Precious Equilibrium

Grade Levels: 9-12
Time Committment: 70 Minutes
Subject(s): Capitlaism, Economics, Civics/Government

Overview: There is a precious equilibrium to maintain democratic capitalism in a Western Society. Using the Global Capitalism Index (GCI), students will explore the differences between four types of governments and economies: autocratic capitalism, autocratic socialism, democratic socialism, and democratic capitalism.

Materials:
- Student Handouts (Digital or Printed)
- Printer Access (Optional)
- Smartboard or Projector
- 1:1 Computers or Tablets

Opener (15 Minutes):

1. Ask the students: What makes a country more democratic?
   a. Record student answers on a whiteboard, a digital platform (such as Mentimeter or Canva), or on sticky notes.
   b. Guide the conversation towards the principles of Equality, Civic Virtue, Civil (natural) Rights, Rule of Law, Consent of the Governed, and Popular Sovereignty
2. Next, ask the students: What makes a country more capitalistic?
   a. Again, record student ideas.
   b. Guide the conversation towards the principles of Private Property Rights, Profit Motive, Market Forces (Price Mechanism), Competition, Economic Freedom, Limited Government Intervention

Activity (50 Minutes):

1. Introduce students to the four political and economic types and the characteristics of each:
   a. Autocratic Capitalism: Politics are dominated by one ruling party, while the country thrives as a major global hub for banking and corporate business. Example: Singapore
   b. Autocratic Socialism: Uses a mix of government control and private business. The Communist Party makes all major rules. Example: China
   c. Democratic Capitalism: Combines a free-market economy with a representative political system. Example: The United States
   d. Democratic Socialism: Combines free-market capitalism with extensive social welfare programs. Example: Sweden
2. Tell students that they will compare all four examples (Singapore, China, the US, and Sweden).
3. If needed, review the Terms and Concepts (Slides, Pages 9-16) students will use to compare the countries.
4. If needed, provide an overview of how to use the Global Capitalism Index.

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Activity (Continued):

5. Break students into groups to analyze the countries and fill out their data sheets (Pages 4-8). Emphasize that students are looking for rankings, not the actual score on the index, and the logic behind using the rankings for this assignment (seen below)
    a. Rankings are easier to compare - they quickly show which countries perform better or worse than others without needing to interpret the meaning of the scores.
    b. Rankings simplify complex data - they turn detailed numerical results into an easy-to-understand order.
    c. Rankings highlight relative performance - you can immediately know where a country stands compared with others.
    d. The downside: Rankings do not show how big the differences are. For example, the countries ranked #1 and #2 might have almost identical scores, while the difference between #2 and #3 could be much larger. Actual scores provide that extra detail.
6. Have the groups input the countries of Singapore, China, the United States, and Sweden into GCI and click on the "Compare" Tab.
    a. Groups need to fill out their data tracking sheet (Pages 4-8) with the rankings for each sub-index and the overall ranking. Groups also need to fill in the rankings for the countries' HDI from the United Nations Human Development Reports Website.
    b. After a discussion, the groups need to answer the reflection questions for that portion.
7. Present the groups with the choices for another round of comparisons
    a. Autocratic Capitalism - United Arab Emirates, Saudi Arabia, or Qatar
    b. Autocratic Socialism - Cuba, North Korea, or Vietnam
    c. Democratic Capitalism - United Kingdom, Japan, or Germany
    d. Democratic Socialism - Norway, Denmark, or Finland
8. Once the group members have made their choices, they need to repeat the process in the tracking sheet (Pages 4-8)
9. After analyzing 6 countries, the group needs to answer the overall Reflection Questions (Pages 4-8)
10. Once complete, the group will need to share their response to the last question in a brief callout to the whole class.

Closer (5 Minutes)

1. Have students finish these three statements in a discussion or as a written response:
    a. "The most important idea today was..."
    b. "I disagreed with my group on..."
    c. "I was surprised that..."

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Tips & Tricks for the Activity

- Before revealing examples of countries, have students guess which countries fit the different types of political and economic systems.
- It might help to assign group roles to ensure everyone participates.
- Make sure to explain why the rankings are helpful and why they might be limiting.

Extension Activity Ideas

- Have groups choose one country and hypothesize how its metrics would shift if it adopted a different political-economic system. They should justify their answers using the trends they observed during their research.
- Students can write an essay explaining which countries they consider the most and least capitalist, based on GCI and HDI data.
- Ask the students: If you were going to create a new country right now, what type of political-economic system would you choose to run it? Why?

Modified Activity Ideas

- Do this activity together as a class, or turn it into a “I do - We do - You do” (the instructor demonstrating how to find the data for Singapore, the class finding the data for China together, and individuals finding the data for the US and Sweden on their own).
- It may be a good idea to have a pre-filled data sheet in some cells to help students that may struggle with raw data.

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Data Tracking Sheet

Name: _____

Block: _____

Sub-Indices of the Global Capitalism Index (GCI)

Input the RANK of the Countries into the chart from the Global Capitalism Index Website.

	Singapore	China	United States	Sweden
Property Rights				
Free Flow of Goods and Capital				
Market-Supporting Policy				
Capital Market Sophistication				
Banking System				
Market Competition				
New Business				
Labor Market Openness				
OVERALL				

Global Capitalism Index (GCI) and Human Development Index (HDI)

Input the RANK of the Countries into the chart from the Human Development Index from the United Nations website.

	Singapore	China	United States	Sweden
OVERALL GCI RANKING				
HDI RANKING				

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Student Analysis Sheet

Name: _____

Block: _____

Please answer each reflection question in 2-3 complete sentences.

Singapore, China, United States, and Sweden

1. Based on the data from the GCI, what is the most capitalist country in this sample? Is this a surprise to you? Why or why not?

2. Based on the data from the GCI, what is the least capitalist country in this sample? Is this a surprise to you? Why or why not?

3. Based on the data from the GCI and HDI, is there a relationship between capitalism and Human Development? Why or why not?

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Data Tracking Sheet

Name: _____

Block: _____

Sub-Indices of the Global Capitalism Index (GCI)

Write your selected country in the top row. Input the RANK of the Countries into the chart from the Global Capitalism Index Website.

	Autocratic Capitlaism: _____	Autocratic Socialism: _____	Democratic Capitalism: _____	Democratic Socilaism: _____
Property Rights				
Free Flow of Goods and Capital				
Market-Supporting Policy				
Capital Market Sophistication				
Banking System				
Market Competition				
New Business				
Labor Market Openness				
OVERALL				

Global Capitalism Index (GCI) and Human Development Index (HDI)

Input the RANK of the Countries into the chart from the Human Development Index from the United Nations website.

	Autocratic Capitlaism: _____	Autocratic Socialism: _____	Democratic Capitalism: _____	Democratic Socilaism: _____
OVERALL GCI RANKING				
HDI RANKING				

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Student Analysis Sheet

Name: _____

Block: _____

Please answer each reflection question in 2-3 complete sentences.

Your Selected Countries: _____, _____, _____, _____

1. Based on the data from the GCI, what is the most capitalist country in this sample? Is this a surprise to you? Why or why not?

2. Based on the data from the GCI, what is the least capitalist country in this sample? Is this a surprise to you? Why or why not?

3. Based on the data from the GCI and HDI, is there a relationship between capitalism and Human Development? Why or why not?

Gospel of Wealth Analysis

Student Analysis Sheet

Name: _____

Block: _____

Please answer each reflection question in 2-3 complete sentences.

Final Reflection Questions

1. Do you think that the level of capitalism (as measured by the GCI) is important to the level of development (as measured by the HDI)? Why?

2. Which sub-index of the GCI does your group believe is the most important when measuring the amount of capitalism and human development inside a country? Why?
   b. *Sub-Index Options: Property Rights, Free Flow of Goods and Capital, Market-Supporting Policy, Capital Market Sophistication, Banking System, Market Competition, New Business, or Labor Market Openness*

3. Based on your research of the countries, which would be your group's choice to live and work in? Why? Be prepared to share this response with the class!

This Lesson Plan was:

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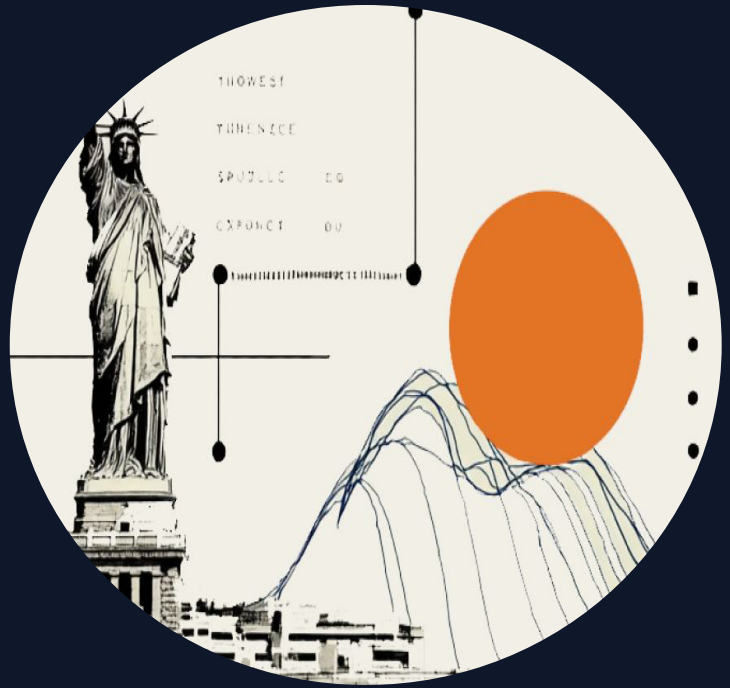
Discussion Topic:

What makes a country more democratic?

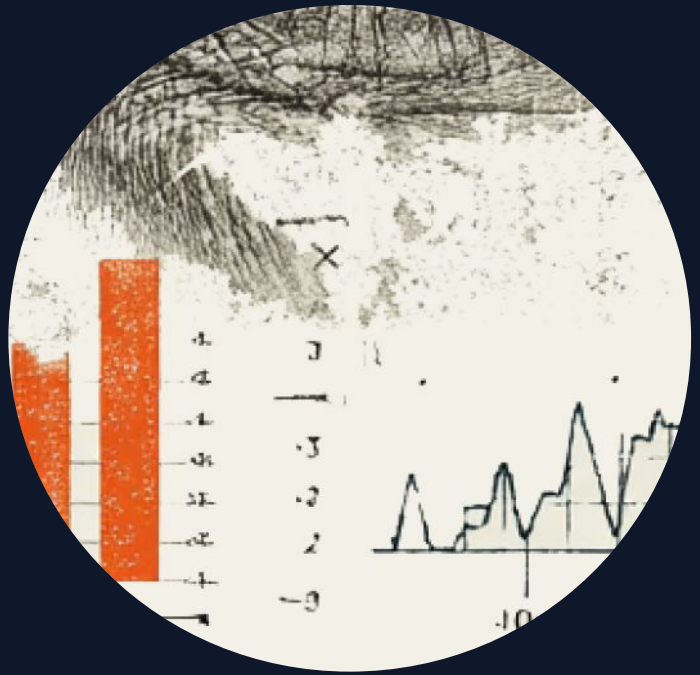


DemCap Classroom

www.demcapclassroom.org

Discussion Topic:

What makes a country more capitalistic?



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Political & Economic Systems Matrix

	Capitalism	Socialism (State-Owned)
Autocracy	**State-Guided Capitalism** Private ownership exists alongside centralized, autocratic government intervention. • State directs strategic economic sectors • Private enterprises with tight oversight • Limited political feedback loops	**Command Economy** The autocratic state maintains total control over production and resource distribution. • Absolute state-ownership of assets • Central planning dictates production • Strict exclusion of market pricing
Democracy	**Democratic Capitalism** Free market policies operate within a robust, representative democratic framework. • Strong protections for private property • Market forces dictate supply/demand • Elected governance and rule of law	**Democratic Socialism** Public or state-owned key industries managed under democratic administration. • Democratic planning of public goods • High levels of state welfare provision • Collective ownership of vital infrastructure

Political & Economic Systems Matrix

	Capitalism	Socialism (State-Owned)
Autocracy	**Singapore** State-Guided Capitalism 	**China** Command Economy (State Capitalism) 
Democracy	**United States** Democratic Capitalism 	**Sweden** Democratic Socialism (Nordic Model) 

Review of Terms and Concepts

Property Rights
Legal protection of private ownership, intellectual property, and contract enforcement.

Free Flow of Goods/Capital
Minimal tariffs, open trade routes, and unrestricted cross-border investment.

Market-Supporting Policy
Government regulations that incentivize private enterprise and protect commerce.

Capital Market Sophistication
Advanced financial systems, robust stock exchanges, and diverse funding options.

Banking System
Secure, accessible banking infrastructure offering reliable credit and savings security.

Market Competition
Prevents monopolies, ensures fair play, and keeps entry barriers low for new rivals.

New Business Creation
The ease, speed, and cost efficiency of legally starting and registering a firm.

Labor Market Openness
Flexibility in hiring, wage negotiations, and mobility of skilled workforce.

Human Development Index
A composite measure evaluating national levels of health, education, and standard of living.

New Choices

	Capitalism	Socialism (State-Owned)
Autocracy	 **United Arab Emirates** State-Guided Capitalism  **Saudi Arabia** Monarchic Capitalism  **Qatar** Resource-Led Capitalism	 **Cuba** State-Planned Socialism  **North Korea** Command Socialism  **Vietnam** Market-Oriented Socialism
Democracy	 **United Kingdom** Democratic Capitalism  **Japan** East Asian Capitalism  **Germany** Social Market Economy	 **Norway** Nordic Social Democracy  **Denmark** Nordic Model  **Finland** Welfare State Model

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Discussion Topic:

Based on your research of the countries, which would be your group's choice to live and work inside? Why?

