations the population is divided into capitalists, or the bourgeoisie who own the means of production, and workers, or the proletariat, who work to produce the goods. Capitalists are a ruling class because they use their economic power to force their will on the workers. The workers, Marx argued, do not receive full compensation for their labor because the owners keep the profits from the goods the workers make. Marx believed that wages in a capitalist system would never rise above a subsistence level—just enough for workers to survive.

Class Struggles Marx interpreted all human history as a class struggle between the workers and the owners of the means of production. Friedrich Engels, a close associate of Marx, wrote:

“Former society, moving in class antagonisms, had need of a state, that is, an organization of the exploiting class at each period for the maintenance of external conditions of production: ... for the forcible holding down of the exploited class in the conditions of oppression.”

—Friedrich Engels

Marx predicted that, as time passed, a smaller and smaller group of capitalists would control all means of production and, hence, all wealth. Eventually the workers would rise in violent revolution and overthrow the capitalists. The goal of this revolution was government ownership of the means of production and distribution.

Comparative Government This painting, The Cultivation of Cotton by Aleksandr Volkov, is a piece of propaganda exalting the virtues of hard work and workers. What message is this painting supposed to send to citizens laboring under a Communist government?
Karl Marx first called his own ideas “scientific socialism.” He believed that in time, socialism would develop into full communism. Under communism one class would evolve, property would all be held in common, and there would be no need for government.

In The Communist Manifesto, Karl Marx not only wrote that economic events would finally lead to communism by means of revolution, but in fact encouraged it:

“In short, Communists everywhere support every revolutionary movement against the existing social and political order of things. . . . Let the ruling class tremble at the Communist revolution. The proletarians have nothing to lose but their chains. Working men of all countries, unite!”

—Karl Marx, 1848

Communism as a Command Economy
In Communist nations, government planners decide how much to produce, what to produce, and how to distribute the goods and services produced. This system is called a command economy because decisions are made at the upper levels of government and handed down to managers. In Communist countries this means that the state owns the land, natural resources, industry, banks, and transportation facilities. The state also controls mass communication including newspapers, magazines, television, radio, and motion picture production.

Many nations have developed their own styles of communism. The economy is a full-time responsibility of the People’s Republic of China, for example. Government planners adopted a five-year plan that agreed with the goals of the Communist Party. The plan specified, for example, how many new housing units would be produced over the next five years. It also dictated where this housing would be built, what kinds of materials would be used, who would be eligible to live in the new housing, and how much rent they would pay. Such planning removed economic freedom from individual builders, but also political freedom from consumers who were told where to live.

Because Communist countries sometimes fail to provide adequate standards of living, these governments have had to choose between change and revolt by the people. China has begun to loosen its controls and decentralize some business decisions.

Checking for Understanding
1. Main Idea In a graphic organizer similar to the one at the right, identify three functions of economic systems.
2. Define economics, capitalism, free market, laissez-faire, socialism, bourgeoisie, proletariat, communism, command economy.
3. Identify Adam Smith, Karl Marx.
4. What did Marx believe would happen in a true communist economy?

Critical Thinking
5. Making Inferences What ideas presented by Karl Marx appealed to people in nations where wealth was unequally distributed?

Concepts in Action
Free Enterprise Competition is an important factor in the United States economy. Find advertisements in newspapers that illustrate various kinds of competition. Display these ads on a bulletin board. Should the government regulate prices? Why or why not?
Identifying Central Issues

Identifying central issues is finding the key themes, or major ideas, in a body of information. Central issues are the framework that holds a body of information together.

Learning the Skill

To identify a central issue:
1. Find out the setting and purpose of the selection.
2. Skim the material to identify its general subject.
3. Read the information to pinpoint the ideas that the details support.
4. Identify the central issue. Ask: What part of the material conveys the main idea?

Read the following excerpt from a speech by Pericles honoring the soldiers of Athens.

“Our constitution is called a democracy because power is in the hands not of a minority but of the whole people. When it is a question of settling private disputes, everyone is equal before the law, when it is a question of putting one person before another in positions of public responsibility, what counts is not membership of a particular class, but the actual ability which the man possesses. . . . And, just as our political life is free and open, so is our day-to-day life in our relations with each other.”

—Thucydides, from *The History of the Peloponnesian Wars*, 400s B.C.

Pericles emphasizes equality before the law, ability as the basis of public service, and freedom. The central issue: Athens is a democracy.

Practicing the Skill

Aristotle, a philosopher from Athens, wrote about government in *Politics*. Read the excerpt from *Politics* below and answer the questions that follow.

“The basis of a democratic state is liberty; which, according to the common opinion of men, can only be enjoyed in such a state:—this they affirm to be the great end of every democracy. One principle of liberty is for all to rule and be ruled in turn . . . whence it follows that the majority must be supreme, and that whatever the majority approve must be the end and the just. Every citizen, it is said, must have equality, and therefore in a democracy the poor have more power than the rich, because there are more of them.”

—Aristotle

1. According to Aristotle, which group holds the most power in a democracy?
2. Summarize the central issue in one sentence.

Application Activity

Bring to class a news article that deals with some governmental issue. Identify the central issue and explain why it is important.
Purposes of Government

Use the electronic newspaper index and microfilm in your local library to find current news articles that provide examples of ways the federal government serves one of the four purposes of government. Summarize the articles. Include the summaries on a poster under headings such as “Providing National Security.”

Reviewing Key Terms

Insert the terms below into the following paragraph to describe the nature of government and differing political and economic systems. Each term should be used only once.

constitution, sovereignty, democracy, communism, autocracy, capitalism, state, free market, republic, command economy

Every (1) has a form of government that has (2) within its territorial boundaries. A (3) is a government of and by the people that may have a (4) that protects the rights of the people—unlike an (5) that concentrates power in the hands of one person. The United States is a (6) with elected representation. It has a mixed economy based on (7). The (8) allows buyers and sellers to make economic decisions about what to produce, how much to produce, and who gets the goods and services produced. In contrast, under (9), the People’s Republic of China and other states have operated a (10) with government planning.

Recalling Facts

1. Why did the thirteen British colonies in America become known as “states”?
2. What system of government divides power among different levels rather than giving all power to a central government?
3. Describe three kinds of nonstate groups that influence national politics.
4. Identify two types of monarchs ruling today.
5. How is a direct democracy different from a representative democracy?
6. What is the role of government in a laissez-faire economic system?
7. List the two classes into which Karl Marx divided all people in industrialized nations.
8. Identify two countries that operate under a form of democratic socialism.
9. Who makes most economic decisions in a command economy?

Understanding Concepts

1. Public Policy List the major disadvantages and advantages, if any, of living under a totalitarian dictatorship. Explain.
2. Global Perspectives Which of the following ideas do you perceive to be the most powerful force in the world today: communism, socialism, or capitalism? Explain.
3. Cultural Pluralism How does a federal system provide for the expression of a variety of opinions?
4. Free Enterprise Why do totalitarian states often limit economic choices for their citizens?
Critical Thinking

1. **Understanding Cause and Effect** Why is widespread educational opportunity necessary for a nation to develop a democratic system?

2. **Drawing Conclusions** Political parties usually disagree over issues. Write a brief statement favoring or opposing the concept of giving more power to the states rather than the national government.

3. **Identifying Central Issues** What do you think would be the most difficult problem faced by government officials in a command economy?

4. **Making Comparisons** In a Venn Diagram like the one below, show how capitalism, democratic socialism, and communism are alike and different.

   ![Venn Diagram]

Cooperative Learning Activity

**Tracking Imports** Organize into groups of five students. Have each group member locate the following items: a radio, a watch, a shirt, a pair of shoes, and a pair of sunglasses. Compile a list noting the item and the country that manufactured it. Compare the lists to determine which nations are mentioned most frequently. Then have each group make a chart showing the various products and the number of products from each of the countries represented.

Technology Activity

**Using the Internet** The United Nations (UN) is a major nonstate international organization. Use the Internet to find out the current activities of a UN organization. Summarize this UN organization’s involvement around the world.

Interpreting Political Cartoons Activity

1. What is the subject of the painting in the cartoon?
2. According to the painting, who were the Founders of the United States?
3. What message is the cartoonist trying to communicate?
4. Do you think women influenced the creation of the United States government? Why or why not?

“Founding Fathers! How come no Founding Mothers?”

Skill Practice Activity

**Identifying Central Issues** Reread the subsection titled “Sovereignty” on page 7. What is the central issue of those paragraphs? Summarize that issue in one sentence.

Participating in Local Government

Constitutions provide a plan for organizing and operating governments. What plan provides the rules for your local government? Does your local government operate under a constitution? Contact a local government official to find out about the basic plan of your city or town. Where did it originate? Present your findings in a diagram to share with the class.