

LESSON 9: THE ROLE OF GOVERNMENT

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

Materials

Text, pp. 422-449.

Teaching Strategies

Introduction:

- Distribute Worksheet 9A, “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 services does government in your neighborhood perform?
 - Which services do you think should be performed by the private sector? Explain.
 - What questions does this worksheet raise for our class discussion?

Body of lesson:

- Distribute Worksheet 9B, “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 service do you think the private sector could perform better? Explain.
- Distribute Worksheet 9C, “Business and Government.” Have students complete the exercise on the worksheet. Then have them explain their answers to the following:
 - In your own words, what is this chart showing us?
 - 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?
- Distribute Worksheet 9D, “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?
 - With which speaker do you agree with more?

Summary/Assessment:

Invite a panel including a local City Council member, New York State legislator, Congressperson, and business owner to class. Have the panel address the following question: “Does our government today play too much of a role, not enough of a role, or just the right role in our economy?”

Worksheet 9A

Services Provided By Government

***Exercise:** Walk around your neighborhood. In Column A below, list as many services as you can find that are performed by (paid for) by either the local, state, or federal government. In Column B, 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.*

Services Performed by (Paid for) Government	This service should be performed by:	
	government	the private sector
1)		
2)		
3)		
4)		
5)		
6)		
7)		
8)		
9)		
10)		

Worksheet 9B

Government Services Chart

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

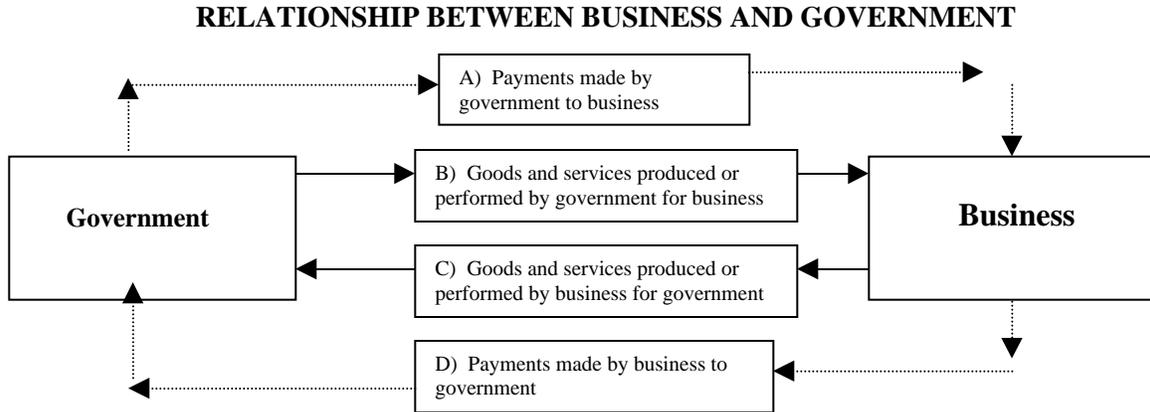
[graphic to go here]

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

Worksheet 9C

Business and Government

Study the chart below and complete the exercise that follows:



Exercise: The boxes labeled A, B, C, and D above shows 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 9D

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.</p> <p>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 performing 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>