

ECONOMIC BRIEF NO. 13

A Kind Word For Government

This series of economic briefs explores fundamental concepts in economics and community and economic development.

Why are citizens always frustrated with the government? Why can't government be run more efficiently, like a business?

Picking on government is probably the number one spectator sport in America, even surpassing football. Some of the complaints are deserved. Governments are bureaucratic, inept, and sometimes corrupt.

But government also has a tough assignment. Even a gov-

ernment of saints would produce less satisfactory outcomes than citizens get from their local retailer or manufacturers of their toaster ovens. Let's consider two sources of frustration with government.

After dinner, Alice, Mary and John head down to their city council, which is voting on a neighborhood park. Alice wants a softball diamond and basketball court for her teenagers. John wants slides, swings, and a duck pond for his little kids. Mary has no kids, lives near the park, and does not want to spend her tax dollars on something she won't use and that will just

cause noise and litter in her neighborhood.

City council, in its great wisdom, puts buffer trees by the side of the park and cuts the duck pond to provide for the basketball court, but there's not enough space or money for softball. The art of compromise makes three citizens unhappy. The fact that government means "one size fits all" for both service and price inevitably creates dissatisfaction because nobody gets exactly what he or she wants.

A second reason for frustration with the public sector comes from the fact that most of the goods and services that governments produce are production activities that the private sector is unable or unwilling to undertake.

If there's a profit, if it's possible to identify potential customers and give each what he or she wants in exchange for a price, the private sector jumps in. Governments produce things that everyone consumes whether they want to or not and pays for whether they want the service or not. If there are beneficiaries who can consume without paying, if the good or service is a basic necessity to which the poor may not otherwise have access, if production for one is production for all, if your consumption impacts on my welfare, the government gets the job.

Yes, government is often inefficient and sometimes unresponsive and corrupt. There is always room for improvement. But if government did not exist, we would have to invent it to provide basic services that will not be forthcoming from the private sector.

. . . if government did not exist, we would have to invent it to provide basic services that will not be forthcoming from the private sector.

Alice, Mary, and John—three citizens of Anytown—drop in at their local fast food place for dinner. Alice gets a roast beef sandwich with a little barbecue sauce. Mary is on a diet; she orders a salad. John has a double cheeseburger with all the trimmings, even the

pickles. They can all pay separately and all eat together, enjoying each other's company while satisfying their different tastes. This is the private sector at its best.

This newsletter is printed quarterly by the Community & Economic Development Program at Clemson University, a program of the Strom Thurmond Institute, Cooperative Extension Service, S.C. Agricultural Experiment Station, College of Commerce and Industry, and Office of Public Affairs.

*Holley Ulbrich,
Program Coordinator
Ada Lou Steirer,
Research Associate*

Feel free to reprint information in the newsletter; however, please cite the newsletter as the source.