Title Slide

Narrator: In this presentation we will discuss several political and economic systems.

Slide 2

Title: Political System

Slide Content:
System of government of a nation
  – Collectivism vs. individualism
  – Democratic vs. totalitarian

Image: Politician at podium.

Narrator: As we mentioned earlier, each nation-state is different. One of those differences is that nation’s political system. By political system, we are discussing the system of government that nation utilizes. Your text describes two dimensions of political systems. The first is the degree to which the political system emphasizes collectivism as opposed to individualism. The second is the degree to which it is democratic or totalitarian in nature.

Slide 3

Title: Collectivism

Slide Content:
Needs of society > Individual needs

Image: Graphic of a group of blue stick figures and one orange stick figure outside of the group.

Narrator: Collectivism is a political system that ensures the supremacy of collective goals over individual goals. In other words, the needs of the society as a whole are more important than one’s individual freedom. Plato argued that individual rights should be secondary to the good of the majority. Plato also believed in a class system. He argued that those best suited to rule, should rule. In Plato’s argument, philosophers (the educated) and soldiers were best suited to rule.

Slide 4

Title: Socialism

Slide Content:
  • State-owned businesses
  • Benefit society, not capitalists
  • Ideology split (20th century)
    – Communist:
      • Violent revolution
      • Totalitarian dictatorship
    – Social Democrats
      • Democratic means
Narrator: Socialism political thought can trace its roots to Plato and, in later years, to Karl Marx. Marx advocated the state should own the basic means of production, distribution, and businesses. The idea was to create state-owned businesses that were operated to benefit society and not capitalists. In the 20th century, the socialist ideology split. The communist ideology created the idea that only violent revolution and a totalitarian dictatorship was the only means to achieve the socialist state. Social democrats believed that socialism should be, and could be, achieved through democratic means.

Slide 5

Title: Communism

Slide Content:

Narrator: Over the years of the 20th century, the communist ideology failed on the European continent. China, North Korea, and Cuba are countries that continue to employ a communist system of government. Economically, the Chinese have moved sharply away from strict adherence to their previously held communist ideology.

Slide 6

Title: Individualism

Slide Content:
Freedom to pursue one's own economic and political ideals

Image: Graphic of blue stick people on the Earth overlaying the Declaration of Independence.

Narrator: Individualism is a philosophy that an individual should have the freedom to pursue one's own economic and political ideals. Individualism can be traced back to Plato's student, Aristotle. According to Aristotle, for example, communal property receives very little care whereas private property will receive greater care and thus be more productive. Individualism has a very large effect in the American colonies. In fact, if one reads the Declaration of Independence, the concept of individualism underlies the entire document. British philosopher, Adam Smith, the author of The Wealth of Nations, published in 1776, argued that individual economic and political freedoms are the grounds on which a society should be governed.

Slide 7

Title: Democracy

Slide Content:
- Government is by the people
- Exercised by the people or through elected representatives
- People directly involved in decision-making process
- Representative democracy
  - Constitution
  - Protect citizen rights
Narrator: Democracy is a political system where the government is by the people, and is exercised either directly or by elected representatives of the people. In its purest, original form, democracy is a belief that citizens should be directly involved in all decision-making processes and ruled by a majority vote. In more modern practices of democracy, a representative democracy is more common. The United States is a republic, which means it is a representative democracy that is governed by a constitution, which restricts the government to protect the rights of the individual citizens.

Slide 8

Title: Totalitarianism

Slide Content: One person/political party has absolute control

Image: Hand manipulating a puppet on strings.

Narrator: Totalitarianism, on the other hand, is a governmental form in which either a person or political party exercises absolute control over all aspects of life, including a prohibition of political parties. There are various forms of totalitarian governments.

Slide 9

Title: Totalitarianism

Slide Content:
- Communist totalitarianism
  - Dictatorship
- Theocratic totalitarianism
- Tribal totalitarianism
- Right-wing totalitarianism


Last three bullets in grey font color.

Narrator: As we have already discussed, communist totalitarianism is one form of totalitarianism.

Slide 10

Title: Totalitarianism

Slide Content:
- Communist totalitarianism
- Theocratic totalitarianism
  - Religious principles
- Tribal totalitarianism
- Right-wing totalitarianism

Image: Middle Eastern woman in head wrap.

Bullets 1, 3, and 4 in grey font color.
Narrator: A second form is the theocratic totalitarianism. This is a form of government where political power is monopolized by a group according to its religious principles. Several Middle Eastern states fall into this particular category.

Slide 11
Title: Totalitarianism

Slide Content:
- Communist totalitarianism
- Theocratic totalitarianism
- Tribal totalitarianism
  - Party represents tribe
- Right-wing totalitarianism

Image: African tribe.
Bullets 1, 2, and 4 in grey font color.

Narrator: A third form is the tribal totalitarianism. This form is more prevalent in nations within the African continent. This form of government is when a party that represents the interest of a particular tribe controls the power within the country.

Slide 12
Title: Totalitarianism

Slide Content:
- Communist totalitarianism
- Theocratic totalitarianism
- Tribal totalitarianism
- Right-wing totalitarianism
  - Individual economic freedom
  - Restrictive individual freedoms

Bullets 1-3 in grey font color.

Narrator: The fourth major form is right-wing totalitarianism. This form of government typically permits some type of individual economic freedom, but will restrict individual freedoms. The governments of Hitler’s Germany and Mussolini’s Italy were considered right-wing totalitarian governments.

Slide 13
Title: Market Economy

Slide Content:
- Goods and services produced are not planned
- Production determined by supply and demand
- Consumer controls the market
- Free and fair competition

Image: Graphic of the words ‘Supply’ and ‘Demand.’
Narrator: Now that you have a good understanding of several political systems, let’s take look at some economic systems that may be used around our world. The first is a market economy. In this form of economic system, the goods and services that are produced are not planned. Production is determined by supply and demand. In a market system, the consumer controls the market. It is the goal of government in market economies to encourage a free and fair competition between producers.

Slide 14

Title: Command Economy

Slide Content:
- Government control
  - Plans goods and services
  - Determines quantity
  - Determines price

Image: Man in a suit in front of the Capitol in Washington D.C.

Narrator: The second system is the command economy. In this type of economic scenario, the government plans the goods and services a country produces. It also controls the quantity and the price. This type of economic system correlates with the collectivist type of political ideology. Finally, there is a combination type of economy, the mixed economy.

Slide 15

Title: Mixed Economy

Slide Content:
Combination of market and command economies

Image: Hand holding money in front of a government building in Washington D.C.

Narrator: The mixed economy is a combination of both market and command economies. England (prior to Mrs. Margaret Thatcher becoming Prime Minister) was a mixed economy. Some of the actions taken during the recent financial crisis in the United States were mixed economy situations. For example, the government’s stake in the AIG Corporation and General Motors are examples of action taken in a mixed economy.

Slide 16

Title: Legal System

Slide Content:
- Laws and rules that a nation utilizes within its borders
  - Citizens
  - Business practices
  - Activities of organizations

Image: Gavel.

Narrator: So, what does all this mean to you? As managers of organizations in a global market, you must also consider the legal system of the country in which you operate. The legal systems are the laws and rules that a nation utilizes to regulate behavior within its borders. These laws also regulate business...
practices and activities of organizations. Obviously, this is of extreme importance to any business desiring to conduct operational activities within a country.

Slide 17

End of presentation.