**Unit 9 Study Guide**

**Government terms I should know!!!**

**Three ways governments distribute power**

**UNITARY**

**CONFEDERATION**

**FEDERAL**

**↓ ↓ ↓**

One central authority Power shared between the central authority Regional authorities share

and several regional authorities the power

**Three ways governments determine citizen participation**

**DEMOCRATIC**

**OLIGARCHIC**

**AUTOCRATIC**

**↓ ↓ ↓**

One person holds power and citizens A small group holds power and Ultimate power is held by the

have little if any rights/freedoms citizens have limited rights/freedoms people and citizens have many

rights/freedoms

**Two predominant forms of democratic governments**

**PRESIDENTIAL**

**PARLIAMENTARY**

**How are we different?**

In a **parliamentary democracy**, the leader is chosen by the legislative branch; therefore, he/she belongs to and is responsible to that branch of the government. In a **presidential democracy**, the people vote for the leader directly, and he/she belongs to the executive branch.

**SS7CG7**

* India has a federal republic which means power is shared between the central authority and regional authorities like in the United States, and the people vote for others to represent them. They are the world’s largest democracy.
* China has a communist government with three branches. The President is appointed by the legislative branch. People can vote but all candidates are communist (only one party represented). Freedom of speech is limited.
* Japan has both a constitutional monarchy with an emperor whose powers are limited by the constitution (he has none) and a parliamentary democracy.

**SS7E10**

* Human resources are the people and their labor used in the economy to make a good or provide a service. Countries invest in human resources (sometimes called human capital resources) by spending money on training, education, and healthcare. The more a country or company invests in human resources, the more productive the people are which increases the GDP (gross domestic product). The GDP per capita just means the gross domestic product per person.
* Capital resources are the factories, machines, and technology a country or company has. When more money is invested in capital resources, the more productive they can be which also means a higher GDP. Countries like Japan who depends on industry and trade (since their natural resources are limited) must invest heavily to stay modern and competitive in the world economy.
* Natural resources are the things that the earth provides. They play an important role in a country’s economy because they can be used for goods a country specializes in or traded for things that country may need.
* Entrepreneurs also play an important role in a market type economy because they are the ones who make most of the economic decisions and create more jobs.

**SS7E8**

* There are three basic types of economic systems that address the basic economic questions of what to produce, how to produce, and for whom to produce. Business and consumers answer these economic questions in a market economy. This is also known as free enterprise. In a command economy, the government makes the economic decisions. In a traditional economy (mostly found in rural areas), customs and habit determine the economic decisions.
* However, in reality, all economies are mixed economies which means some sort of combination of these systems. This is because both the government and business owners have an important role to play in today’s global economy.
* China’s economy is slightly to the market side of center on the economic continuum. Forty percent of it is still based in government-run industries while 60% of the economy is based on the private sector where producers and consumers make production decisions.
* Japan’s economy is primarily market driven with supply and demand determining what will be produced. This has led to a heavier focus on electronics and cars. Private businesses determine their own production processes in most parts of the economy. Japan would be closest to a pure market economy on the continuum when compared to China, North Korea, and India.
* India’s economy is between Japan and China on the continuum. The government makes some economic decisions while businesses and individuals make other decisions such as creating jobs like computer related technical support for American companies.
* By contrast, North Korea’s economy is based almost entirely on government decisions. They are the closest country in the world today to a pure command economy.

**SS7E9**

* Specialization is when a country focuses on producing goods and/or services which they can provide best or most efficiently. This encourages trade two ways. First, products are of higher quality usually so they will be in higher demand globally. Secondly, if you spend more on just a few products, you will need to trade or buy the things you do not have and that your people want/need.
* However, there are three basic political barriers to trade happening.
  + Tariff: a tax on imported goods. A tariff may be used simply to raise revenue/income. It may also be used to protect domestic companies (companies within the country issuing the tariff) who produce the same or similar products. By placing a tariff on imports, it forces the exporting country to raise its price to cover the cost of the tariff which enables the domestic company to compete with the exporting company.
  + Quota: a limit on the quantity of an import and sometimes an export. A quota may also be used to protect domestic companies by limiting the amount of a cheaper import coming into the country. By supply and demand, this may also raise the price of the cheaper import.
  + Embargo: an elimination or restriction of trade with a country. An embargo may be placed on a country usually for political reasons and often to get a country to change their policies or actions (such as invading another country) by hurting their economy.
* Of course, international trade can only take place if there is a system to exchange currencies. This is a system that determines what one country’s currency is valued at when compared to another country’s currency.