

10. Over the last decade motor traffic _____ by 49 per cent overall.
a) increased b) has increased c) has been increasing

SKILLS FOCUS

Reading

1. Read the text *Education as a public good*, choose the best sentence from the list below to fill in each of the gaps.

Education as a public good

It is often argued that education is a *public good*, and (1) _____. Economists define a public good as satisfying up to three conditions: (1) indivisibility, (2) nonrivalry, and (3) nonexcludability. Indivisibility can be illustrated by the example of a bridge over a river, which can be used by anyone without extra costs being incurred. Nonrivalry is virtually the same, except (2) _____ that are not reduced, rather than the amount of the good. For example, the good of hiking in the Grand Canyon could be, to a large extent, indivisible, in that many millions of people could do it without thereby hindering others also doing it. However, the greater the number of people who hike, the lower the enjoyment of those who wish to be in an empty wilderness – in (3) _____. Finally, nonexcludability pertains when it is not feasible to exclude any individual members of the group from consuming the good. The classic economic example is of a lighthouse.

It would seem (4) _____. It is clearly not nonexcludable, for a particular child can be excluded from a classroom or any other educational opportunity. The situation is similar for nonrivalry and indivisibility, for it is the case that if some children have the attention of an excellent teacher, then that teacher has less time for others, who therefore can obtain less benefit from the teacher. Indeed, it seems likely (5) _____ that reformers wanted government to intervene in education – to alleviate this inequality of access.

However, if it is not a public good in this sense, education does seem likely to have neighborhood effects, or externalities – defined by economists as (6) _____. That is, there are likely to be benefits to the community or society at large (if there are educational opportunities available) in terms of equality of opportunity, social cohesion, democratic benefits, law and order, eco-

conomic growth, and so on. Crucially, these externalities are likely to exhibit a large degree of nonexclusion (it is costly to exclude people from these benefits or costs) and there are usually considerations relating to nonrivalry or indivisibility (the external benefits or costs are likely to be available to all with near zero marginal costs). For example, a society lacking in equality of opportunity could be a dissatisfied, lawless society. One could exclude oneself from the problems of such a society, but only at the expense of burglar alarms, bodyguards, high fences, or by restricting one's movements. It is in this sense (7) _____; and it is in this sense that it could legitimately be argued (8) _____.

From these considerations, the discussion would need to focus on the perceived effectiveness, efficiency, and equity of public education, and the presence, or lack, of private initiatives. These concerns bring us squarely back to the major reasons adduced earlier for questioning the role of government in education.

<http://www.answers.com/topic/the-changing-role-of-government-and-education#ixzz2FdAj006K>

A which case the good is not nonrival

B that it was precisely because of this nonrivalry or indivisibility

C that this implies a particular role for government

D that education satisfies none of these conditions

E when an activity undertaken by one party directly effects another party's utility

F that education needs government intervention to ensure its provision and obtain these externalities

G that it is the benefits available to every member of the public

H that education could be referred to as a public good

2. Read more about government involvement into American economy in Reading file: Unit 7.

Speaking

A

Should governments encourage their citizens to marry?

This activity is based on the materials taken from *<http://www.economist.com/>*. The site presents the debate between the two economists: Ron Huskins and Stephanie Coontz. They