

# TYPES OF GOVERNMENTS

- ▶ **ANARCHY**                                  When there is no government or organized authority, anarchy exists.
  
- ▶ **COMMUNISM**                                Communism is based on the theories of Karl Marx which state that a society should exist with no class distinction or private property. In reality, this type of government has evolved into a type of system in which citizens have few or no freedoms. The government controls everything, including the economy.
  
- ▶ **CONSTITUTIONAL MONARCHY**            A constitutional monarchy is a form of government with a monarchy that serves as a head of state only. The lawmaking body of the country is elected and is the real authority of the country.
  
- ▶ **DEMOCRACY**                                This is a form of government in which the citizens hold power through the right to vote.
  
- ▶ **DICTATORSHIP**                            A dictatorship is a form of government in which there is a ruler who has absolute authority or power. This position is not an inherited one.
  
- ▶ **EMPIRE**                                    An empire is a group of nations or territories ruled by one leader or country.
  
- ▶ **MONARCHY**                                 A monarchy is a country ruled by a sovereign, such as a king, queen, or emperor. Usually such power is inherited.
  
- ▶ **REPUBLIC**                                 A republic is a nation without a monarch. Usually, the leader is an elected president.
  
- ▶ **SOCIALISM**                                A socialist system is one in which the government controls the means of production and society. The wealth of the nation is divided equally. NOTE: This is also a type of economic system.

# TYPES OF ECONOMIC SYSTEMS

## ▶ CASTE SYSTEM

In the Hindu society that existed in India, people were forced to obtain jobs within their social class or caste. In Hinduism it was believed the only way to improve to a higher social class was through reincarnation (belief in rebirth after death).

*NOTE: Even though the Caste System is illegal in India, this form of discrimination still exists in some areas—with many efforts being made to change this practice including a constitutional amendment. The removal of the caste system from the SOLs except as a historical practice reflects this change.*

## ▶ COMMAND ECONOMY

In a communist government or a dictatorship, the government has full control over the means of production. In this type of economic system, all economic decisions are made by the government.

## ▶ FREE MARKET

A free market is an economy in which individuals make economic decisions according to the principle of supply and demand. Competition is allowed. A free market economy is often called free enterprise and/or capitalism.

## ▶ TRADITIONAL ECONOMY

In a traditional economy, the people supply the goods they need by methods passed down through generations. This is the type of economic system found in most developing countries.