# Article information:

Government economic policy - Cost-benefit analysis | Britannica
<https://www.britannica.com/topic/government-economic-policy/Cost-benefit-analysis>

# Article summary:

1. Government economic policy is reflected in the national budget and involves three main methods of control: allocative, stabilization, and distributive functions.

2. The allocative function determines how government revenue will be spent, but there are constant debates about the proper allocation of resources due to differing opinions on public sector involvement in the economy.

3. Economists have developed theories on public goods and merit goods to assist governments in deciding which goods should be provided through collective action and which should receive government resources due to their societal benefits.

# Article rating:

May be slightly imbalanced: The article presents the information in a generally reliable way, but there are minor points of consideration that could be explored further or claims that are not fully backed by appropriate evidence. Some perspectives may also be omitted, and you are encouraged to use the research topics section to explore the topic further.

# Article analysis:

The article provides a comprehensive overview of government economic policy and its three principal methods of control: the allocative function, the stabilization function, and the distributive function. However, there are some potential biases in the article that need to be addressed.

Firstly, the article seems to suggest that government finance was primarily concerned with the allocative function in the 19th century. While this may be true for some countries, it is not necessarily true for all. For example, in many developing countries during this period, government finance was focused on maintaining law and order and providing basic services such as education and healthcare.

Secondly, the article suggests that economists have tried to provide objective criteria for public expenditures through the theory of public goods. While this may be true to some extent, it ignores the fact that there are often political considerations involved in deciding which goods should be provided by the government. For example, defense spending is often influenced by geopolitical considerations rather than purely economic ones.

Thirdly, while the article acknowledges that different households may have different preferences for public goods and services, it does not explore how these preferences can be reconciled. This is an important consideration when deciding how much to provide and who should pay for it.

Finally, while the article discusses merit goods and their importance in government policy-making, it does not explore how these goods can be effectively targeted at those who need them most. This is an important consideration when allocating scarce resources.

Overall, while the article provides a useful overview of government economic policy and its various functions, there are some potential biases that need to be addressed in order to provide a more balanced perspective.

# Topics for further research:

* Political considerations in government spending decisions
* Role of government finance in developing countries
* Reconciling different preferences for public goods and services
* Targeting merit goods to those in need
* Geopolitical influences on defense spending
* Effective allocation of scarce resources in government policy-making

# Report location:

<https://www.fullpicture.app/item/4295317f0b31e03e0af08506c1d6e276>