

## **LESSON 10: THE ROLE OF GOVERNMENT**

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***Focus Question: How much should government be involved in the economy?***

### **Objectives**

*Students will be able to:*

- List some of services performed by government in their local communities.
- Examine the roles played by different levels of government in our economy.
- Determine to what extent businesses are better off with a government that is more involved, as opposed to a government that is less involved in the economy.
- Analyze arguments supporting and opposing government playing a more active role in the economy.

### **Standards**

**NES:** 16, 17, 18, 20

**ELA:** 1, 2, 3

### **Time Frame/Notes to Teacher**

One day, double period

### **Materials/Instructions**

Textbook chapter on “Government and the Economy.”

### **Teaching Strategies**

#### **I. Government Services List:**

Distribute Worksheet 10A, “Government Services List.” Have students complete the exercise on the worksheet. As part of the whole-class introductory discussion to this lesson, have students explain their answers to the following:

- Which of your neighborhood services does government perform?
- Which services do you think should be performed by the private sector? Explain.
- What questions does this worksheet raise for our class discussion?

#### **II. Government Services Chart:**

Distribute Worksheet 10B, “Government Services Chart.” Have students complete the exercise on the worksheet, then have explain their answers to the following:

- What conclusions can you draw from looking at the chart about the role government plays in our economy?
- Which services do you think government should perform? Explain.
- Which services do you think the private sector could perform better? Explain.

#### **III. Business and Government**

Distribute Worksheet 10C, “Business and Government.” Have students complete the exercise on the worksheet. Then have them explain their answers to the following:

- What is this chart showing us? (Use your own words to explain.)
- What does this chart show us about the relationship between business and government?
- Do you think that Americans are better off if businesses are taxed as much as possible or as little as possible?

#### **IV. Points of View: The Role of Government**

Distribute Worksheet 10D, “Points of View: The Role of Government.” Have students complete the exercise on the worksheet, then have them explain their answers to the following:

- In your own words, summarize Speaker A’s arguments.
- What did Speaker A mean when he said, “Outside of its legitimate function, government does nothing as well or as economically as the private sector”? Do you agree?
- In your own words, summarize Speaker B’s arguments.
- What did Speaker B mean when he said, “We are all better off because of what government does”? Do you agree?
- Which speaker do you agree with more?

#### **Summary/Assessment**

- Identify two instances in which you have personally benefited from government regulations. Explain the benefits.
- To what extent do you think government should be involved in a free enterprise economy? Defend your answer.

#### **Homework**

- Read materials in preparation for Lesson 9.
- Assign questions for homework.
- Complete Worksheet 9A for next lesson.

**Worksheet 10A**

**Services Provided By Government**

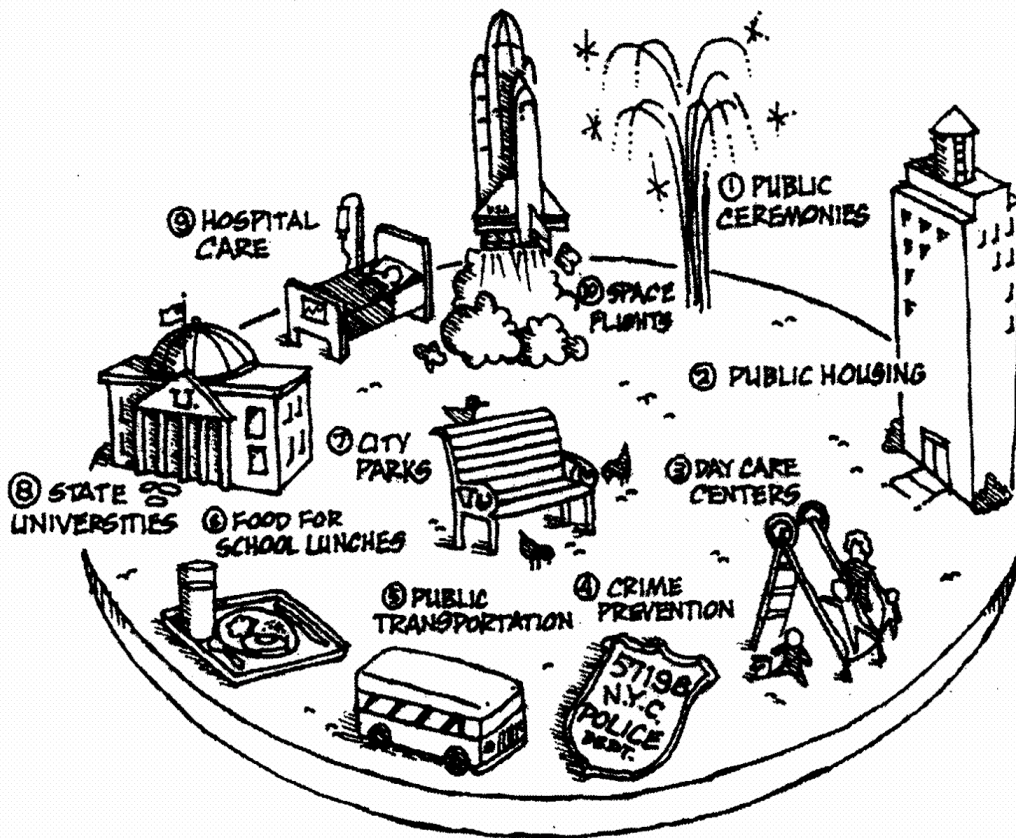
**Exercise:** Walk around your neighborhood. In Column 1 below, list as many services as you can find that are performed (paid for) by the local, state, or federal government. In Column 2, place a check in the box A or B below to indicate whether you believe that that service should be performed by government or by the private sector.

COLUMN 1	COLUMN 2	
Services performed (paid for) by government	This service should be performed by:	
	(A) government	(B) the private sector
1)		
2)		
3)		
4)		
5)		
6)		
7)		
8)		
9)		
10)		

Worksheet 10B

Government Services Chart

*Exercise: The chart below illustrates a number of the services that are performed by local, state, or federal government. Circle any picture representing a service that you think would be better performed by the private sector. Be prepared to explain your answers.*

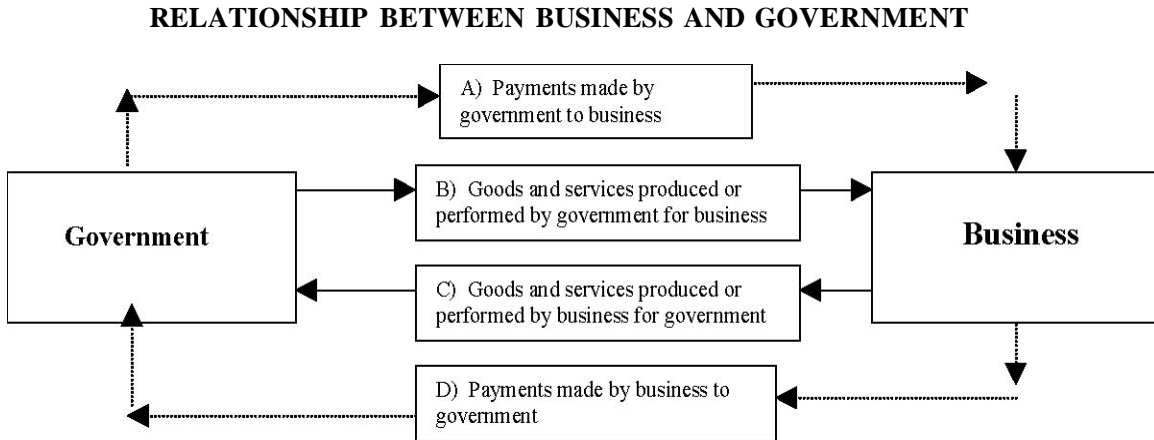


James Killoran, *Economics and You* (New York: Amsco, 1991), p. 164. Permission pending.

**Worksheet 10C**

**Business and Government**

Study the chart below and complete the exercise that follows:



**Exercise:** The boxes labeled A, B, C, and D above show four ways that business and government interact in our economy. One example of each of those four relationships appears below. Place the correct letter of the type of relationship in front of each of the examples. Each letter should appear only once.

- \_\_\_\_\_ 1. Local contracting firms are hired to construct government buildings, such as a new courthouse, or to build local roads and bridges.
- \_\_\_\_\_ 2. Businesses receive revenues from government to build weapons for the armed services.
- \_\_\_\_\_ 3. Businesses pay income taxes on their profits to the federal, state, and local governments.
- \_\_\_\_\_ 4. Governments provide public goods and services that facilitate business operations, such as fire and police protection, roads, and the legal system.

**Worksheet 10D**

**Points of View: The Role of Government**

**Exercise:** *Speakers A and B disagree over the proper role of government in our economy. Circle the sentence from each speaker's statement that contains the strongest argument supporting his or her point of view.*

SPEAKER A	SPEAKER B
<p>THE FOUNDING FATHERS knew a government could not control the economy without controlling people. And they knew when a government sets out to do that, it must use force to achieve its purpose. So we have come to a time for choosing. Public servants say, always with the best of intentions, "What greater service we could render if only we had a little more money and a little more power." But the truth is that outside of its legitimate function, government does nothing as well or as economically as the private sector.</p> <p>We who live in free market societies believe that growth, prosperity, and, ultimately, human fulfillment, are created from the bottom up, not the government down. Only when the human spirit is allowed to invent and create, only when individuals are given a personal stake in deciding economic policies and benefiting from their success—only then can societies remain economically alive, dynamic, progressive, and free. <i>Trust the people.</i> This is the one certain lesson of the entire postwar period contradicting the notion that rigid government controls are essential to economic development.</p>	<p>THE FACT OF THE MATTER is that the government should play an important role in the economy. We are all better off because of what government does. In the first place, government sets the ground rules for how business should operate. Without these there would be chaos, not a free market. For example, the government enforces contracts and issues licenses for certain businesses to operate. Secondly, the government supports business by providing vital public goods and services, like road building and sanitation that business could not do without. By making a public education available to all children, the government imparts crucial knowledge and skills that all workers need on their jobs. Moreover, government helps fuel the economy and keeps companies profitable, because it is a major purchaser of goods and services from private industry.</p> <p>Some businesspeople complain that they are overtaxed. The fact of the matter is government often offers special tax incentives and abatements [reductions] to assure a business's profitability. The taxes businesses do pay often go directly to services that benefit them—like the police.</p>