# Economics Unit 3 – The Role of Government

### Aim:

To know the aims of government.

### Activities:

List things that you think the government may aim to achieve.

Ideas:

Correct the weaknesses of the free market

Encourage economic growth (GDP)

<https://www.bbc.co.uk/programmes/b0bd6jj7>

To maximize happiness? We will come back to that later.

### Aim:

To know how the government achieves these aims

### Activities:

List ways in which you think the government may aim to achieve these aims.

Reduce Inequality

Tax and Benefits:

<https://www.nytimes.com/interactive/2017/08/07/opinion/leonhardt-income-inequality.html>

<http://freakonomics.com/podcast/earth-2-0-income-inequality/>

Progressive vs Regressive tax.

Calculation of tax bill using different systems, UK vs. Switzerland vs. France.

Internalise Externalities

Tax: eg. cigarettes, alcohol

Subsidies: eg. Electric cars, solar heating, health care

Laws: eg. Drugs, light bulbs

Control inflation

Interest rates:

Basic information: <https://www.youtube.com/watch?v=lBYt8Axmt8I>

A coffin full of car keys: <https://www.bbc.co.uk/programmes/b0bg9zvb>

Prevent Monopoly

Regulation

Government Provision

### Aim:

To consider how much the government should intervene.

To know about which countries generally intervene more / less than others.

### Activities:

<http://freakonomics.com/podcast/earth-2-0-economics-edition-part-1/>

<http://cphpost.dk/news/living-the-perfect-american-dream-in-denmark.html>

High Personal Freedom

Ghandi

High Economic

Freedom

Low Economic

Freedom

Trump

Obama

Thatcher

Stalin

Hitler

Low Personal Freedom

Design your own government.

What areas will your government do itself?

What regulations will you put in place?

What tax rates will you set, and how will this contribute to benefits?

Possibly interesting extension:

Should the government be aiming to maximize happiness?

<http://freakonomics.com/podcast/happiness/>

The economics of parenting:

<http://freakonomics.com/podcast/new-freakonomics-radio-podcast-the-economists-guide-to-parenting/>

Is Kim Jun Un rich, and where does he get his money from?

How does the (US) voting system work?

Confederate vs. Conservative?