

Public Goods

You can check an economics textbook for the official description of what a “public good” is. I am trying to explain it, here, for non-technical people. So, it’s a good or service that an enlightened government provides for its people because making it doesn’t generate a profit. If it doesn’t generate a profit, the private sector (business people) won’t make it if it’s a good, and won’t provide it, if it’s a service. An example often used is “National Defense.” The government buys equipment (weaponry and supplies) from the private sector, and trains the armed forces. But the countries against which our weapons and forces are used do not “buy” our product. If our weapon is lost, it is gone. If it is not lost, we can use it again but even so, no-one buys it from our government. That is, National Defense – protecting our people - is not a profit-making enterprise, and so the government does it. We pay taxes so that government has the money to do so. (The private sector may profit from making supplies that the government uses in defense, but making weapons is different from protecting the people.) Similarly, prevention of illness by healthy living is not a profit-making enterprise - one does not usually pay a business for what does not occur - although CURE of an illness, once developed – such as cancer or drug addiction – or vaccination against a pathogen can generate income.

