

Governments and Business – Teacher Version

Vocabulary Notes

Golden Share – highlight U.S. Steel example.

Nationalization – Intel stake is partial nationalization.

SOEs – compare Indonesia (direct ownership) vs Japan (guided capitalism).

Idioms for Teaching:

Hot Potato – emphasize sensitivity.

Lightning Rod – attracts criticism.

Powder Keg – dangerous if triggered.

Third Rail – politically untouchable.

Flashpoint – sparks of conflict.

Political Football – passed around for advantage.

Game Changer – something that changes the rules.

Reading Exercise Notes

Highlight contrast:

- U.S.: historically free-market, now partial owner in Intel, Fannie/Freddie, bailouts.
- Indonesia: SOE-heavy system.
- Japan: private-driven but guided by government.

Emphasize that this blurs the line between 'capitalist' and 'state-controlled'.

Comprehension Questions

1. What was the U.S. stance in the 19th century?
2. How does Indonesia manage key industries?
3. How did Japan help private companies grow?
4. Name two companies the U.S. government owns stock in today.

Fill-in-the-Blanks Answer Key

1. Communism
2. State-Owned Enterprise (SOE)
3. Monopoly
4. Constitution
5. Nationalization
6. Golden Share

Discussion Guidance

Compare U.S. selective ownership (Intel, bailouts) with Indonesia broad SOEs and Japan guided capitalism.

Encourage debate: Does government ownership make economies safer or weaker?

Homework Notes

Accept answers about local SOEs.

- Indonesia: Pertamina, PLN, Garuda Indonesia.
- Japan: Japan Post, JR railways.

Evaluate reasoning clarity.

Case Study: U.S. Steel (Teacher Notes)

Background: Nippon Steel sought to acquire U.S. Steel. To protect national security, the U.S. secured a golden share in 2025.

Teaching Points:

- Golden share = control rights, not equity.
- Compare Intel (equity ownership) vs U.S. Steel (control).
- Emphasize blend of capitalism and state power.

Discussion Guidance:

- Stress importance of national security.
- Ask if foreign ownership of critical industries should be restricted.
- Highlight global parallels: Indonesia uses SOEs; Japan guides industry; U.S. is shifting toward selective control.

Sidebar: Why Intel Matters (Teacher Notes)

Background: The U.S. purchased a 9.9% stake in Intel (\$8.9B), plus warrants for 5% more. This is historic: America rarely owns shares in private tech companies.

Teaching Points:

- Intel produces semiconductors, critical for AI, defense, and communications.
- Unlike bailouts (GM, AIG), this is strategic, not temporary.
- Signals shift toward selective state capitalism.

Discussion Guidance:

- Compare Intel stake (equity) vs U.S. Steel (golden share).
- Stress national security vs free-market ideals.
- Introduce idioms: 'hot potato,' 'lightning rod,' 'political football.' Ask students which metaphor best describes the Intel stake and why.
- Encourage critical thinking: language shapes how we see economic policy.