

What should the role of government be in an economy? The answer to this question will vary based on the type of economic system that is present in a country or based on the particular person that is answering the question. I want to share two particular answers from Adam Smith (a 18th century economist that is considered to be the Father of Modern Economics and a proponent of the market system) and from Karl Marx (a 19th century economist who was a proponent of the command system. Their answers are presented in their own words.

According to Smith (1776), "[T]he sovereign has only three duties to attend to; three duties of great importance, indeed, but plain and intelligible to common understandings: first, the duty of **protecting the society from violence and invasion of other independent societies**; secondly, the duty of protecting, as far as possible, every member of the society from the injustice or oppression of every other member of it, or the duty of **establishing an exact administration of justice**; and, thirdly, the duty of **erecting and maintaining certain public works** and certain public institutions which it can never be for the interest of any individual, or small number of individuals, to erect and maintain; because the profit could never repay the expense to any individual or small number of individuals, though it may frequently do much more than repay it to a great society."

According to Marx (1848), "In most advanced countries, the following will be pretty generally applicable:

1. Abolition of property in land and application of all rents of land to public purposes.
2. A heavy progressive or graduated income tax.
3. Abolition of all rights of inheritance.
4. Confiscation of the property of all emigrants and rebels.
5. Centralization of credit in the hands of the state, by means of a national bank with State capital and an exclusive monopoly.
6. Centralization of the means of communication and transport in the hands of the State.
7. Extension of factories and instruments of production owned by the State; the bringing into cultivation of waste-lands, and the improvement of the soil generally in accordance with a common plan.
8. Equal liability of all to work. Establishment of industrial armies, especially for agriculture.
9. Combination of agriculture with manufacturing industries; gradual abolition of all the distinction between town and country by a more equable distribution of the populace over the country.
10. Free education for all children in public schools. Abolition of children's factory labor in its present form. Combination of education with industrial production, etc."

References

Marx, K., & Engels, F. (1848). *Manifesto of the Communist Party*.

Smith, Adam (1776). *An Inquiry into the Nature and Causes of the Wealth of Nations*.