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SUBJECT:	GRADE:			DATE:	WEEK:	CAPS SECTION:																																				
EMS	7	☒ 8	9	Term 1: Lesson 1	Term 1: Lesson 2 - 4	The Economy																																				
AIMS OF LESSON:	<u>Learners must be able to understand:</u> 1. The meaning of government 2. The different levels of government 3. The roles of the different levels of government in respect of households in the use of resources and services (both as consumer and producer) 4. The roles of the different levels of government in respect of businesses in the use of resources and services (both as consumer and producer)																																									
RESOURCES	<u>PAPER BASED RESOURCES:</u> • Textbooks				<u>DIGITAL RESOURCES:</u>																																					
INTRODUCTION	Prior content knowledge: Grade 7 content about the Economy Link with the next lesson: National Budget By the end of the lesson learners will be able to: • Understand the meaning of government, different levels and the roles of the different levels of government in respect of households and businesses																																									
TERMINOLOGY	Any terms that appear in the topic that do not form part of the learner's normal vocabulary. <table><tr><td>Democratic</td><td>Services</td><td>Portfolio</td><td>Public goods and services</td></tr><tr><td>Elect</td><td>Economic development</td><td>Premier</td><td>Subsidies</td></tr><tr><td>Dictator</td><td>Infrastructure</td><td>Sanitation</td><td>Grands</td></tr><tr><td>Government</td><td>General election</td><td>Metros</td><td>Excise tax</td></tr><tr><td>Parliament</td><td>Legislative</td><td>Public servants</td><td>Civil servants</td></tr><tr><td>Members of parliament</td><td>Executive</td><td>Budget</td><td>Public corporations</td></tr><tr><td>Debate</td><td>Judicial</td><td>Income tax</td><td>ESKOM</td></tr><tr><td>Taxes</td><td>Municipality</td><td>Value-added tax</td><td>Public goods and services</td></tr><tr><td>Natural resources</td><td>Private sector</td><td>Company tax</td><td>Subsidies</td></tr></table>						Democratic	Services	Portfolio	Public goods and services	Elect	Economic development	Premier	Subsidies	Dictator	Infrastructure	Sanitation	Grands	Government	General election	Metros	Excise tax	Parliament	Legislative	Public servants	Civil servants	Members of parliament	Executive	Budget	Public corporations	Debate	Judicial	Income tax	ESKOM	Taxes	Municipality	Value-added tax	Public goods and services	Natural resources	Private sector	Company tax	Subsidies
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**CONTENT:
CONCEPTS
and/or
SKILLS**

Introduction

The meaning of government:

The government is responsible for making the laws of a country and it protects the people. In a mixed economy, households, businesses, and government produce goods and provide services. Each one that participates is also a consumer of goods and services. The government must produce goods and provide essential goods and services, even if these are not profitable.

A country's government is responsible for making sure that order is kept and there is enough money for infrastructure and services such as roads, hospitals, schools, policing and electricity. The government are the people that govern – or rule – a country or state. So, the government is made up of a group of people who set policies and make laws to control how a country works. In democracies such as South Africa, the citizens of a country vote in National Elections for the government they want.

Governments administer the State. This means that they use taxes to make sure that:

- The state runs efficiently.
- Citizens obey the State's laws.
- Citizens get the services and infrastructure that they need to help the economy to grow.



Differences between State and Government :

No	State	Government
1	State consists of population, territory, government and sovereignty.	Government is part of the state
2	State possesses original powers.	Powers of the government are derived from the state
3	State is permanent and continues forever.	Government is temporary It may come and go.
4	State is abstract and invisible.	Government is concrete and is visible.

Democracy:

A system in government where all the people of the country can vote for who they want to be in Parliament.

The State:

An organised community runs by the government.

The different levels of government

National government

Provincial government

Local government

**National government**

This level is responsible for the overall running of the country and deals with national issues such as safety and security, foreign affairs, and international trade. The national government is also known as the central government. The branches of the National Government are the following:

Legislative

Describes a body that has the power to make laws.

Executive

Describes a body that has the power to execute or carry out laws.

Judicial

Describes a body that has the power to make sure justice is served.



The National Government has three branches:

The legislative branch:

It makes the laws of the country and consists of the South African Parliament.

The executive branch:

It leads the country and consists of the President, Deputy President and ministers.

The judicial branch:

It ensures that justice is served if people break the laws that Parliament makes. It consists of the Constitutional court, the Supreme court, the high court and the magistrate's Courts.

Provincial government

- To make the job of the National Government easy, each of the nine provinces has a government. The Department of the Provincial (which resides at the national level) is responsible for national co-ordination of provinces. In every province, the provincial Departments of Local Government monitors and supports municipalities.

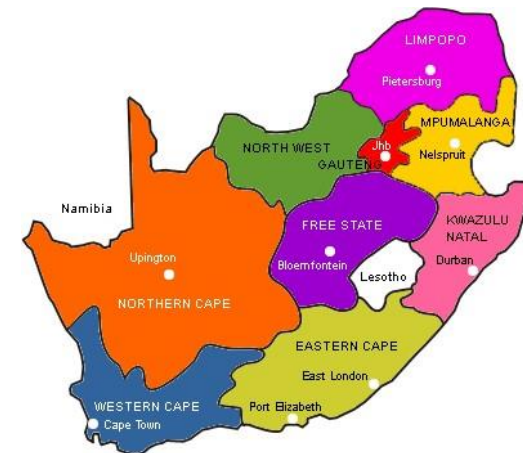
This level deals with economic issues that are specific to a given region or province. There are nine provincial governments and each province has its plan for developing the economy of the province and improving services including housing, health services and education.

Local government

In every community, when the water must be maintained or electricity must be paid, we find that individuals cannot do that on their own but have the government providing these services in the community known as local government or municipalities.

Municipality

A district, town, or city with a local government.



Each province is divided into municipalities to make the job of governing the province easier. South Africa has 283 municipalities.

The objectives of municipalities are, among other things, to:

- Provide a democratic and accountable government for local communities.
- Ensure that services (water, electricity and housing) are provided to communities.
- Promote social and economic development.

Roles of the different levels of government in households' use of resources and services.

For a country to work properly, people need to be able to access resources and services. These people can be households or businesses.

Government is a consumer as it purchases labour, goods and pays for services by members of households. It also produces electricity, builds hospitals, police stations and courts for households.

Households provide labour and capital for the government and they consume electricity and water and use the infrastructure, such as roads.

Money moves through the economy when households sell their labour to businesses and businesses pay money to households in the form of salaries and wages.

Households and businesses are producers and consumers.

HOUSEHOLDS:

Households are **producers** because they "sell" their labour as a product to businesses. Households are **consumers** because they buy the products that businesses produce.

BUSINESSES:

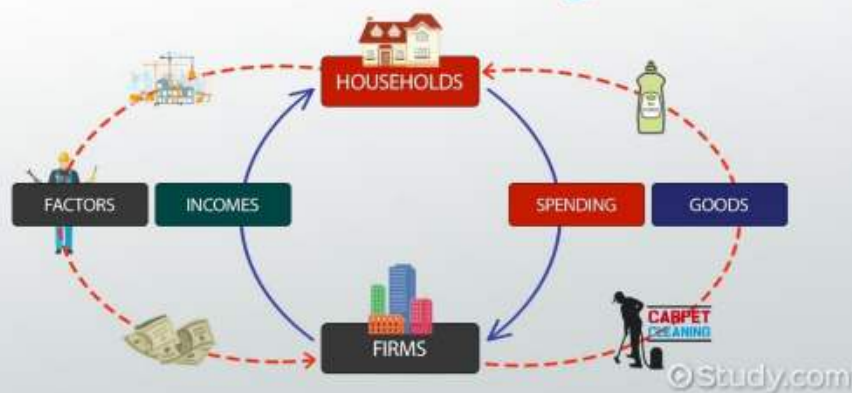
Businesses are **producers** because they make or produce goods or services to sell.

Businesses are **consumers** because they buy or use households' labour to make their products or services.

The national, provincial and local governments also employ people from households, just like businesses do. The government is a consumer of households' labour, just like businesses. These governments also provide resources and services to households that households can buy. Households also pay taxes to the national government, so that they can run the provinces and municipalities and provide services that households can use.

LESSON SUMMARY

Circular Flow Diagram



Roles of the different levels of government in business's use of resources and services

There are several ways in which the government interacts with businesses in the economy. The term "business" is used to refer to the manufacturers and producers of goods and services in the economy. Businesses are also called firms.

The government can be both a producer and a consumer concerning its relationship with business

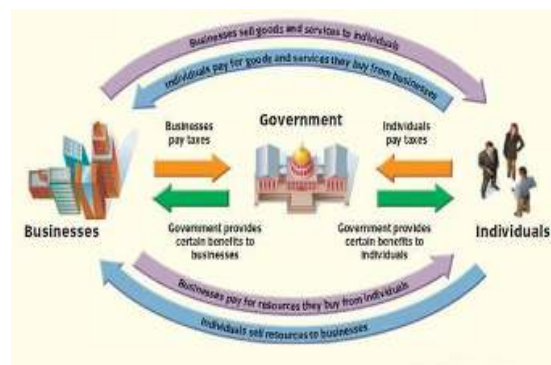
- Businesses sell services and products to the government. **For example, if the national government needs uniforms for the soldiers in the army, it buys these uniforms from a business that makes military uniforms.**
- Businesses also pay for services that are provided by the government on all levels. **For example, every vehicle needs to have a licence that is paid to the government for the use of the roads and the services of the traffic departments.**

The government uses many of the same resources as it does for households. Industries require large quantities of natural resources like water and coal for electricity. It also needs human-built resources like good road transport networks, railways and harbours.

Businesses employ members of households and pay for their labour. In this way, they give households the means to pay taxes to the national government.

Businesses also pay taxes to the national government.

Businesses use or consume the services that the provincial and local government provides, such as electricity and water.



**CONSOLIDATION
ACTIVITIES AND
MEMORANDUM**

Questions and Solutions:

1. Define "government". (2)
 - Group of people who govern and control a country.
2. How is the government elected? (2)
 - Through a democratic voting process.
3. Who is the current president of South Africa? (1)
 - Mr Cyril Ramaphosa.
4. Where is the seat of the government and the office of the president? (1)
 - Union building (Pretoria)
5. Briefly discuss one function of the government. (2)
 - Create and apply laws.
 - Protect citizens against threats and attacks by other countries.
 - Provide the goods and services that are needed, not produced domestically or which are not produced enough.

(Any 1x2) (2)
6. Briefly discuss three objectives of the government. (3x2) (6)
 - Promoting economic growth
 - Fair and equitable distribution of resources
 - Maintaining stability about price changes
 - Reducing unemployment
 - Ensure that the exchange rate does not quickly or dramatically change

(Any 3x2) (6)



	7. Name the three levels of the government. (3x1) (3) - National or central government - Provincial government - Local government (3x1) (3)
	8. Name the three branches of the National Assembly. (3x1) (3) - Legislative branch - Executive branch - Judicial branch
	9. Discuss two functions of the national government. (2x2) (4) - Responsible for the overall management of the country - Handle national issues such as safety and security, foreign affairs and international trade (2x2) (4)
	10. Discuss two functions of the local government. (2x2) (4) - Manage local issues in towns or municipal areas - Functions: local issues, electricity supply, municipal roads, libraries, traffic management, garbage collection, etc. (2x2) (4)
	11. Discuss two functions of the provincial government. (2x2) (4) - Handle economic issues of a region or province - SA = 9 provincial governments, with their plans for: - - Development of the regional economy - Improving service delivery, such as housing, health services and education (Any 2x2) (4)

12. Briefly discuss the interaction between government and households. (3x2) (6)

- Government buys factors of production from households.
- Government supplies resources and services to households.
- Government raises taxes which must be paid by households.

(3x2) (6)

13. Briefly discuss the interaction between government and businesses. (3x2) (6)

- Government supplies resources and services to businesses
- Government creates an orderly and legal business environment
- Government lend support and advise businesses
- Businesses pay tax to the government

(Any 3x2) (6)

