A Civic Mirror Module

The Political-Economic Spectrum

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Learning Module Summary

Crash Landing! How do you create a society from scratch? What rules are needed to ensure that chaos does not erupt and destroy meaningful progress? Who has power and what should they be able to do with it? These are just some of the questions students will explore while using this module, questions about political and economic philosophy.

Through the lens of a crash landing on a deserted island, students will create their own answers to these fundamental questions that all governments are confronted with:

1. Who should make laws and how?
2. Who should govern and how?
3. Who should judge and how?
4. What should people work on?
5. Who should get what?

Grounded in the historic and current political-economic ideologies, such as conservatism, liberalism, socialism, libertarianism, and fascism, this module will help students understand their Civic Mirror country as well as their real-world governments and societies. Students will also explore various economic systems to gain a solid understanding of how economic decision making affects a country and its citizens. Through a series of case studies that examine issues such as total versus zero government control, the state’s intrusion on personal freedom and total economic freedom versus total economic equality, students will be challenged to conduct a cost-benefit analysis before devising their own political-economic philosophy.

At the end of this module, all the political and economic ideologies are synthesized for students on a two-continuum spectrum that makes it easy for students to see where their beliefs are concerning all the others. This will not only help them answer the questions from the performance task, but will also help them make better sense of the underpinning philosophies that are driving the political and economic decisions made in their Civic Mirror countries and their real-life country too. After this module, students will have the knowledge and confidence to be asking their governments questions!
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Crash Landing

Scenario
You are flying over Polynesia. Plane crashes on Small Island. Only 40 survivors. Everyone is arguing. Scouts report that there are fruit, nuts, a few pheasants, and wild boars on the island… just enough to feed everyone if managed carefully. They also discover that there is a cave that can sleep, at most 50 people. An argument begins on the second morning. Tempers flare. The situation turns into a brawl.

Task
You stop it by shouting, “Listen! We must agree on some rules to live by!” Everyone agrees, but no one can agree on what the rules should be. After a few hours of discussion, it is decided that people will split into groups and prepare 12 rules that everyone will follow. Your 12 rules must include:

- 2 rules about who makes the laws and how the laws are made.
- 2 rules about who should govern and enforce the law and what powers they do/don’t have.
- 2 rules about who judges guilt and innocence and how
- 2 rules about what work people should do and how work will be rewarded
- 2 rules about who gets what and how that’s decided
- 2 extra rules of your own

Groups will present around the fire the next night and votes will be cast. It is agreed that the final 12 rules will be engraved into a large boulder just outside the cave for generations and generations to see and follow. Everyone’s life on the island depends on the quality of these rules. Everything is on the line. Good luck.

Format
Do not expect to devise a rule and not be prepared to defend it. There will be other island survivors with different rules who will rip your suggested rules to shreds – you will need to explain why you believe in your rules! Therefore, for each of your 12 rules, it’s expected you include 3-5 bullet points summarizing why you believe the rule is a good rule and why it should be etched into the boulder outside the cave.

Your group will present this to the class using one of the following options:
- Typed (one side per piece of paper for photocopying purposes),
- CM discussion thread,
- Artistically presented on poster board (think boulder)
- Video burnt to disk or uploaded to teacher-approved site.

Really, the opportunities are endless! Remember: other groups will be evaluating your rules, so your finished product should present well. The group whose rules get the highest overall rating will get the highest mark on their rules. You cannot vote for your own.
Presentation Evaluation
You will be evaluated on your ability to provide a thorough analysis of each rule. You must be able to examine the pros and cons of each. Remember, you must include key terms from this module as well as the key ideologies. Your classmates can also ask you questions about your rules, so be prepared!

1. Understanding of Core Concepts:
   ● Do your 12 rules show a thorough knowledge of the content?
   ● Do you make specific reference to the content covered in each question?
   ● Can you confidently expand and explain the complexities of each rule?

2. Thoughtfulness of Justification:
   ● Do you justify your 12 rules with specific reference to the content in this module?
   ● Do you discuss the other ideologies in your justification?
   ● Can you confidently answer questions about your 12 rules?
   ● Have you thought about the "what ifs..." For example, what if there is an economic crisis? How will this have an impact on your rules?

3. Presentation:
   ● Have you prepared an outline or script for the presentation?
   ● Have you practiced what you are going to say before the presentation?
   ● Do you make eye contact with the class?
   ● Do you speak confidently? Do you vary the tone of your voice? Can people hear you?
Power: An Introduction

Power, a simple concept, right? Those with money, weapons, and brute force are powerful, but are they the most powerful? Are there any other forms of power? Of course there are!

The concept of "power" is complex. Think about it! We witness the use of power daily, not just by gang members, politicians, and CEOs of large companies but in OUR everyday lives. Yesterday, you might have been in a classroom with a teacher, or had a discussion with your parents about the purchase of a new smartphone, or maybe you had a disagreement with classmates about a group project. In all the above scenarios, someone held power and others did not. However, what exactly is power? When you break it down to its simplest form, power, in this social sense, is the ability to control your environment and the actions of others.

When we look at a person’s actions, we can see that they are the result of decisions. You don’t follow orders without deciding to follow orders because – at some level – you know that following them will either prevent pain (a negative consequence) or produce pleasure (a positive consequence). Ultimately, you have the power to make decisions.

Is Power Really Just About Decisions?

Is power really just about decisions? The answer is, yes, actually! Let's take a second and imagine that we are back on the island, working with a group of strangers, trying to devise 12 rules that are supposed to last several lifetimes. Things on the island are getting intense. People are starting to argue about what needs to be done and who should do it. For some peace and stability on the island, some decisions must be made. However, how do all of you decide how to make these decisions? Is it going to be one person, will it be a group of individuals, or will the entire group try to reach a consensus on all the rules that need to be created?

You can see how quickly power becomes an issue. Questions arise about the decisions that must be made but will affect the group. Who makes what decisions then? How do they make the decisions? Why do they get decision power? Will there be limits on their powers? If so, who will enforce the limits, and how will they attain their limiting power? Indeed, it is confusing, and that is the whole point of this module.

When we examine decision-making power, what we are referring to in this chapter is who has the power to make decisions that affect others. We are not going to concern ourselves with the small decisions that we personally make such as "should I straighten my hair today?" What you need to keep in mind throughout this section is who is going to hold the power on the island and how decisions are going to be made. This will help you focus on the creation of your rules.

How you approach decisions depends on your outlook on life, and to help you figure it all out, we are going to look at the three main types of decision making.
Autocratic Decision Making
Some think that human beings are relatively evil and greedy and that given the opportunity, they would happily do things that benefit them even if those actions negatively affect others. People who believe this also tend to believe that rules are needed to preserve civilized order and avoid chaos. With your island they would argue that you need a strong ruler who can make decisions without becoming bogged down by the arguments or opinions of others. This type of decision making is known as autocratic decision making, and it means that one person makes the decisions for everyone. Autocratic decision making can be an extremely efficient type of decision making, especially when you do not have time to debate or listen to the opinion of everyone. A decision is made quickly and it is implemented quickly.

This type of decision making may sound like the ideal solution for your island – let’s face it, your plane has crashed – what else could constitute an emergency? However - is everyone happy about this type of decision making being used? No, of course not. There will likely be many people on your island who believe their voices are not being heard. In addition, this is important. Think about it – has there ever been a time when you believed your opinion did not count or that no one was listening? It not only makes you frustration but it also discourages you from getting involved and caring about what is going on. That can turn into a huge problem. If one person is making the decisions for the island and people’s ideas are not valued, are all of you going to work together? Probably not. In fact, many of you may spend more time complaining about your leader than doing the work that has been assigned to you.

Democratic Decision Making
However, there are alternatives. You could all sit around the campfire and each say how you want the island to be organized. You could then take a vote and the majority of votes would decide on how the island should be run. This type of decision making is called democratic decision making, and it would make the opinions of everyone more meaningful because they all count for one vote. Because everyone would be heard through the voting process, it would be more likely that people would be willing to work toward surviving and thriving on the island.

Collaborative Decision Making
Wait! What if there is a small group of people who think that to truly succeed on this island, everyone has to agree on what needs to be done? Maybe someone on the island suggests that you sit around the campfire until a unified decision can be made. This is known as consensus: everyone agrees on a decision. That night, everyone shares their ideas – there is plenty of agreement but there are also many disagreements. As the sun is starting to rise, all of you finally decide on the 12 rules and go to bed exhausted. What you just experienced was collaborative decision making, everyone’s voice was heard, and everyone agreed on the decision. Yes, it took all night, and much time and energy (typical of collaborative decision making), but the effort to include everyone will likely increase the chances of long-term stability on the island and a sense of communal purpose. However, was there a cost to staying up all night? Of course - everyone’s time and energy.

Despite which type of decision-making method you choose, you have a unique opportunity here – to create a community from scratch. Based on what you think human beings really are, what type of decision making best suits your island?

Where Does Power Come From?
"I am not interested in power for power's sake, but I'm interested in power that is moral, that is right and that is good." MLK Jr.

On your island and in your Civic Mirror country, you will have to decide who should hold power. Like Martin Luther King Jr, we all would like to think that power is used to benefit the common good but, unfortunately, power has been used to breed discrimination and inequality. Before you choose who should lead your country, or before anyone in any country can decide such a thing, we should examine a few types of authority: traditional authority, legal authority, autocratic authority, and legitimacy authority. Perhaps you will see one of these types of power emerge in your Civic Mirror country, which will, ironically, become an island in its own way.

People with **traditional authority** derive their power from an inherited position. A good example of this is a hereditary monarchy where rulers obtain their power from parents or relatives who had power themselves. For most of history, human beings lived in societies based on this type of authority. Today, however, the monarchies that do remain have limited powers, as the Queen of the United Kingdom whose duties are ceremonial and diplomatic in nature more than anything else is.

People with **legal authority** derive their power from legal documents, as in a constitution. These people enter into a contract with those who give them power (for example, voting citizens) and the contract outlines what powers they are given as well as what limits are placed on it. Over time, we have seen several countries make the transition from ruling systems based on traditional authority, to ones of legal authority. The United States of America was ruled by the British monarchy until the American Revolution, where they ousted British rule. The US Founding Fathers created a Constitution where Presidents and other elected representatives derived their legal authority from that document. If an elected representative breaks this contract, however, they lose their legal authority and citizens have the right to replace them.

People with **autocratic authority** acquire their power through force. This type of authority often relies heavily on the support of the military as well as elite groups. A leader may pretend to have legal authority through the creation of a constitution but power is acquired and maintained through force and intimidation; citizens do not have a say. Although fear and force are used to maintain power, there could be widespread support from citizens. Adolf Hitler’s Nazi Germany is an excellent example of autocratic authority being used to lead a nation. He manipulated the constitution to obtain power while demanding compliance through fear and force.

People with **legitimacy power** derive their power from the citizens’ belief that what they are doing is right for their country. Those with legitimacy power may be leading a nation but that is not always the case. Mohandas Gandhi is an excellent example of a person achieving legitimacy power without having formal authority. Gandhi was a well-educated lawyer who organized peaceful protests against British laws that discriminated against the Indian people. People came to love and adore him so much that, despite lacking any official title, he could achieve Indian independence from British rule, all from the power of legitimacy.

**Close-Up: How Power Can Be Lost**

Within a democratic system, however, one may lose faith in the ability of a leader to run the country, but still believe in the legitimacy of the system. Democratic elections provide an opportunity for change without the overthrow of a government. What happens if you do not live in a democratic nation? Well, if a majority of citizens lose faith in the leader and question his or her legitimacy, their power can be threatened or lost. The 2011 revolution in Egypt that saw the overthrow of Hosni Mubarak’s regime exemplifies how important legitimacy is.
For 30 years, Mubarak ruled Egypt. He suspended constitutional rights and crushed the formation of any oppositional groups. During this regime, censorship was enforced and about 30,000 citizens became political prisoners. He had unquestioned power, and used his autocratic power to crush any threats that sprung up. Yet in January 2011, the citizens of Egypt had had enough and took to the streets to demand Mubarak’s resignation. Despite his autocratic power, he lost all his legitimacy power. The people wanted him gone, and demanded a government that derives its legitimacy from the people. Their wish was granted on February 11, 2011.

**How Should Power Be Used?**

How do you think power should be used? Do you think human beings in positions of power naturally do the right thing, making decisions for the good of all? Or do you think human beings, when given power, use it in ways that benefit themselves, often at the expense of others?

Ideally, most people would like to see the use of power advance the common good, making everyone’s life somewhat better. Yet, all we have to do is flip through the pages of a history book or examine current events to see that this does not always ring true. As British historian, Lord Acton once said, “Power tends to corrupt, and absolute power corrupts absolutely.”

A few hundred years before Lord Acton penned that famous phrase, Thomas Hobbes and John Locke, two famous philosophers from England, debated the same topic. Writing in the years that followed the English Civil War, each philosopher interpreted the violent and chaotic events in different ways.

Thomas Hobbes argued that human beings were naturally selfish and self-serving, and to protect the people from themselves, governments needed absolute power to keep society civil. Without strong governments, argued Hobbes, life would be "nasty, brutish, and short." He believed that people were willing to give up specific freedoms for the benefits of law and order.

John Locke, on the other hand, argued that human beings, if fully free, would peacefully coexist with one another and choose the type of government that best suited their needs. Locke envisioned a society where the people would enter into a ‘social contract’ with their ruler. The ruler would agree to protect his or her citizens' rights and provide peace and stability. If the ruler trampled on any of these rights, then the people had the right to revolt.

What do you think of human nature? Do you think we are naturally good and peace keeping as Locke, or selfish and self-serving as Hobbes? To figure out where you stand in this debate, let’s explore four major philosophies. Not only will this expose you to various ways of examining human nature but you will also use this information to contribute to the governance of your imaginary island, your simulated Civic Mirror country, and things you are a part of in the real-world (for example, communities, workplace, towns, counties, and so on). Pay attention - this section may help you develop a strategy that will put you at an advantage...

**Ideologies and The Big Four**

Think of all the events and issues about which governments, such as your Civic Mirror one perhaps, need to make decisions. Here are just a few of many:

- Should a government help the less fortunate and if so, how?
- Should a government rescue businesses that are confronting bankruptcy?
What is a Philosophy?

If you took a few seconds to answer each of these questions, that’s great. However, how many reasons could you give to support each of your answers? How many examples could you provide? Did you stop to think whether your answers contradicted one another? For example, if you thought there should not be any restrictions on freedom of speech, but you think that minority rights should be protected, and then what do you do about organizations such as the Ku Klux Klan? Should they be free to hold events and publish newspapers that promote racism and encourage people to discriminate against racial minorities? Probably not, but how, then, are you going to adjust your answers so they work together?

What separates a good political and economic philosophy from a bunch of hodgepodge opinions is whether all the answers (to a variety of questions such as the ones above) work together and do not contradict one another. In other words, do they all adhere to a few key ideals?

If our collection of ideas adheres to a few key ideals, we call them ideologies or systems of thought that aim to improve society and guide the words and actions of politicians and political groups.

No two ideologies are the same, and some are completely the opposite from one another. If, for example, you were to plot them on a graph or spectrum, they would land all over the place. In fact, that is the aim of this chapter: to help you understand the full ‘spectrum’ of political and economic ideologies so you can understand where you would plot yourself on the graph.

First, we will introduce the ideologies one by one and as they concern the questions, you need to answer for your meeting on the island. Yes, we will examine political ideologies, but we are also going to look at economics - how a society makes choices of how stuff should be made, who is going to make the stuff, and how to distribute it. Then we will show you where each ideology falls on the political-economic spectrum.

Conservatism

The root word of conservative is ‘to conserve,’ which is one of the key aims of conservatism – to conserve tradition. Conservatives believe traditional values are integral to a stable society. They have an immense respect for the past and believe if there was a better way of doing things, we would have already thought of it. As you can see, conservatives are skeptical of change. They do not openly oppose change but believe change should be gradual and well thought out. They also believe authority should reside in the hands of a few because people tend to make poor decisions. Conservatives believe that economic freedom is paramount, even if it means some are left to struggle, because they believe that the strength of the economy will largely dictate the strength of the nation. Therefore, they believe that economies should be market based because they tend to generate the most wealth in a sustainable fashion. If an economy focuses on goods that people want more of, profits will be made, and that will strengthen the nation. As a result, laws are business-friendly to drive economic prosperity.

Liberalism
The word liberal comes from the Latin word “liber” or free. As it’s commonly understood, liberals are people who believe in having plenty of freedom – freedom of expression and freedom of choice. Yet, they want the government to intervene when it allows greater equality, especially social equality. Laws are created to ensure everyone can realize their potential. For example, ensuring there is wheelchair access to a public library or protecting the rights of same-sex couples prevents people from being marginalized, or being left out of society. Liberals also believe that society is always changing – they tend to embrace technology, progress, and change, often at the expense of tradition. They believe we are continually making progress for the better. Economically, liberals are moderates. They believe everyone should have the freedom to own their own business and make their own cash but they also believe the government should help those who are struggling.

Socialism

Socialists try to ensure that there are social and economic equality. To achieve social equality, the government must play a major role in the economy to try to diminish the gap between the wealthy and the poor. They create laws to diminish corruption and use taxes to fund programs to increase the standard of living for all. This redistribution of wealth decreases inequalities by providing social services such as old-age pensions, employment insurance, universal health care, and education. Think of several western democracies and their social programs – there is a minimum wage to ensure the poor have a basic standard of living. Universal health care and access to education tend to be key elements of socialist policy. Parents might also receive parental leave when their babies are born, and when a person retires, they might collect an old age pension. All these programs are safety nets, they are designed to “catch” people from falling too hard, and so they may achieve a better standard of living than they would otherwise. As a result, the government has a large role in determining what stuff should be made, how much, and by whom.

Authoritarianism

Authoritarians believe when authority is limited to one person the state is more efficient. Decisions are made quickly because there is little political opposition and less time needs to be spent listening to all the differing opinions. When in power, an authoritarian not only runs the country, but also makes all the laws and decides on innocence and guilt. To ensure compliance, authoritarians use the military and the police to enforce their will. Economically, the leader may decide to take complete control over the economy or allow private businesses to flourish; they will do whatever they feel is best for the nation.

What is The Best Way?

You may not have understood anything from the above descriptions, but the cool thing about this module is that, by the end, you totally will. This is good because you have some big decisions to make for your island. Everyone will have an opinion and this is where the concept of power comes in. Let’s face it the more powerful you are, the greater the chance that things you want done will be done. However, gaining and maintaining power is not so simple. Let’s look at some important questions to help you understand what the best answer will be.

Question 1: Laws, Who Should Make Them and How?

Having the power to make laws for a society is a huge responsibility. Not only do laws affect everyone, but also they shape and form a people’s society. Think about it: almost every structural aspect of our society is grounded in a law. We drive our automobiles within the lines painted on our road, stopping at red lights, and continuing through green lights. We walk into convenience stores knowing we cannot just walk out the door with a jacket-full of chocolate bars without paying for them, and we know that if we did do that, we could get into serious trouble. In addition, if someone steals from us, assaults us, or harasses us somehow, we know that they are breaking specific laws and we can use the legal system to convict them of these crimes. These are but just a few aspects
of how laws shape and form society. However, laws just do not happen. Laws need to be made, and someone needs to make them. How societies go about doing this is what we are going to talk about in this section.

Who Should Make the Laws
Would you trust any random person to make all the laws for our society? Heck no! So who, then, should be given the power to make all the laws? Well, the type of power you value will influence your answer to this question.

If you value legitimacy power, you want lawmakers who have gained their power by earning the trust of the people. The voice of many is more important than anything else. Whether this is direct democracy where everyone votes on every decision, or whether this power is given to someone society loves and adores such as Gandhi, the key point is that “the people” who have the power to make laws are fully supported by the people in society.

If you value legal power, you will want a legal document such as a constitution that outlines who should make the laws and how. Perhaps you like the idea of the social contract that John Locke proposed? In this system, citizens choose the rulers, and the rulers make the laws. If you do not like the laws and actions your current ruler has made, you can vote them out of power in the next election. After a set time, citizens have the power to retain the same ruler or choose someone new to make the laws for them.

If you value the lessons learned from the past and want to conserve tradition (because it has tried and tested true), you might want people with traditional power making the laws for society. Perhaps you believe that children raised in law-making families – growing up observing their parents and relatives in high-authority positions – will grow up to become the most suitable lawmakers. Who better than the people who have been raised in these politically active families to make laws for society? Although this has many benefits and happens to be a real dynamic even in today’s democracies (for example, Bush Sr. and Bush Jr., or Pierre Trudeau and the growing support for his son Justin Trudeau), its real downfall is that the voice of the people may not be well represented.

If you value efficiency, strength, and unity, then you might want someone with some or lots of autocratic power making your laws. Would you want a pushover making the laws for your society? Do you think it is realistic that everyone’s input can be considered? Sometimes giving too many people a say into the law-making process can complicate things to where no laws will be enacted. Sometimes leaders need to stand and take the power no else is willing to take to get things done, especially when making laws. However, too much autocratic law-making power can lead to trouble. Think back to Adolf Hitler.

What is the Best Way?
So who do you think should make the laws in a society? Do you have a different answer for your Civic Mirror country versus your island? Who you choose to make the laws has a huge impact on how the laws will be made...Let’s look at this next section to examine how interconnected these two questions are.

How Laws Should Be Made
We would all like to live by our own laws, and be able to change laws to suit our interests, but that would never work: there needs to be consistency in society to achieve any kind of social order. Conversely, unless we are fans
of autocracies, we would not want to give one person the power to make laws for everyone in whichever way he or she sees fit, because none of us would have a say whether we did not like the laws. So what is the best way to decide how laws should be made?

To put it simply, the answers to this question range in how much autonomy leaders have to make laws for people versus how much input the people have to make their own laws. If we were to plot it on a continuum, it would look similar to this:

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<table>
<thead>
<tr>
<th>LEFT</th>
<th>RIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td>collaborative</td>
<td>various brands of democracy</td>
</tr>
<tr>
<td></td>
<td>autocratic</td>
</tr>
</tbody>
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On the autocratic end, where there is just one ruler, dictators dictate what the laws will be to everyone in society, and the people do not have a say. We can see that this brand of law making falls on the far “right” end of the continuum. On the other end, where everyone is involved in the law-making process, people work together to collaboratively make their own laws for their own situations, in either unison or independently minding their own business.

In between, we have the various brands of representative democracy, with conservatives being middle-right, liberals falling in the center, and socialists being middle-left.

The concept of this left-right political continuum first emerged during the French Revolution that started in 1789. During this time, France was ruled solely by King Louis XVI. People’s political ideologies were shifting away from traditional autocratic rule toward democratic rule. The people of France wanted their voices heard. They wanted to influence and help run the government. As you can imagine a King that has absolute control is not going to be impressed with this idea! While discussions took place in the National Assembly, those who agreed with the King sat to the right of him (right wing), while those who wanted a constitutional democracy sat to the left of him (left wing). Put another way, those who wanted to maintain tradition sat on the right and those who wanted change were on the left. Although the seating during the National Assemblies planted the seed for the spectrum, it was not until the twentieth century that it became common to refer to a person or a government’s ideology as left or right.

Today, most democracies in the world allow socialist, liberal, and conservative philosophies to work. For example, the United States law-making system works similarly to this:

- First citizens elect leaders they feel will create the best laws for the nation, and the leader agrees to whatever the terms of the social contract are. In the US, citizens vote for a President to run the country and a House of Representatives and a Senator to sit in Congress, the place where laws are made.
- Then, once elected, Senators and House Reps introduce and debate a variety of bills for weeks and months – some being conservative, others liberal, and a few socialist in nature. This debate allows opposition members (who represent various people and ideologies in the country) to critique and make suggestions.
- Finally, Congress passes approved bills to the President, who, if he/she signs them into law. Once done, every citizen in the country must obey them.

Here is a close-up that illustrates how two laws, each representing different philosophies, can be enacted in a democratic system.

**Close-Up: Democratic Law-Making In Action**
**Example 1: Bike Helmet Laws**

In some democracies, it is mandatory to wear a bike helmet. Why? If you live in a state where this is so, it is likely that your lawmakers have made this rule to protect you from yourself. What would our two philosophers think about this? Strong laws and leadership, Hobbes argued, are necessary to protect people from themselves, so he would have liked this! John Locke, on the other hand, would have argued that laws such as these are state intrusions on personal freedom, so he would have argued people should be free to wear a helmet or not and live with the consequences. What do you think of the bike helmet law? Is it right? Alternatively, is the government intruding?

**Example 2: Texting and Driving Laws**

Another law that is being enacted in democracies worldwide is no texting while driving. As texting while driving has increased over the past 5 years, so have the number of accidents caused by it. Lawmakers had to decide on this increasing trend. What do you think Hobbes and Locke would have to say about this law? What do you think the answer is?

The interesting thing about this law is that Hobbes and Locke would probably agree that it is good, but for different reasons. Hobbes would argue that a strong leader is necessary to protect people from themselves — people are weak. After all, people who text and drive risk the lives of themselves and others! Locke would agree too because as part of the social contract, your individual rights are protected if your actions do not infringe on the rights of others. Guess what? Texting while driving does infringe on the rights of others — it endangers a person’s safety and right to life.

**What is the Best Way?**

The best answer to this question depends on the given situation. If you are on a deserted island (as you are) then collaborative decision making just might work: your group may be small enough to allow everyone to be heard. This might also work for small towns and indigenous tribes. However, when you get into the thousands and millions, it gets tricky — this is when political systems have to adopt a system of autocracy or representation (such as modern democracy or the communist systems from the twentieth century). Ultimately, how laws should be made depends on your situation and whether the people involved want one, some, or all people to have a say. What do you think will be best for your island? Do you think the system your real-life country uses is the best?

<table>
<thead>
<tr>
<th>Conservatives</th>
<th>Liberals</th>
<th>Socialists</th>
<th>Authoritarians</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Small group of legislators who respect tradition and value policies that encourage private-sector economic prosperity.</td>
<td>* Large number of legislators who value progress and change and embrace diversity of opinion</td>
<td>* Large number of legislators who value social equality and are open to social change to remain current with society, for example, same-sex marriage</td>
<td>*Power resides in one person or small group that make all decisions</td>
</tr>
</tbody>
</table>

*Laws are created to protect the state

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**Question 2: Who Should Govern and How?**

Imagine that you have created the perfect system for deciding who should make laws and how. Also imagine that the laws that are enacted are really good: everyone loves them and thinks they are fair, realistic, and will keep people strong and united. Awesome, right? Your job is done! Isn’t it? Not so fast.

The “Execution” of Government

The fact is this: it’s one thing to have a set of useful laws, a remarkable plan, or the even the best intentions, but none of it is any good if it’s not carried out; if it’s not done; if it’s not executed.

Think about it: if you have the best laws, plans, or intentions, but the people in charge of enforcing the laws, carrying out the plan, or turning those intentions into results don’t focus on getting things done, then nothing will get done. It is like being a child and drawing up exciting plans for an imaginary game, then becoming sidetracked onto something else or being called in for supper. Although it was fun planning it all out, you had nothing to show for it. It is the same with countries and cities and organizations too: good governors ensure that things get things done, bad ones don’t.

In other words, this is the primary job of government leaders: to make sure the nation (or group) is getting things done. Ensuring the nation is walking the talk.

Execution is the process of getting things done. An executive, or governor, is a person who is responsible for ensuring that things are done. The term comes from the old Romans (Latin) word executionem which meant “an accomplishing.” In many respects it could be said that executives are the government. In many systems of government, where there are separate branches of government, the executive branch is the arm of government responsible for running the state, carrying out the law, and planning.

So how does this work?

What Governors (i.e. Executives) Do

Through the ages, governments (which you now know are really executives) have had to take care of similar tasks, even though the governments themselves have taken many shapes and forms. Here are some tasks that all governors – whether they be Kings, Emperors, or Presidents - have been responsible for carrying out:

- taxes and raising money
- military and defense
- foreign policy and relations
- roads and infrastructure

As well, if the government takes on more responsibilities than the ones mentioned above (for things such as education, health care, environmental conservation and protection, etc.), the executive branch of government is also responsible for carrying it out. It’s easy for a leader to say, “You have voted me in on the promise that everyone will receive a free education,” but it’s quite another to set up a public school system, raise the money needed to pay for it, build the schools, hire the teachers, and so on. Governors, then, need to create plans to run the state, and they must then execute these plans with good leadership.

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Bureaucracy

Some plans, however, are big and require significant amounts of people (and money) to actually execute. **Bureaucracy** is the word we use to describe the thousands and thousands of non-elected officials hired by the government to help implement these plans and policies. We call these workers **bureaucrats**, and they work in the major institutions of the country, such as the Department of Defense, Ministry of Foreign Affairs, and so on. While the head governor and his closest aides are trying to create and oversee initiatives, the bureaucrats are those who do the actual executing. Do you think the President of the United States could draft a new curriculum for this social studies course while negotiating a missile agreement Russia? Heck no! Governors need bureaucracies to get their plans done. So how does bureaucracy in action look?

For example, maybe the government wants the country to be hailed as the most environmentally friendly in the globe. This would not be an easy thing to do, especially if you have an industrial and manufacturing sector that pollutes with the best of them! However, this is the goal, and if the government wants it to happen, they have to organize everyone to make it happen. But how?

Let’s look at this list. It outlines how a government might implement this new plan:

1. Put forth a plan and allocate money and resources to make it function.
2. Create a new state department (or ministry) and hire many people to work in it.
3. Get these people to conduct research, develop policies, and enact new laws.
4. Have the department work with stakeholders (namely, the public and the business sector) to devise a win-win solution to improve business while decreasing pollution at the same time.
5. Review progress reports and determine whether the goals have been met.
6. Fire the head bureaucrats if they do not get the job done (and tell the public everything’s fine).

Each step of the way, the executive branch entrusts the bureaucracy to get this job done, but the governing leaders are those who have the final say.

In sum, the real significance of the executive branch is that they are the doers of a state. The legislative branch makes and changes laws, the judicial branch judges innocence and guilt and keeps everyone in line, but the executive branch is responsible for getting things done.

Now that we know this, let’s get back to our original question: “Who should govern and how?”

**Who Should Govern?**

So who is going to be your nation’s big boss? Who should be the big kahoonaaa? The big cheese? The full Monty? The easiest way to answer the “Who Should Govern” question is by using the same continuum we used for laws:

```
LEFT                      RIGHT
collaborative             autocratic
various brands of democracy
```

Remember, on this continuum, the further left we go (toward collaborative), the more involvement “the people” have in the business of governance. When we go all the way to the left, everyone has a say, so (in theory) there is no government. Conversely, the further right we move along the continuum, fewer and fewer people are involved in government to where, at the far right, only one person is in charge of everything, and everyone must do as he/she bids.
Below are some common examples of how societies have answered the “Who Should Govern?” question. Which do you like best?

<table>
<thead>
<tr>
<th>Type of Governance</th>
<th>How They Decide Who Should Govern</th>
</tr>
</thead>
</table>
| Autocracy          | ● One leader, with a few close advisers (who often get shot)  
                     | ● Coup d’état, violent overthrow  
                     | ● Use of fear, intimidation and military strength to govern, often  
                     | ● Behind the scenes deal-making |
| Hereditary         | ● Absolute monarch has absolute power to govern  
                     | ● Attain power from parents or relatives who held power  
                     | ● If a constitutional monarchy, must share governing powers with another legally entitled group of people |
| Meritocracy        | ● Leader chosen based on their ability or merit  
                     | ● Plato’s Republic - philosophers must become kings, the wisest sage becomes the governor, like medieval Vatican  
                     | ● Tribal selections of chiefs based on ability |
| Democracy          | ● Governors chosen through citizen votes; winners agree to the social contract with the people  
                     | ● Sometimes voters were only high-class citizens (Athens, Britain until late-1800’s) although today it is everyone (or popular). |
| Collaborative      | ● No one leader,  
                     | ● Either (a) everyone self-governs, tending to their own business, or (b) everyone provides input on central government decisions, or (c) consensus on every issue must be reached |

Now, with our left-right continuum, we can see where these various systems fall

**LEFT**  
collaboratively - - - - - - - democratically - - - - - - - - - - - - - - meritocracy - - hereditary - - autocracy

In the collaborative system, everyone is involved, so it is on the left. The various brands of democracy occupy most of the middle ground of the continuum because they involved elected representatives, and as you move further right, people are less involved with the fewer rulers. In meritocracies, only the select few who are most able to govern can. In hereditary systems, only the children or relatives of existing rulers can govern. In addition, in autocracies, there is only one ruler, and that person wields the most power and strength.

**What is the Best Way?**
To put it simply, the answer to this question depends on what kinds of power are most important to the people who belong to the country (traditional, legal, autocratic, legitimacy), and who currently holds the power. In democratic countries such as the United States and Canada, regular citizens elect their leaders, giving them the power to govern the country, state, province, etc. for them, with the understanding that they can be kicked out at
any time if they “break the rules.” You have (or will) experienced this system of governance in the Civic Mirror. Is the democratic system of deciding who should govern the best way? Does it always ensure the best leaders gain power, or does it reward the politicians who look the best on camera? What about your island? What about your Civic Mirror country? What is the best way?

How Should Leaders Govern?
If you want a representative system of democracy, with elected leaders, that is wonderful! However, once they are in power, how will they govern? What will they be allowed to do? What will they not be allowed to do? Do these rules change with any special circumstances? The point is this: deciding who should govern is one thing, but determining how they should govern is a completely different thing.

With reference to our Left - Right continuum, let’s look at some pros and cons of each system’s way of governing.

**Autocratic Governance:**
Autocratic governments are extremely efficient. They make decisions quickly and implement them quickly. This type of leadership is ideal if there is a crisis - no one is wasting precious time on a debate. Yet, what happens when the crisis is over? Sure the government is still efficient, “the trains are actually running on time” (or so the saying goes), but if the ruler is someone such as Hitler, you have to wonder whether the trains are going to Auschwitz? If they are, and you do not like it, and voice your opinion against the dictator’s decisions, you might be shot. Remember, dictators rule by strength and unity, and (usually) use fear and violence to quell dissenting views. The abuse of powers is common in autocracies and unfortunately, the citizens are not given a public voice. So, how does a dictator govern, we were asking? As they want!

**Democratic Governance:**
When we move into the middle of the continuum, citizens are given the right to choose a ruler through a vote. In a representative democracy, which modern democratic governments use, citizens elect others for a fixed period to generally represent their interests. Political parties have formed trying to organize and represent the varying interests of people, such as conservative parties, liberal parties, and socialist parties.

To prevent the democratic leaders from abusing power and ensuring they consider the voice of the people, democracies often have legal documents that act as the law of the land. These documents are called constitutions. They outline the recipe for how the country will work and remain democratic so no one can take it away. Two key principles that often show up in democratic constitutions are the separation of power and checks and balances.

**Separation of power** ensures that power is spread throughout the branches of government so no one person (or branch) can abuse the power they have been given. Some power is given to the lawmakers (legislature), some to the court system (judiciary), and some to the governor (executive). **Checks and balances** go along with separation of power, and they ensure that every branch of government has some power over the others to further prevent abuse. Get it? They check and balance one another.

A famous example is the Watergate scandal in the United States. President Nixon was abusing his powers as the national executive by illegally wiretapping the offices of some political rivals. Two reporters discovered this and brought it to the attention of the United States judicial and legislative branches. These two branches worked together to impeach President Nixon, forcing him to leave office in 1974. The message was sent; future US Presidents cannot abuse their executive powers in this way.
Collaborative Governance:
Remember, in a collaborative system of governance, everyone has a say. However, there are various ways this can take shape and form. Here are four notable versions:

Anarchism: When you think of anarchists, you might think of violent and angry youth destroying property at global events. People may be surprised, however, that anarchists have their own specific ideology. In fact, the word anarchy comes from the Greek word “anarchos” meaning “no rulers.” Anarchists believe that human beings are naturally good and can run a prosperous society without the restraints of a government and its structures. They believe that people can peacefully coexist with one another and share resources without government intervention. The reason that anarchy has never been used as a system of government is because it has a major weakness: it is against systems. If you think about it, how would 10 million anarchists go about organizing themselves if they are against social organization? They would not be able to, and often anarchist movements lead to dictatorships where one sect overpowers the others. Alas, although the system has some remarkable theoretical principles, it just cannot compete with the leaders of the other systems who believe in organization.

Libertarianism: Libertarians believe in freedom of the individual above all else. They think that human beings are naturally competitive and egotistic and believe government is necessary only in an extremely limited role to protect people from violence, theft, and censorship. Everyone should be free to do what he or she wants if it does not infringe on the rights of others. Further, libertarians believe that “big government” is bad because it infringes on people's freedom. For example, libertarians believe military service should be voluntary, drug laws should be repealed for adults, government bailouts prohibited, and welfare replaced by private charities.

In the same spirit, they believe that governments should not involve themselves with social matters such as education and personal health, and oppose government-run schools, health-care systems, and welfare. Libertarians want to buy what they want, sell what they want, and say what they want without government involvement. In addition, paramount to his or her beliefs is the protection of property – property is considered sacred and no one should have the right to take it away. As of 2010, the Libertarian Party of America is the country's third-largest political party and its slogan “Minimum Government, Maximum Freedom” captures this ideally.

Some criticisms of libertarianism are that people are left to struggle when they cannot care for themselves. Critics believe that social voids are created when people only concern themselves with their own affairs, asking questions such as: What happens if you suddenly lose your job and cannot meet your basic needs? Do you think private charities can take care of all people always? What about minority groups? As a result, critics of libertarianism believe that “energetic governments” are needed to provide social safety nets and economic regulations (as you will learn about below).

Direct Democracy: Ancient Greeks used a form of collaborative governance called direct democracy, which means that all citizens are those making government decisions. The men, who could vote, rotated through the various positions in government and voted on all issues. Although direct democracy allows greater citizen participation, today, with the complexities of modern governments, economies, and societies, as well as the

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3 http://www.presstv.ir/usdetail/156678.html
millions and millions of people living across vast expanses of land, it is logistically impossible. Another criticism is that the majority can easily overwhelm the minority, resulting in their voices never being heard. The spirit of direct democracy is alive today whenever governments hold referendums, seeking their citizens' opinion on a single-issue vote.

**Consensus-Based Societies:** The goal of **consensus** is to have everyone’s voice heard and the whole group – however divided – reach a decision that satisfies everyone. They view the “most votes” process of democracies as one that causes conflict: someone is always left unhappy and bitter. Although awesome-sounding, consensus-based societies are outdated. Records indicate that this system of government worked well in small communities (tribal, Aboriginal, small islands, hint hint); however, as the world industrialized and globalized in the twentieth century, reaching consensus on a large scale proved impossible. However, consensus methods such as talking circles and collaborative decision making are still used by many governments and communities, but not as a system of government.

**What is the Best Way?**

How should leaders govern? Does it depend on the size of the country? The stability? Alternatively, is there one type of governance that you think all countries should adopt despite these extenuating factors? Think about how different specific states are, from your imaginary island state, to your Civic Mirror state, to the real-life country you live in. Governance is a necessary reality of modern human life, and the powers we give to our leaders and systems we use to outline their governance will shape and form the societies we live in.

What kind of society do you want to live in? What kinds of leaders do you want? What powers should they have, and what should they not be allowed to do?

<table>
<thead>
<tr>
<th>Conservatism</th>
<th>Liberalism</th>
<th>Socialism</th>
<th>Authoritarianism</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Democratic elections</td>
<td>* Democratic elections</td>
<td>* Democratic elections</td>
<td>* Seizure of power (Coup d'état)</td>
</tr>
<tr>
<td>* Small government</td>
<td>* Larger government</td>
<td>* Large government</td>
<td>or pretense of an election</td>
</tr>
<tr>
<td>because of minimal</td>
<td>needed for state</td>
<td>needed to redistribute</td>
<td>* Government power relies</td>
</tr>
<tr>
<td>intervention in lives</td>
<td>intervention to ensure</td>
<td>political and economic</td>
<td>on use of military to ensure</td>
</tr>
<tr>
<td>of citizens</td>
<td>greater equality</td>
<td>power</td>
<td>obedience</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>* Variations: Communism,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fascism, Totalitarianism - Josef</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>Stalin USSR; Hitler Germany</td>
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</tbody>
</table>

**Question 3: Who Should Judge and How?**

Now comes the crucial question of who should have the power to judge guilt and innocence, and how they go about coming to their decisions? Think of all those awesome laws that you are going to create for your island? Who is going to decide if they have been broken? The power to determine innocence and guilt is an enormous responsibility. Think about this: the decision maker has the power to put a person in prison for life or even have them executed. So who should determine guilt and innocence? Everyone? One leader? Representatives of the
people? This section will help you decide who should judge and how.

Massive amounts of power is given to those who interpret laws, and who you think should receive this power is ultimately related to your values and views on human nature. To keep things consistent, let’s use our continuum to answer this key question.

LEFT

collaboratively - - - - - - democratically - - - - - - - - - - - - - - - - - meritocracy - - hereditary - - autocracy

RIGHT

Autocratic Judicial Systems

If you value a system where judgments can be passed quickly and efficiently, then you may prefer an autocratic judicial system. In this system, an autocratic leader alone determines innocence or guilt. Alternatively, if that is not feasible (because dictators do have plenty of dictating to do), judgments could lie in the hands of judges and juries who must follow the will of their leader (or else!). The major con of an autocratic judicial system kind (and it’s a major one), is that if you don’t agree with the leader or his policies, you may find yourself thrown in jail without a fair and proper trial as we know it in our democracies today. There is little transparency in these systems and the true and honest details of court cases are often not shared with the public. In fact, autocratic courts are often nothing more than stage-shows to broadcast to the people what happens when you vocally disagree with the leader and his laws. Disagreeing might just cost you your life.

Democratic Judicial Systems

If you think it is important that regular citizens have input into the determination of innocence and guilt, then you will likely prefer a democratic legal system. In democracies, a judge or jury makes judgments, not the governors of the executive branch. The Rule of Law ensures that everyone, despite his or her position in society, follows and respects the nation’s laws. This is enshrined in a democratic country’s constitutions or charters. This means that even the President or Prime Minister of a country could go to jail if he or she broke the law. Naturally, this is absent in an autocratic system, where any opposition to the government could be met with death.

In some democratic systems, as in Canada and the United Kingdom, judges are selected by a body of highly regarded lawyers who then make recommendations to the Prime Minister based on their ability and achievements. This is known as meritocracy. Once these judges are chosen, they can hold the position until they retire at age 75. However, there are critics of this process, who argue that these judges should not hold office that long; they argue that appointed judges can be out of touch with society and the expectations of citizens. Some also think that the appointment by a political leader diminishes the impartiality of the judges. Is a conservative leader going to choose a liberal judge? Of course not! Yet advocates of this system argue that the stability of this position offers a judge the opportunity to make rulings with greater impartiality and fairness without the worry of a looming election. Supporters also consider the time judges can hold their positions to be a major strength: the older you are, the wiser you become.

In other brands of democracy, judges are elected by the people or appointed by government leaders. In the USA for example, some state judges are elected. This process allows citizen input and because these judges only hold the position until the next election, it gives a judge the opportunity to respond to current issues and represent the views of his or her constituents well. The drawback of this process, however, resides in the election campaign itself. One might be a remarkable lawyer yet lack the skills and prowess of a politician. It makes you wonder if come election night you are getting an effective judge or a mediocre one excellent at campaigning! Some critics also think that there is plenty of pressure on judges to be reelected, and that this pressure interferes with their
impartiality. This means that they may rule based on what will get them reelected rather than what they think is fair.

Judges are not the only ones to determine innocence and guilt in a democratic system: juries are used if a crime has been committed against society (for example, murder, theft, and arson). Juries hold significant power in democracies because they literally represent “the people.” Why? Because jurors are randomly selected citizens. If someone is accused of a crime against society, the judge does not cast judgment, the jury does (namely, “the people” do). When the jury reaches a verdict, the judge determines the sentence or punishment if the defendant is found guilty. Indeed, jury duty is an important responsibility of citizenship.

In democracies, interpreting a nation’s law is a huge responsibility. A judicial ruling not only determines innocence or guilt but it can also reform a nation’s law. In fact, a court decision could change the law faster than trying to pass a bill through The House of Representatives and The Senate. The 1954 US Supreme Court ruling on the Brown v Board of Education was an historic decision. Not only did it rule that racial segregation was unconstitutional but this decision was also a watershed moment - it ushered in an era of civil rights legislation. In this example, it is clear how powerful those who judge are.

Collaborative Judicial Systems

A tribunal is a group that is appointed to make a collaborative judgment and has been used in Aboriginal communities for centuries. Proponents of this type of collaborative judgment argue that it is effective because the defendant plays a crucial role in the decision-making process. A tribunal could consist of the defendant, their family, the chief, and members of the community. All participants would discuss the evidence, determine guilt or innocence and if found guilty, all members discuss sentencing until everyone agrees.

Remember the types of decision making? This is collaborative decision making in action! Aboriginal tribunals are effective because everyone affected by the judgment is sitting around that table. They all have a voice. Although many consider this system of judging to be impractical, it has been argued by many world leaders that to evoke change and ensure crimes does not reoccur, the voice of the defendant must not be silenced. For example, Lieutenant-General Romeo Dallaire argues that the Arusha Peace Accords, created to stop the violence in Rwanda, did not work because the extremists were not invited to the decision-making table. Genocide followed in its wake, with more than 800 million people being murdered. For everyone to buy in, Dallaire argues, everyone must be present.

What is the Best Way?

Who will determine guilt and innocence on your island? Does it depend on the crime? Should it be a group of one’s peers if it is a crime against society? How do you choose who should judge? Does it go to the most powerful? Alternatively, is everyone given the right to participate? The importance of this Island Question should not be underestimated! Judicial reform is always a hot topic and for good reason - it has the power to truly change a country. Think about how your answers to these questions could affect peace and order on your island. What path would you like to take?
Economics and Choices About Society’s ‘Stuff’

The last few paragraphs examined issues around ‘governance,’ looking at systems of making laws, governing and upholding social order with judgments and punishments to create social order. However, the remaining two questions focus on the economic decisions governments must make for their country.

When you look at the origin of the word *economics*, its original meaning was about ‘managing your household.’ Think about it. When you move out of your parents’ house, you need to manage many things: If you get an apartment, can you pay the rent? Electricity? Food? Let’s hope you can afford these basics, but will you have enough money to purchase any luxury items, such as that 3D TV? Or that new gaming system you have wanted for some time? Maybe you realize you do not have enough money for all these things, and you have to make some choices. Do you give up on dining out? Do you not buy that gaming system you want? Do you cancel your phone plan? Do you - oh no! - move back in with your parents?

Difficult choices, right? However, that is exactly what economics is: the study of choices people and societies make about their material stuff. Now let’s take this idea to your island and the world at large.

Different Types of Economies

Things become much more complicated when you consider how others’ choices of their stuff affect the choices of your stuff. On your island, who is going to do what work and why? Is someone going to make him or her work, or will they work with the expectation they will be rewarded for it somehow? How a society answers these questions literally dictates what kinds of economy they will have, and there are four main types of economies societies can use.

Traditional Economies:

Let’s say a system of trade develops on your island, where people trade things they find, grow, hunt, weave, etc. with one another. Can you picture it? You are good at catching fish, so food is not a problem for you, but you are useless at building shelters. You need a dry place to sleep and there is no room in the one cave! Suddenly you have got it covered: you strike a deal with the super hut builder. You supply him with fish for three months and he agrees to build you a sturdy, waterproof hut. A perfect swap!

This sort of economy just described is called a traditional economy, one where most of the activity is spent on producing and trading things that are related to survival. Obviously, in such a system, little economic growth occurs. True traditional economies, however, are rare in our world because, starting with the ancient civilizations, trading became highly complex and systems of measuring value (namely, coinage) were needed. Could you imagine how difficult it would be for your parents to arrange an IOU? – in fish and goats with your local bank for the mortgage on their house? I hope that your island economy will surpass a traditional economy and you will be
in search of another economic system (that is, depending on the economic rules you propose).

Although, let’s face it: our industrialized and globalized world is much more sophisticated than a deserted island, and, as such, the economic systems we need to manage the hundreds of millions of choices we make about our material things must be more sophisticated than traditional economies.

**Market Economies:**
One of the main tenets of a market economy is *free enterprise*, which means that individuals are free to engage in any business they like without government interference. Because most people in this system are acting out of self-interest, there is a drive to create and maximize as much profit as possible. This desire for profit is fundamental because it dictates how business owners will conduct their business. They want to *supply* things that people in the market *demand* – things people would be willing and able to pay for. That is right, supply and demand are the drivers of market economies.

Business owners in market economies must also ensure that their production and service processes are cost efficient. You would not make much profit if it cost you more to produce your *good* than people pay for it, would you? One of these costs worth mentioning here is *labor*, the word we use for the phenomenon of people (namely, employees) selling their time to work for someone else (namely, employers) for wages. A major challenge employers face is paying their employees competitive wages while also generating as much profit as possible.

**Competition** is also vital to healthy market economies. The pressure between competing companies spurs innovation, creates higher-quality products, and keeps consumer costs low. In market economies, there is an invisible dance between competitive producers trying to make money and fickle consumers trying to get the best deal. Adam Smith called this dance *The Invisible Hand*, and he argued that because producers and consumers are acting out of self-interest, the market would self-regulate itself. Why would producers and consumers want to jeopardize their own success? They would not, argues Smith, and that is why *The Invisible Hand* of self-interest regulates the economy. Government interference in markets only hampers economic progress. To explore supply, demand, and price in greater depth, make sure you go to the Market Forces module.

To help you understand how market economies and the invisible hand of self-interest work, let’s use an example. Let’s say you are in the designer shoe business and renting a small space to produce them. Because of high demand, you realize you need to take your shoe company to the next level. You rent some factory space, purchase some machinery, and off you go. Shoes start flying off the shelves and with your profits, you are now able to purchase more machinery (namely, *capital*) to make even more shoes (and more and more profits).

You are at the top of your game. But wait. Something is missing. That’s right: humans! Who’s making these shoes? Your employees, of course. Have you ever thought of the impact on the employee? Let’s say they left a job with adequate pay to come to your company because they see it’s potential and think they will benefit by it. Working for you, they start to make a little more money. What can they do with that extra money? Well, they could pay off some debt, save a little, or perhaps spend a little. All of the employees in your shoe factory who are making more money are now spending their money on other goods and services in the economy, which benefits the owners of those other businesses. Who knew that opening up a designer shoe line could have such an impact?

In fact, in economics, this is called "**unintended consequences of intended actions.**" Your intended action was to create a designer shoe line, but it had the unintended consequence of invigorating the greater economy of which you are a part. This is the invisible hand in action! This is economic freedom at its best, and it is wonderful when business is booming!

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**Command Economies:**
What happens, though, when times are tough and business is not booming? When some are hurting financially and others are getting more and more wealthy? Is that fair? Should a government allow some to get richer and richer off the backs of those living in poverty? Through the ages, especially in the 1800s, many people have thought, “No way!” Can you guess what ideology these angry people created?

If you guessed socialism, you got it right. The founders of socialism viewed human beings as equal, almost as a brotherhood of man, and were outraged by the growing disparities between the rich and poor. In other words, they valued economic equality, and believed that the government should be a major player in the economy to ensure fair and equal results.

Extreme socialists believe the government should be the *only* employer in the economy, arguing that it is the only way to prevent the ruling elite from hoarding and controlling the power and wealth in the economy. This brand of extreme socialism is known as **communism**, and it is based on the government commanding the economy 100%, completely opposite to the market model. In a **command economy**, a central planning authority, in the hope of having people work on what they are good at, and distributing their goods and services to those in society who need them, controls all the major production decisions.

Imagine a command economy on your island for a second, and imagine you are good at fishing. In your island command economy, you would only be able to fish as much as the Governing Council thinks the overall group needs fish. In other words, even if people want fish and would be willing to trade or pay for it, you would only be allowed to fish and sell them fish if the Governing Council allows you to. In fact, they might think your labor should go toward a different project or initiative. For example, maybe a neighbor’s shelter collapsed and the Governing Council instructs you to fix it because “It’s the right thing to do.” You do not want to, you want to continue fishing, but you have no choice. In this way, the governments in command economies actually decide what ‘stuff’ people should work on, and what stuff people should receive.

**Mixed Market Economies:**
So which economic system is better? One where people are free to pursue a life of riches, even if it means others will be left in the dust? Or a system where no one is free to pursue riches because the government commands the economy to maximize equality? Difficult questions, aren’t they? The good news is that, in reality, most nations have mixed economies – or **mixed market economies** that combine the freedom of the market economy with the government regulation (to promote equality) of the command economy.

In mixed market economies, governments usually **regulate** specific goods and services that are deemed socially important (for example, health care, education, natural resources, roads, and so on), and leave the remaining sectors of the economy alone. Governments will also intervene in the economy to ensure people’s basic rights and freedoms are protected. For example, if someone is unable to support himself or herself because of a physical or mental disability, the government might provide them with welfare or some type of publicly funded insurance program.

Other types of government regulations include those designed to influence the behavior of companies and individuals, and these include:

**Quotas:** Governments can use quotas to limit or restrict the actions of a business. In the twentieth century, refrigerators were made with CFCs (chlorofluorocarbon) to keep stuff cold. During the 1970s, however, it became increasingly clear that CFCs were causing rapid ozone depletion. In the 1980s, many governments around the world agreed to place quotas on the amount of CFCs used. Their goal was to
eliminate the use of CFCs in refrigerators and aerosol cans to diminish the damage done to the ozone layer.

**Subsidies:** A government subsidy is a payment made to someone producing a good. Take milk for example. US dairy farmers receive subsidies from the government to help with milk production. The subsidies keep the “felt” cost of producing the milk profitable and consistent, which keeps the sale price for consumers at the grocery store affordable and consistent too. Critics of subsidies argue that this is not fair because taxpayers – many of whom do not even drink milk – fund these subsidies. They also argue that subsidies hurt industries because they remove the incentive to be competitive and innovate.

How would a mixed market economy look on your island? What goods and services would you want your government to regulate for the people, and what ones would you leave alone? Health care? Housing? Agriculture and hunting?

**Authoritarian Economies:**
Why do the authoritarians get their own paragraph when the other big political ideologies do not? Well, with economic systems, authoritarians are a unique bunch. Remember, that authoritarianism is rule by one, and in these political systems, social rule is far more important than the economy. In other words, authoritarians use whatever economic model helps them maintain control and pursue national goals.

Throughout history, authoritarian governments have often supported free market economies while the private businesses support the state or help the state reach its goals. Think of Nazi Germany. One of the Nazi’s goals was to create an Aryan-race-only society by eliminating minority groups. As a result, Jewish businesses and stores that sold African American records were forced to close despite being successful and good for the economy.

**Freedom vs. Equality**

Just as we did for social rule, we can plot these various types of economies on a continuum, where total equality falls on one end and total freedom falls on the other end.

LEFT total equality ------------------------------- total freedom RIGHT
command economy ---- various brand of mixed-market-economies ---- traditional ---- market economies

In addition, if we were to plot the major political-economic philosophies about this economic continuum of equality versus freedom, they would look like this:

LEFT total equality ----------------------------- total freedom RIGHT
communism ------ socialism ------ various brands of liberalism ------ various brands of conservatism

We can see that communism, which values total equality, is on the far left, followed by socialism and it’s more moderate emphasis on equality. Then the various brands of liberalism fall in the middle because of their emphasis of human rights and freedoms over economic freedom (namely, governments should regulate specific economic sectors that are vital to people’s rights and freedoms). Conservatism falls on the right because of its emphasis on
allowing the market forces of supply and demand – and not the government – to do their thing and create balance in the economy. Last, authoritarian economies do not fall on the continuum because they can take any form depending on what the leaders’ national goals are.

What is the Best Way?

Now that we have looked at the major economic systems, which do you think would work best on your island? Do you think one that values economic freedom would be best, or one that values economic equality, or a combo? With the economic bases covered, let’s turn our attention to the remaining two questions we have to answer for the island. This will give you greater insight into the difficult economic decisions governments have to make, and it will help you understand your Civic Mirror Hidden Agenda and how you should influence your Government to score points. In fact, this next segment will help you understand why your real-world government makes the economic policy decisions they do. Prepare to be educated!

<table>
<thead>
<tr>
<th>Conservatives</th>
<th>Liberals</th>
<th>Socialists</th>
<th>Authoritarians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic prosperity is paramount, therefore:</td>
<td>Economic prosperity is balanced with the social well-being of citizens, therefore:</td>
<td>Social well-being of all citizens is key priority; therefore:</td>
<td>Political goals come above all else, but economy viewed as important driver of national success; therefore:</td>
</tr>
<tr>
<td>* little government intervention;</td>
<td>* Some government intervention in economy</td>
<td>* The government should intervene in production process to ensure (i) all classes of people are working and receiving income, and (ii) that everything that people need will be produced.</td>
<td>* Government intervention if economy interferes with the nation’s goals</td>
</tr>
<tr>
<td>* private ownership over public ownership;</td>
<td>* Balance between private and public ownership</td>
<td>* Public ownership over private ownership</td>
<td>* Private ownership over public ownership while business supports nation’s goals</td>
</tr>
<tr>
<td>* low corporate taxes;</td>
<td>* Moderate taxes</td>
<td>* High corporate taxes</td>
<td>* Low corporate taxes</td>
</tr>
<tr>
<td>* produce goods according to market’s demand</td>
<td>* Mixture of market’s demand and what the government decides to produce</td>
<td>* Government decides what to produce</td>
<td>* Produce goods according to market’s demands while it supports nation’s goals</td>
</tr>
</tbody>
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Question 4: What Should People Work On?

And How Should This Be Decided?

By this point you are probably starting to create some awesome rules for your island; however, before you become too excited, we need to think about “work,” – such as the type of work you are paid for. What work will create the best results for your island? In other words, what is worth producing, and who is going to decide this?

Before you start answering that question, think back to our review of the various kinds of economies. Each system was grounded in a philosophy about what makes a good society. Which did you like? Should people be offered economic freedom and the opportunity to become really, really rich? Should they be promised that their needs be taken care of by the government in exchange for their labor? Perhaps you will tell them that while they will be free to become rich, island citizens will have to pay high taxes so the government has the required money to provide everyone with access to specific services. Leaders in the modern world have to answer questions such as these.
In fact, no two societies have answered these questions in the same way.

**When Price and Profit Determine What and How To Produce Things**

For most of human history, people lived in small family groups that relied almost exclusively on farming. The Industrial Revolution changed this dramatically. Because of technological advances that took place, such as the steam engine and the cotton-spinning jenny, Britain had a half-century love affair with the Invisible Hand, allowing its citizens to make as much money as they wanted, at whatever cost. Price and profit became the defacto determinants that decided what people should work on and how they should do it.

When you think about it, this sounds good, right? Who does not want to make plenty of cash? Well, look around you. We cannot all be rich. In addition, the Industrial Revolution was an ideal example of this. Politicians took Adam Smith’s message to heart (that nations were only as strong as they were wealthy), and allowed industrialists to build factories and pay workers measly wages to generate as much profit as they could, without, of course, any government interference. The catch was, though, that situation was good if you were an industrialist, but not so good, if you were a laborer. In other words, because the industrialists owned all the capital and profited, they decided what everyone else should be working on and how. The workers had no say whatsoever.

Laborers were often forced to work 16 to 18 hour days just to make ends meet. They also endured horrific working conditions. The machinery was crude and dangerous, and people were commonly maimed, poisoned, and even killed working with it. Unlike today, back then, when laborers complained, they were usually fired. People were forced to endure these working conditions because the alternative was homelessness, potential starvation, and destitution (similar to some families in your Civic Mirror nation).

For three-quarters of a century, Adam Smith’s Invisible Hand was allowed to run its course in Great Britain. Market economies and the quest for profits decided what people worked on, and there were many human costs. That said, there were also some remarkable results: people’s standard of living rose; people from lower classes were - for the first time in human history - able to move up the social ladder (if they acquired wealth through industrial means), and the era kick-started globalization. It was during this time, that the globe became more interconnected.

**When Ability and Need Determine What and How to Produce Things**

By the mid-1800s, however, people began to realize that when price and profit are the only two factors that determine what should be produced and how, inevitably human laborers paid the price. The question of what to produce and how needed to be reexamined. Human rights activists and some politicians took up the cause of the working person and demanded that the government intervene and create laws to protect workers.

In 1848, Karl Marx, the godfather of socialism, was so disgusted by what he was observing in Britain, that he published *The Communist Manifesto*, which outlined a completely different set of rules for what people should work on and how that gets decided. He believed there was a class struggle between the bourgeoisie (factory owners) and the proletariat (the workers). Remember, the working conditions during the Industrial Revolution were horrible. Marx argued that it was just a matter of time before the proletariat revolted, overthrowing the bourgeoisie and capitalism entirely. Why? Because the system exploited the common man (get it, communism). He envisioned governments providing goods and services to everyone by taking total control over what to produce and how. His famous saying, “From each according to his ability, to each according to his need,” means,
that everyone will contribute to society to the best of their ability while only consuming what they actually need. Marx argued that this absence of greed and desire to “have it all,” would eliminate social classes because governments would distribute goods and services equally among all citizens based on their needs.

In most western countries today, there are laws in place to ensure everyone works for only a specific time, is paid a specific sum, and works in a safe environment. We have the pain and suffering of tens of thousands of exploited workers during this time to thank for these benefits.

**When One Person Decides What to Produce and How**

The funny thing about authoritarians is that – when deciding what to produce and how – they have swung both ways throughout history (that is, between market and command economies). Remember, in an authoritarian state, the role of the government is to ensure that the economy prospers to maintain strength and unity. There have been authoritarian leaders who have employed full-scale command economies (as the Soviet leaders did in the USSR), and there have been others who have employed market capitalism in fascist states (as Hitler’s Nazi Germany and Mussolini’s Italy).

**What is the Best Way?**

With regard to the opening task, remember, you are still stuck on your island, and you need to devise two rules about what should be produced, and how this should be determined? Will you argue that the Invisible Hand should be free to do its work, allowing supply and demand to determine what should be produced? Or are you going to advocate a command economy where the governing body would decide what the collective needs of the island are, then command citizens to produce goods to meet these needs? The first system will use incentives and rewards to motivate people, while the second system will allocate work according to ability and need. Both have drawbacks though. Market economies often result in economic disparity, despite the overall progress, while command economies often result in economic equality at the expense of productivity and efficiency. The imperfections of these two systems are maybe why, in practice, most nations choose a form of a mixed-market economy. What will you decide, though, for your island?

To help with your decision, why don’t we explore how two nations throughout recent history have tried to answer this question, just as we did with our example of Great Britain (in the 1800s) above?

**Up Close: Two Historic Answers to Systems of Production**

**USSR ~** For roughly 75 years Russia (and many other nations) formed a supernation called the Union of Soviet Socialist Republics (USSR), and for more than 20 years the world watched in awe as its leader, Josef Stalin, ran a series of 5 Year Plans that literally commanded what every aspect of the economy should be working on. The goal of the Five Year Plan was to rapidly industrialize the USSR, and everyone in the country worked tirelessly toward achieving this goal. Why? Because everyone in the country worked for the government in what Stalin called a spirit of communist brotherhood.

Sounds good, right? Everyone working together to achieve a united goal, right? Not quite. It was such an extreme economic endeavor that millions of people died in the process. Land was taken away from the farming class, redistributed to others, and as a result a famine swept through the country. In other five-year plans, rewards were used for reaching production targets but punishments were also introduced. As a result, people in charge of production began to lie about their achievements in fear of a reprisal. It cannot be denied that these five-year plans catapulted the Soviet Union into an industrial nation, but the cost was huge.
China ~ Numerous countries, however, have taken a more balanced approach to the answer of what to produce and how. Similar to the USSR, Communist China also went through rapid agricultural collectivization and industrialization with devastating results; however, China’s political leaders set out to reform the economy in the 1970s. What has emerged today is a mixed market economy - the government ensures that the country’s economic priorities are met somehow, while allowing economic freedom in other ways. This means that instead of only allowing government-run industries, China also invites private corporations to participate in its economic system.

The Chinese government, however, still has strong control over industries they feel are essential for sustaining a strong economy, such as oil and steel. However, in other areas, such as manufacturing, the government has totally allowed companies and industrialists to compete on a system of price and profit. China’s version of a mixed market economy has enabled it to become an economic powerhouse fueled by private investment and industrialization, all while having many key sectors of the economy still managed and controlled by the government.

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<tbody>
<tr>
<td>*Individual choice is paramount</td>
<td>*Individual choice valued but some government intervention</td>
<td>*Needs of the people paramount therefore strong government intervention in the economy to ensure no one is left to struggle</td>
<td>*Individual choice valued but government will intervene if economy interferes with nation’s goals</td>
</tr>
<tr>
<td>*Consumer demand should dictate what to produce</td>
<td>*Consumer demand is met with basic needs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*Free and competitive market valued</td>
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**Question 5: Distribution – Who Should Get What?**

On the island, as in the real world, people need to decide how to distribute everything that is produced. Who gets what? Why? How will this be determined? These are fundamental questions every state in the world must answer, and we can look to the big four philosophies to see how they are answered differently. Let’s start with the situation on your island to help us with our exploration of who should get what.

Everyone needs food and shelter to survive (same as the Civic Mirror); however, as was explained above, the island does not have these things in abundance. Will you encourage a system where people only receive things based on what they are able to provide for others? Or do think your government should intervene and distribute goods and services among citizens evenly despite their contribution? Once you get out of survival mode, then what? When the people of your island start working on other things that are less crucial to survival (for example, clothing, canoe building, exploring, basket weaving, etc.), what system will you use to determine who gets these luxury goods?
At first glance, these questions may seem straightforward, but when you examine them, complexities arise. For example, let's look at access to goods. Let's say one of the individuals on the island does not contribute much to the well-being of survivors. In fact, this person is downright lazy. However, all of you decided that everyone should be entitled to the same amount of food despite what they produce. Is this fair? What if a psychiatrist on the island tells the group that it is likely that this lazy person actually suffers from a mental illness? Would this change the way you feel about food being freely distributed to him? You can see how it is difficult for one system to provide perfect answers to every situation. How would people from the differing philosophies decide who should get what?

When Freedom Decides Who Gets What

In a market economy, price determines who should get what, and people's ability and willingness to purchase goods and services is the determining factor for how things are distributed. Let's look at health care as an example.

An economic conservative might argue that if health care is important to someone, then that person would take some of their wages and – instead of spending them on other things – would save them for health-care costs that might come up in the future. They would argue that this is the essence of market economics, and that is freedom. People should be totally free to decide how they want to spend their money, and should, as a result, be willing to live with the consequences. If health care is important to everyone, then they should (and would) purchase health insurance to protect themselves from medical emergencies. Governments should not be making these decisions for people. Therefore, an economic conservative would argue that people's decisions on whether to purchase health care should be the deciding factor on how health services should be distributed. In other words, if you purchased health insurance before a health emergency comes up, you are fine. You made an intelligent choice, and you can enjoy the benefit of that decision. The government did not intervene with your freedom to provide for yourself, and will conversely let people live with the negative results of their poor decisions too (namely, if you did not buy health insurance, tough luck, or seek the help of a private charity). True economic conservatives would argue that people earn their money, and are therefore the best ones to decide how their money should be spent. In fact, they would argue that their economic freedom is limited when the government interferes on decisions about how their money should be spent, even if their intentions are good.

However, what happens when someone needs something but cannot afford it?

When Equality Decides Who Gets What

The problem many people have with the economic conservative argument is that even when they want to acquire things such as health insurance, sometimes they are not able to because they cost too much. This fact is often brought up by the liberals – and especially socialists – who argue that some services, such as health care, are so important to everyone, that the government should intervene on people’s economic freedom (through the form of taxing their money before they can spend it) to fund and distribute government-run goods and services such as health care so everyone can access them.

As you have probably already figured, this is what a command economy emphasizes: the importance of fair and equal distribution of resources. In this system, everyone, despite their position in society, should have access to the same resources. The government or central planning committee decides what the collective needs of the nation are and distributes goods and services to meet these needs. The government may set the price of goods, or may issue coupons that people can redeem to get specific items. This is, in essence, the communist way of distributing goods and resources. Everyone gets the same, because everyone is considered equal. On your
island, people might propose to store all resources in a cave and allow a central planning committee to allocate them among the citizens. Because you are focusing on meeting the basic needs of all your citizens, luxury items would likely not be allowed to be distributed until everyone’s basic needs were met. How could you live a life of luxury, the communist would ask, when your brother or sister beside you is suffering? In this scenario, everyone looks after everyone. The price? Your economic freedom.

What if these two examples are too extreme, and you would like to blend the two?

**When Freedom and Equality Decide Who Gets What**

In a mixed-market economy, that is exactly what the government does: steps in to distribute goods and services they think are essential for people to have a reasonable standard of living. Although the government interferes with an individual’s freedom to use their money and wealth to accomplish this, the government does not have complete control. Private enterprise still exists, and supply and demand determine the price of these goods and services. In this blended system, the government distributes and regulates some and allows other things to be bought and sold in the market economy.

A mixed-market economy blends the equality-focused socialist ideology with a freedom-focused conservative ideology. Most economies in the world today are mixed market. A mixed market economy with lower taxes leans more to the right, with greater economic freedom for individuals while an economy that has higher taxes and more government involvement will lean more to the left on the economic continuum. Which way do you lean on the continuum - to the left or the right?

**When One Person Decides Who Gets What**

What if you are less concerned with distribution and more concerned with unity – preserving and maintaining power? This is the authoritarian viewpoint, and what form the vision of unity takes depends on the leader and what they think should be the nation’s priorities. Some authoritarians may use goods and services as rewards or punishments, although others may not become too involved in the economy while businesses support the nation’s social goals. Whichever, one thing remains constant in all authoritarian nations: dissent is not allowed. In Nazi Germany, the government decreased unemployment through public works programs yet made the working week longer. Workers could not complain for it would land them in a concentration camp. With distribution, then, authoritarians can be unpredictable.

**What is the Best Way?**

Before you think about your two distribution rules for the island, think for a second about your Civic Mirror country. How should its goods and services be distributed? In a pure market economy, supply and demand will determine the price and there will be many people in your country that can afford whatever they want, while others may be left with nothing. Should the invisible hand determine the price of the Energy/Industry units? Or will you and your fellow citizens embrace something such as a command economy, distributing goods and services to attain equality? What happens if there are not enough goods and services to go around? What will the government do then? Will it introduce a mixed market economy, blending the other two systems?

Again, to help with your decision, let’s explore how three nations throughout recent history have tried to answer the impossible question of economic distribution.
Up Close: Three Different Answers to Distribution

Nineteenth Century Great Britain ~
Before Great Britain’s Industrial Revolution, goods were distributed through the feudal system. People got stuff based on their title. The aristocracy got more but almost everyone had enough stuff to survive. Then came the Industrial Revolution and a pure market economy; there were few regulations and the Invisible Hand was left to run free. Although living standards did rise, the improvements in society were not evenly distributed. In a pure market economy remember, those who had money, got the goods. Wonderful if you had the money, but what happened if you did not? What became known during the Industrial Revolution was that if you let the wealthy people decide who gets what, they tend to finish with more. Remember our discussion on human nature? During the Industrial Revolution, human nature was put to the test and it turned out that greed took over. The wealthy got wealthier and those who struggled financially were finding it increasingly difficult to purchase the goods and services that they needed.

The British people began to wake to these inequalities, and by the late 1800s, the government implemented a series of social welfare programs to help the less advantaged. Initially, many of their programs focused on children. Britain was a global empire by this point and the government realized that if it were going to maintain and defend such a vast empire, it needed a healthy population. Would you want an army of starving young men defending your country? Therefore, a series of social reforms helped distribute goods and services to the working classes of people.

Early social welfare programs ensured children had food to eat as well medical checkups. Later, other programs gave the elderly pensions and employees a portion of their pay if they became injured or ill on the job. As you can see, not everything about the Industrial Revolution was bad. In fact, conservatives would favor the approach used by Industrialists during the Industrial Revolution because it generated vast amounts of wealth with little government interference, improving the overall quality of life for many, at the expense of some. Yes, some lived lives similar to Oliver Twist and were left, but an economic conservative would argue that taking care of these individuals is ultimately an individual responsibility, or something reserved for private charities.

Twentieth Century China ~
Let's go to the opposite end of the economic spectrum and examine China in the mid-twentieth century. After the establishment of the People’s Republic of China in 1949, Communist leader Mao Zedong created a command economy. In this system, all decisions came from top leadership, such as what to produce and how to distribute goods and services. The goal was to create a system of equality (we are all brothers in this country, and we are all equal so we should share the resources too).

It was the government’s responsibility to make decisions that best represented the collective needs of the population. Under Mao, this meant rapid industrialization and modernization otherwise known as The Great Leap Forward. As a result, there was a redistribution of wealth, as land was taken from property owners and given to peasants. To strengthen China's industrial base, goods, such as food, were also redistributed from rural areas.

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5 From the Cradle to the Grave
and transported to the cities to feed the workers and their families who were there to increase the country's industrial capacity. Essentially, under China's command economy, the government decided who would get what. It was based on an individual's need, yet it was the government who decided what those needs were.

How different do you think your life would look if the government decided what goods you actually needed? Do you think the government would distribute goods such as smartphones or gaming systems? Probably not! Yet, these goods do have value in a country's economy. We will come back to this in a moment. Because the government tried to control every aspect of China's economy, economic freedom did not exist and this had a price. Similar to the industrialization of the Soviet Union, China's program also came with an enormous loss: it is estimated that more than 20 million people died in this quest for modernization. The migration of people to the cities and bad weather reduced the agricultural capacity of farms to feed the people. Besides the famine, there were no incentives for people to reach production goals set by the government.

Instead of actually improving China's economy, *The Great Leap Forward* hampered it. This cost is what prompted the governing body after Mao died to change China's command economy and implement a mixed-market economy. Deng, the new leader, realized that the commands from the government could not keep up with all the exchanges happening in the economy. Can a government command an economy with hundreds of millions of people, or is a command economy just too complex? The tragedy made the answer obvious: it was too complex.

Accordingly, Deng introduced market elements to improve China's economy. To increase productivity, farmers could sell any surplus crops and keep the profits. Now farmers had an incentive to grow more crops. Personal income increased, and as a result, consumption increased. People were now given a bit of freedom to purchase what they wanted - the distribution of goods was not completely commanded by the government, and this freedom created a more stable economy.

**Canada Today** ~ Canada, as almost every nation on Earth, uses a mixed-market economy similar to China, but it emphasizes freedom much more than China does. For example, Canada is one of the few oil-producing nations on Earth that has let private companies and private investors operate this precious resource. Whereas China's key industries are state-run, most of Canada's are open for business. The Canadian Government, though, can and does regulate industries in several ways. In the agricultural sector, it intervenes by subsidizing farmers for their products, allowing them to sell on the international market at a cheaper price. It also regulates service industries such as education and health care.

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<thead>
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<tbody>
<tr>
<td><em>Individuals pay for their own needs</em>&lt;br&gt;<em>Ability to purchase the best</em></td>
<td><em>Government intervenes when it feels necessary for most of its citizens</em></td>
<td><em>Government ensures that everyone has their basic needs met and that all citizens have the same access to resources</em></td>
<td><em>Some government help may be provided to access basic needs - it all depends on the goals of the nation</em></td>
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**Pulling It All Together: The Political Spectrum**
We have covered plenty of material in this module trying to answer five questions that not only relate to your island task, but to every human society:

1. Who should make laws and how?
2. Who should govern and how?
3. Who should judge guilt and innocence and how?
4. What should people work on (produce)?
5. Who should get what?

Although the questions might have seemed simple at first, they are hugely involved and complicated. As we pull all the loose ends together in this section, we hope you develop a clearer picture of what your own political-economic philosophy is. This clarity will not only help you with your island task, but with your opinions and interpretations of real-world events too.

So let’s wrap up.

**Political-Social Continuum**

We started by discussing how all groups of people – if they want to answer these questions – must agree on specific “power rules,” and how rules about power are ones about who is to make decisions. Remember? The three key ways people can make group/state decisions are:

- autocratic ~ one person, or a few
- democratic ~ elected representatives
- collaborative ~ everyone in society, or close to

Then we tackled the first three questions, which were political: laws, governance, and upholding society’s laws. As we explored these questions, we discussed how all the various answers to these questions could be plotted on a continuum based on who (in society) has the power.

```
LEFT                         RIGHT
collaborative - - - - - - -    various brands of democracy - - - - - - - - - - - - - autocratic
```

This is the political (or social) continuum that makes up the first half of the political-economic spectrum. To review, the far-left end has everyone holding power (collaborative), the far-right end has only one person holding power (autocratic), and the various brands of representative government (democracy) fall in the middle.

We also explored the big four political philosophies that have been used by governments around the world most frequently:

- Conservatism
- Liberalism
- Socialism
- Authoritarianism

Plotting these on the same political continuum, we have socialism on the left, authoritarianism on the absolute right, and the various brands of liberal and conservative democracies in the middle.
Where do you think you fall on the political continuum? Take a second to review your notes and the sections above to devise a clearer answer to that question.

**Economic Continuum**

The last two questions focused on economic matters: production, work, and distribution. Before we even tackled these questions, however, we introduced you to the various types of economies societies have used through the ages. We explored how these economies could be plotted on a different continuum, with total economic equality based on one end, and total economic freedom on the other.

- LEFT total equality
- command economy
- various brand of mixed-market-economies
- traditional
- market economies
- RIGHT total freedom

We also plotted the big four ideologies on the economic continuum:

- LEFT total equality
- communism
- socialism
- various brands of liberalism
- various brands of conservatism
- RIGHT total freedom

On the far-left, we have communism, where the government controls every aspect of the economy to ensure total equality, and on the far right, we have laissez-faire economics where the government butts out of economic matters entirely trying to provide people with maximum economic freedom.

What do you think is more important: freedom or equality? Take a moment to review your notes and the sections above, and then plot where you think you would fall on this economic continuum.

**The Political-Economic Spectrum**

A *spectrum* is an ordered display of many things, based on the components and categories concerning one another. The most common spectrum is the color spectrum, which attempts to show every color in an ordered display, as with the image to the right. As you can see, the colors are displayed horizontally (based on their electromagnetic frequency, but we do not need to get into that), and their darkness or brightness are displayed vertically.

The political-economic spectrum is somewhat the same, but it uses the political and economic continuum from this module instead! Putting them together, with the political continuum on the horizontal axis and the economic continuum on the vertical axis, we find the political-economic spectrum looks like this:
Now look at where you plotted yourself on the two continuum above. To find out where you land on the political-economic spectrum, find and plot where the two meet. That point, young philosopher, roughly indicates what your own political-economic ideology is! Knowing what your own, personalized ideology is will not help you answer the island questions, but it will help you answer difficult questions about society, law, and economics in your real world too.

Does the political-economic spectrum really exist? Well, not really. However, it is a tool we can use to help us simplify the complexity in the patterns and policies of the political and economic world. We can use the spectrum to help us understand the many viewpoints of an election candidate, or to help us predict how a world leader will respond to a conflict or crisis, or what the opinion of a community would be on a specific issue and why. The political-economic spectrum helps us understand our own philosophies, and those of others. This helps us better understand the world we live in.

Pat yourself on the back. Not only are you well-equipped to draft the 12 laws for your deserted island, and not only will you be able to ‘play’ the Civic Mirror at a higher level, but – with this foundation in political-economic philosophy – you have all the tools you need to be a well-informed, power-playing citizen in the real world. In fact, you likely know more about political-economic philosophy than most adults do.

Good luck!

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Appendix A

Ideologies Along Spectrum
This diagram provides a good overview of the political and social policies of the major ideologies. Although it briefly mentions economics, it does not provide the depth as the economic spectrum.

- **Dictatorship**
- **Democracy**
- **Dictatorship**

**Communism**
- Wants change
- Characteristics:
  - Government control
  - Diminish the wealth gap between the rich & poor
  - Public enterprise. Government decides what needs to be produced to best benefit society (interventionist)
  - Own key industries (power, water) to distribute resources amongst citizens
  - No political opposition or intellectual freedom
  - Taxes provide revenue (high?)
  - Traditional values regarding sex, family, etc have altered

**Socialism**
- mixture of change & tradition
- Characteristics:
  - Govt & individuals have shared role
  - Govt is pragmatic
  - Govt tries to balance caring for disadvantaged and a balanced budget
  - Economy is a mix of public and private enterprise
  - Intellectual & economic freedom
  - Political opposition allowed
  - Taxes provide revenue (moderate?)
  - Fluid view of traditional values/try to remain current/modernize

**Liberalism**
- Characteristics:
  - Individuals play a larger role
  - Individuals should take care themselves & get welfare
  - Money should remain in person's hands
  - Low taxes
  - Laissez-faire: govt shouldn't interfere with people's economic lives
  - Bus & industry in private hands
  - Traditional family values & no same-sex marriage
  - Intellectual freedom is suppressed
  - Economic freedom essential

**Conservatism**
- maintain tradition

**Fascism**
- Extreme Right
Glossary

Anarchy: philosophy that advocates society based on cooperation in which government is unnecessary

Authoritarianism: belonging to or believing in a political system in which obedience to the ruling person or group is strongly enforced.

Autocratic Authority: people with acquire their power through force.

Autocratic Decision Making: one person makes the decision for everyone.

Bourgeoisie: the social class that, according to Marxist theory, owns the means of producing wealth and is regarded as exploiting the working class. (For example, factory owners)

Bureaucracy: an administrative system, especially in a government, that divides work into specific categories carried out by special departments of nonelected officials for example, Department of Defense.

Bureaucrat: a nonelected official hired by the government to help implement plans and policies.

Capital: a resource that can be used to generate economic wealth, (for example, machinery).

Checks and Balances: features in the way a system operates that prevent any one person or group from having too much power or influence.

Collaborative Decision Making: everyone participates in a discussion about all the options. A decision is made when everyone agrees.

Collectivism: system of control and ownership of factories and farms and of the means of production and distribution of products by a nation's people.

Command Economy: an economic system in which central planners make production decisions. (EN)

Communism: the Marxist-Leninist version of a classless society in which capitalism is overthrown by a working-class revolution that gives ownership and control of wealth and property to the state.

Competition: individuals and firms striving for a greater share of a market to sell or buy goods and services.

Conservatism: a right-of-center political philosophy based on a tendency to support gradual rather than abrupt change and to preserve the status quo.

Consensus: everyone agrees on a decision.

Constitution: a written statement outlining the basic laws or principles by which a country or organization is governed

Coup d'état: the sudden violent overthrow of a government and seizure of political power, especially by the military.
Democratic Decision Making: a discussion is held about the issue and a vote is held. Whatever receives the majority of votes will be the decision.

Direct Democracy: form of democracy in which all citizens can directly participate in decision making.

English Civil War: (1642–1651) was a series of armed conflicts and political plots between Parliamentarians and Royalists. King Charles I was executed, the monarchy abolished, a new Parliament created until the monarchy was reestablished. The wars established the precedent that an English monarch cannot govern without Parliament's consent.

Execution: the process of getting things done.

Executive: is a person responsible for ensuring that things are done.

Executive Branch: the arm of government responsible for running the state, carrying out the law, and planning.

Fascism: any movement, ideology, or attitude that favors dictatorial government, centralized control of private enterprise, oppression of all opposition, and extreme nationalism.

Free Enterprise: practice of giving companies the freedom to trade and make a profit without government control.

Free Market Economy: an economy in which the prices of goods and services are determined in a free price system. The government does not interfere in the economy.

Goods: products and materials that are sold to satisfy some wants or needs of a consumer.

Governor: is a person responsible for ensuring that things are done.

Ideal: a standard or principle to which people aspire.

Ideology: your set of beliefs that reveal the way you view the world.

Invisible Hand: phrase coined by Adam Smith to describe the self-regulating nature of the marketplace (no government interference).

Labor: people (namely, employees) selling their time to work for someone else (namely, employers) for wages.

Legal Authority and Power: people who derive their power from legal documents, such as a constitution.

Legitimacy Power: people who derive their power from the citizens’ belief that what they are doing is right for their country.

Liberalism: a political ideology with its beginnings in Western Europe that rejects authoritarian government and defends freedom of speech, association, and religion, and the right to own property.

Libertarianism: belief that people should have complete freedom of thought and action.

Marginalized: a person or group being left politically or economically.
Market Economy: an economic system in which production decisions are made by the actions of buyers and sellers in the marketplace.

Meritocracy: people who achieved their positions based on ability and achievement.

Mixed Market Economy: economic system that contains elements of market, command and traditional systems.

Nationalism: a feeling of attachment and loyalty to a particular nation and strong support for its interests.

Philosophy: a particular system of thought, for example, Liberalism.

Proletariat: in Marxist theory, the class of industrial workers whose only asset is the labor they sell to an employer.

Power: the capacity or ability to direct or influence the behavior of others or the course of events.

Private Enterprise: private ownership of productive resources, a characteristic of market economies.

Public Enterprise: government ownership of productive resources.

Quotas: to limit or restrict the actions of a business.

Referendum: a vote by the citizens on a specific question or questions put to it by a government or similar body.

Regulate: government intervention that organizes and controls economic activities by making it subject to rules or laws. In a mixed market economy, the government often regulates health care and education.

Representative Democracy: system of government in which decisions affecting the community are made by elected representatives. It allows a large number of people to be represented without being present.

Rule of Law: everyone must abide by the law of a nation despite political, economic, or social status.

Safety Net: something intended to help people in the event of hardship or misfortune, especially something providing financial security, for example, welfare payments.

Separation of powers: ensures that power is spread throughout the branches of government so no one person (or branch) can abuse the power they have been given.

Socialism: a political theory or system in which the means of production and distribution are controlled by the people and operated according to equity and fairness rather than market principles.

Social Contract: an agreement among the people and their government that outlines the rights and duties of each party. It derives from the ideas of Hobbes, Locke, and Rousseau and involves people giving up freedoms in return for benefits such as state protection.

Spectrum: a graphic or photographic representation of a distribution, namely, ideologies along the spectrum.

Subsidy: government paying part of the cost to a business to encourage more consumption, by keeping prices consistent.
Supply and Demand: the relationship between the availability of a good or service and the need or desire for it among consumers.

Traditional Authority and Power: People who derive their power from an inherited position.

Traditional Economy: an economic system in which production decisions are determined by the practices of the past (Economics Now)

Tribunal: a group that is appointed to make a collaborative judgment.

Unintended Consequences of Intended Actions: the intended actions of people have effects that are unanticipated or unintended. Adam Smith explores this idea in his work “The Wealth of Nations.”

Reflection & Connection Task Evaluation

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<th>Fully Meets Expectations</th>
<th>Exceeds Expectations</th>
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<td>Thoughtfulness of Justification</td>
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<td>* Strong voice; good tone</td>
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<td>* Lack ability to answer questions</td>
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