THE ROLE OF THE GOVERNMENT

MAIN IDEA: The economic role of the US Government is decided by its citizens.

**What economic roles do you think federal, state, and**

**local governments play in your life?**

The role of government – whether national, state, or local- stems from the desires, goals, and aspirations of its citizens. Government has become involved in the economy because the citizens want it that way. Consequently, government has become the protector, provider, regulator, and consumer. In general, the role of government in the economy is justified whenever the benefits outweigh the costs.

**PROTECTOR**

As protector, the US government enforces laws such as those against false and misleading advertising, unsafe food and drugs, environmental hazards, and unsafe automobiles. It also enforces laws against abuses of individual freedoms. For example, the US Constitution protects the private property rights of American Citizens.

**PROVIDER**

All levels of government provide goods and services for citizens. The national government supplies a system of justice and national defense. It provides subsidies to parts of the economy, such as agriculture. In addition, it gives funding to state and local governments for some programs such as road construction. State governments provide education, high ways, and public welfare. Local governments provide parks, libraries, sanitation, and bus services.

**REGULATOR**

In its role as regulator, the national government is charged with preserving competition in the marketplace. It also oversees communications, interstate commerce, and even entire industries, such as banking and nuclear power. Many state governments oversee insurance rates while local governments regulate economic activity with building and zoning permits.

The regulatory role of government is controversial. Most businesses do not like to be told how to run their affairs. Consumers, however, do not always know when they are at risk from hazards such as potential poisoning from unsafe food preparation or false and misleading advertising from some companies. As a result, they want the government to monitor and regulate such activities.

**CONSUMER**

The tasks of protecting, providing, and regulating are expensive. All levels of government, like any business, consume scarce resources to fulfill their role. The Government collects and spends money required to accomplish these tasks.

1. In what situations do you think the cost of government actions outweigh the benefits?
2. Search for 3 examples of advertising that could be misleading. Explain why each advertisement was misleading and whether or not anything was done by the government to correct the ad.
3. Visit 3 government websites: city, state, and federal. Search the careers/jobs/employment section. Find 3 job examples that fall under each of the 4 roles of government.