

Unit Resources - Glossary Terms from "Comparative Government and Economic Systems"

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Glossary Terms from:

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backbencher

a member of the House of Commons who is not a party leader

cabinet

an advisory body to the head of state

capital

all the human-made resources that are used to produce goods and services.

capitalism

economic system in which individuals are free to own the means of production and maximize profits

coalition

temporary alliance of various political parties

command economies

systems in which government bureaucrats plan and direct most economic activity

communism

ideology which calls for the collective, or state, ownership of land and other productive property

confederation

a joining of several groups for a common purpose

constitutionalism

basic principle that government and those who govern must obey the law; the rule of law

Cultural Revolution

launched by Chinese Communist Party chairman Mao Zedong during his last decade in power (1966–1976) to renew the spirit of the Chinese Revolution; young and dedicated Red Guards attacked and bullied intellectuals, and those that lacked revolutionary fervor; some were sent to work farms to be reeducated

deficit

yearly shortfall between revenue and spending

demand-side economics

theory that the higher employment that results from government borrowing will produce higher tax revenues

democratization

the change from dictatorship to democracy, marked by the holding of free and fair elections

devolution

the delegation of authority from the central government to regional governments

Duma

the more powerful chamber of the Russian Federal Assembly

entrepreneur

individual with the drive and ambition to combine land, labor, and capital resources to produce goods or offer services

factors of production

basic resources that are used to make all goods and services

failed states

nations in which security is nonexistent, the economy has collapsed, health care and school systems are in shambles, and corruption is flourishing

fiscal policy

various means the government uses to raise and spend money

foreign policy

a group of policies made up of all the stands and actions that a nation takes in every aspect of its relationships with other countries; everything a nation's government says and does in world affairs

free enterprise system

an economic system characterized by private or corporate ownership of capital goods; investments that are determined by private decision rather than by state control and determined in a free market

free market

market in which buyers and sellers are free to buy and sell as they wish

glasnost

a Soviet policy permitting open discussion of political and social issues and freer dissemination of news and information

globalization

economic interdependence among nations of the world

gross domestic product

total amount of goods and services produced in a country each year

hard power

an approach to foreign policy that involves military power or coercion

import quota

limit put on the amount of a commodity that can be imported into a country

inflation

general increase in prices throughout the economy

International Monetary Fund

An organization that has supplies of money to give to needy members

John Maynard Keynes

Keynes (1883–1946) was an influential British economist, known primarily for his revolutionary economic theory regarding the causes of extended unemployment. Keynes maintained that government had responsibility for stabilizing the economy through the use of fiscal policy (tax and spending programs). He believed that, in periods of depression, the government should increase its spending, cut taxes, or do both to stimulate the economy.

Karl Marx

A German philosopher best known for his multivolume work on political economics, *Das Kapital*, Marx (1818-1883) is considered the father of modern socialism and communism

laissez-faire theory

theory suggesting that government should play a very limited role in society

law of supply and demand

law stating that, when supplies of goods and services become plentiful, prices tend to drop; when supplies become scarcer, prices tend to rise.

ministers

cabinet members, most commonly of the House of Commons

monetary policy

process through which the government can influence the nation's economy through changes in the money supply and the availability of credit

monopoly

firm that is the only source of a product or service

North American Free Trade Agreement (NAFTA)

agreement that removed trade restrictions among the United States, Canada, and Mexico, thus increasing cross-border trade

North Atlantic Treaty Organization

a military alliance between the United States and its allies started after World War II

parliamentary system

a form of government in which the executive branch is made up of the prime minister, or premier, and that official's cabinet

party government

the direction and control of the processes of government by the party who has majority favor

propaganda

ideas or statements that are often false or exaggerated and that are spread in order to help a cause, a political leader, or a government

protectionism

practice of national governments trying to control to protect native industries from foreign competition

public debt

all of the money borrowed by the government and not yet repaid, plus the accrued interest on that money; also called the national debt or federal debt

purge

a process of government purification by removing rivals

socialism

philosophy based on the idea that the benefits of economic activity should be fairly distributed; a mixture of capitalism and communism

soft power

an approach to foreign policy that involves economic or cultural influences to persuade

supply-side economics

assumption that tax cuts increase the supply of money in private hands and stimulate the economy

surplus

more income than spending

tariff

tax on imported goods

unitary government

a centralized government in which all government powers belong to a single, central agency

World Bank

organization formed in 1944 to provide economic assistance to developing countries to reduce global poverty levels

World Trade Organization

organization created in 1995 to increase trade