

STRAND 2: RESOURCES ALLOCATION VIA THE PUBLIC SECTOR

Sub – Strand 1: - The Government:

A: Functions of Government:

At the end of this part, students should be able to answer the following learning outcomes.

<i>a) Functions of the Government.</i>		
1. Government.	i. Define Government.	1
	ii. Define Economic Functions of Government.	1
	iii. State the Economic Functions of the Government.	1
	iv. Give Examples of the Economic Functions of the Government	2
	v. Describe each of the economic function of government	2
	vi. Explain giving Local Examples how government implements its Economic Functions.	3
	vii. Define Non-Economic Functions of the Government	1
	viii. State the Non – Economic Functions of the Government.	1
	ix. Give Examples of the Non - Economic Functions of Government	2
	x. Describe each of the Non – Economic Functions of the Government	2
	xi. Explain giving Local Examples how Government implements its Non - Economic Functions.	3
	xii. Explain the significance of the Government in the economy.	3
2. Government Interventions.	i. Define Government Interventions.	1
	ii. Give Examples of Government Interventions.	2
	iii. Explain how Government intervenes in the operation of the Markets.	3
	iv. Discuss the effect of the Government Intervention.	4

WHAT IS GOVERNMENT?

Refer to group of people with the authority to govern a country/state or simply refer to ruling body of a country.

ECONOMIC FUNCTIONS OF GOVERNMENT:

Refer to functions of government to achieve economic aims of:

1. Maintaining Legal and Social Framework

Government provides the legal framework and the services needed for a Market Economy to operate efficiently. This legal framework sets the legal status of business enterprises, ensures the rights of private ownership, and allows the making and enforcement of contracts. Government also established the legal -rules of game that control relationships among businesses, resources, suppliers and consumers. Discrete units of Government referee seek out foul play and impose penalties.

Example: Create laws and provide courts, provide information and services to help economy function better, establish a monetary system, define and enforce property rights.

2. Maintaining Competition

Competition is the basic regulatory mechanism in the Market system. It is the force that subjects producers and resources suppliers to the dictate of consumer sovereignty. The government makes sure that businesses can compete in order to provide quality product at cheaper prices for consumers.

Example: Create and enforce antitrust laws; regulate natural monopolies.

3. Providing Public Goods and Services

Provide goods and services that are not provided by the business. These are called Public goods and services such as road and street light. The government provided these for people to use as business are not willing to provide them as they are not profitable.

Example: national defence, street light, road, wharf

4. Redistributing Income

The market system is impersonal and may distribute income more inequitably than society's desire. Some are richer and some are poorer. So the government redistribute society's income through providing transfer payments, market intervention and taxation. This redistribution of incomes comes in both benefits and costs. Such benefits include fairness and economic justice hence costs involved reducing incentive to work, save, invest and produce and therefore a loss of total output and income.

Example: Higher income tax rates for rich than for poor, provide social security, and aid to dependent children, Medicare, Medicaid.

5. Correcting for Externalities

Externalities exist when some of the costs or benefits associated with the production or consumption of a product "spill over" to third parties other than the direct producer or consumer of the product. So the Government correct these externalities by taxes and education for all.

Example: Taxes to reduce negative externalities such as environmental pollution; subsidies to encourage positive externalities such as education.

6. Stabilizing the Economy

An economy's level of output depends on its level of total spending relative to its production capacity. When the level of total spending matches the economy's production capacity, human and property resources are fully employed and prices in general are stable. But sometimes total spending is either inadequate or excessive and the result is either unemployment or inflation. So, the Government can promote stability by addressing these two problems.

Example: Use government budgets and/or the money supply to promote economic growth, control inflation, and reduce unemployment.

NON-ECONOMIC FUNCTIONS OF GOVERNMENT:

It refers to functions of government to achieve its non-economic aims of:

1. Government Sponsored Goods

Certain goods have been deemed through the political process as - socially desirable -, therefore the government encourage their production such as Tonga sport stadium (Teufaiva), national museums (Mesiume).

2. Government Inhibited goods

When the Government taxes, regulates or prohibit the manufacture, sale and use of good socially deemed as undesirable the government is exercising another non-economic function. such goods like heroin, cigarettes and cocaine.

SIGNIFICANCE OF GOVERNMENT IN THE ECONOMY:

Government plays an important role in any economy such as;

- Provide goods and services that are not provided by the business. These are called Public goods and services such as road and street light. The government provided these for people to use as business are not willing to provide them as they are not profitable.
- Government allocate economy 's resources wisely. This is by supply medium of exchange, ensuring product quality, defining ownership rights and enforcing contracts, the government increases the volume and safety of exchange.
- Government creates jobs for the people of the economy to work on thus decreasing unemployment.
- Government correct failure in the market such as producing the wrong amounts of certain goods and services and fail to allocate resources whatsoever to the production of certain goods and services whose output is economically justified.
- Government help in stabilizing the economy by addressing the issues of unemployment and inflation

GOVERNMENT INTERVENTION:

Government intervention is any action carried out by the government or public entity that affects the market economy with the direct objective of having an impact in the economy, beyond the mere regulation of contracts and provision of *public goods*.

Government intervention advocates defend the use of different *economic policies* in order to compensate the flaws of the economic system that give way to large economic imbalances. They believe the *Law of Demand and Supply* is not sufficient in order to ensure economic equilibriums and government intervention should be used to assure a correct functioning of the economy.

HOW GOVERNMENT INTERVENE IN RUNNING OF THE MARKET

Governments intervene in markets to try and overcome market failure. The government may also seek to improve the distribution of resources (greater equality). The aims of government intervention in markets include

- Stabilise prices
- Provide producers/farmers with a minimum income
- To avoid excessive prices for goods with important social welfare
- Discourage demerit goods/encourage merit good

Forms of government intervention in markets

1. Minimum prices
2. Maximum prices
3. Minimum wages

Examples of Government Intervention:

Taxation

Progressive taxes can tax those on higher incomes at a higher rate than the poor. Direct and indirect taxes can raise revenue for government to provide welfare and other services to the public.

Subsidies

The private sector can fail to provide public goods, so government could provide these directly, or provide subsidies to producers to encourage them to produce these goods.

Public Provision

The government can provide the good directly, in order to potentially attain the level of consumption that maximizes social welfare (example is defence)

Regulations

When necessary, the government can enact laws to protect the consumer, control the activities of monopolies, provide environmental protection and safety provisions for workers etc.

Public Financing of Private Provision:

Governments may want to influence the level of consumption but may not want to directly involve themselves in the provision of a good (example is privately provided health insurance paid for by government in Medicare-Medicaid)

EFFECT OF GOVERNMENT INTERVENTION

Government may sometimes take regulatory actions in order to interfere with decisions made by individuals and groups of individuals concerning social and economic issues. This influence of government made to interrupt and affect the way financial markets and industries operate is known as government intervention.

The effect of Government intervention may be positive as well as negative.

Eliminate Market Failure:

Exploitation of environment by industries is one of the pressing problems of modern world. It is impossible to stop environment unfriendly activities of industries in a laissez faire economic model. However, if government intervenes in economy, such deeds can be controlled and environment pollution can be abolished. This way a major market failure can be eliminated with the help of intervention of government.

Prevent economic swings:

Economic fluctuation is unpredictable and inevitable. No individual or group of individuals can ever prevent fluctuations or swings in economy. However, government can help prevent economic swings from getting worse. Involvement of government keeps economy on a balanced track and prevents people from experiencing extreme recessions.

Improve market infrastructure

Roads, rail, electricity, water, communication, etc. are important infrastructures that are needed to carry out business activities effectively and efficiently.

In a laissez faire economic model, people and companies are free to make any decisions related to their business. However, people won't be able to pay for the decisions related to construction and improvement of infrastructures for from their own pocket. Thus, government must interfere with economy in order to develop market infrastructure of the nation.

Regulation of monopoly power

Monopoly is a state where all or almost all of the market of a particular good or service is controlled by a single company.

If such situation exists in laissez faire market, there are chances that the producers set very high prices and the product becomes unattainable for the consumers of low-income group. Companies may exploit their monopoly power by paying low wages to workers.

Such issues can be easily abolished by the government. The government can either regulate strict laws or establish competing companies in order to regulate monopoly.

Equitable distribution of income and wealth

Monopoly power tends to grow in absence of government intervention. Since the power grows at the cost of workers' efforts and consumers loss rather than ability of the producers, inequality is created in the market.

Government intervention promotes competition, increase economic efficiency and thus promote equitable or fairer distribution of income throughout the nation.

Reduce economic growth

Government intervention in economy creates different rules and regulations that the individuals or groups of individuals are bound to perform.

Personal freedom of making decisions on how to act and spend is obstructed with the introduction of laws and rules. It becomes harder for individuals to expand their financial activities and thus there will be reduction in economic growth of the nation.

Lack of market discipline

In a laissez faire economy, businessmen make business decisions on their own for their utmost benefit. Officials or government personnel may lack the same market discipline as that of an accomplished businessman, and thus government may fail to utilize scarce resources efficiently.

Government is also liable to make inappropriate decisions under the influence of pressure of political groups, and may end up spending nation's budget on inefficient projects leading to inefficient outcome.

B: Market Failure:

b) Market Failures.		
1. Market Failure.	i. Define Market Failure.	1
	ii. Give Examples of Market Failure.	2
2. Merit Goods and Services.	i. Define Merit Goods.	1
	ii. Give Examples of Merit Goods.	2
	iii. Define Merit Services.	1
	iv. Give Examples of Merit Services.	2
	v. Explore Local Examples of Merit Goods and Services.	3
	vi. Define Demerit Goods.	1
3. Demerit Goods and Services.	vii. Give Examples of Demerit Goods.	2
	viii. Define Demerit Services.	1
	ix. Give Examples of Demerit Services.	2
	x. Explore Local Examples of Demerit Goods and Services.	3
4. Public Goods and Services.	i. Define Public Goods.	1
	ii. Give Examples of Public Goods.	2
	iii. Define Public Services.	1
	iv. Give Examples of Public Services.	2
	v. Explore Local Examples of Public Good Services.	3
5. Private Goods and Services.	i. Define Private Goods.	1
	ii. Give Examples of Private Goods.	2
	iii. Define Private Services.	1
	iv. Give Examples of Private Goods and Services.	2
	v. Explore Local Examples of Private Goods and Services.	3
6. Externalities.	i. Define Externalities.	1
	ii. Define Externalities of Consumptions.	1
	iii. Define Externalities of Productions.	1
	iv. Define Positive Externalities of Consumption.	1
	v. Define Negative Externalities of Consumption.	1
	vi. Define Positive Externalities of Production.	1
	vii. Define Negative Externalities of Production	1

MARKET FAILURE:

- refer to inefficient allocation of resources in the market that is the market fails to allocate resources efficiently or fairly.

Examples of Market Failure:

Information Asymmetry

Markets are based on the idea that buyers and sellers have equal information. If one side knows more than the other, inefficiencies can result. For example, if a company CEO overstates the current capabilities of a firm or hides risks, this can cause money to flow to the firm that ends up being wasted as risks known only to insiders become expensive problems.

Anti-Competitive Practices

Anti-competitive practices can cause competition to breakdown resulting in an inefficient market. For example, if all employers make employees sign restrictive agreements that make it difficult for them to change jobs, this could damage the efficiency of a labour market.

Cronyism

Cronyism is the extension of unfair economic advantages to friends and allies. For example, a government that builds more infrastructure than a nation requires because construction companies fund the political campaigns of policy makers.

Closed Markets

Closed markets such as transactions between insiders. For example, a company insider who buys assets from a firm with no competition.

Market Manipulation

Markets that are unfair in some way. For example, a market that gives advanced technologies an advantage over most market participants. This can discourage participation and make markets less open.

Excess Burden

A market that becomes uncompetitive due to excessive taxation or administrative burden. This may affect small firms more than large, leading a lack of lively competition.

Externalities

An externality is a cost or benefit that isn't reflected in market prices. For example, a factory that sells a product for \$1 that each result in \$40 damage to the environment due to the manufacturing process.

MERIT & DEMERIT GOODS and SERVICES:

Merit Goods:

are goods that the government considers we should have because they are thought to be good for us.

Examples:

- Prescription drugs
- Cycle helmets
- Museum
- National Park
- Public Library

Merit Services:

are services that the government considers we should have because they are thought to be good for us.

Examples:

- Education
- Drink-driving campaigns
- Health Care – getting a vaccination
- Social Welfare

Demerit goods:

are those goods the government considers to be bad for us.

Example:

- Cigarette
- Alcohol
- Marijuana (Drugs)
- Junk Foods

Demerit Services:

are those services the government considers to be bad for us.

Example:

- Burning of plastics
- Human Trafficking (Prostitution)
- Selling and Buying drugs
- Gambling

PRIVATE GOODS AND SERVICES:

Private Goods:

Goods where consumption is rival or depletable, and excludable by price, property rights are clear and there are no externalities or spill-overs.

Examples:

- Car
- Houses
- Land

Private Services:

Services where consumption is rival or depletable, and excludable by price, property rights are clear and there are no externalities or spill-overs.

Examples:

- Private Clinics
- Lawyers who have private legal services
- Private Engineer

PUBLIC GOODS AND SERVICES:

Public Goods:

Are goods that can be used by anyone person without affecting the supply to all other people because of its nature as non-rival and none excludable by price.

Example:

- Street Light
- Road
- National Parks
- Lighthouses

Public Services:

Are services that can be used by anyone person without affecting the supply to all other people because of its nature as non-rival and none excludable by price.

Example:

- Primary Education
- Health Services
- Police Force

EXTERNALITIES:

Externalities:

are unintended side-effects that result from production or consumption.

Externalities of Consumption:

are unintended side-effects that result from using goods and services.

Externalities of Production:

are unintended side-effects that result from processing goods and services.

Positive Externalities of Consumption:

Consumption by individuals has benefits to others.

Example. using public transport rather than a private vehicle to get to town.

Negative Externalities of Consumption:

Consumption by individuals has costs to others.

Example. drinking and driving, smoking tobacco in a confined space

Positive Externalities of Production:

These are benefitting a firm's activities have on others.

Example. staff training – will result in improved or superior staffs, Research and Development of new technology benefit the society and

Negative Externalities of Production:

This is a cost a firm imposes on others.

Example. pollution.

C: Economic Aims, Issues and Measures:

Economic Aims, Issues and Measures		Skills Level
Economics Aims	i. State the economic aims of the government	1
	ii. Describe each of the Economic Aims of the Government.	2
Economic Issues	iii. State the Economic Issues of the Government.	1
	iv. Describe each of the Economic Issues of the Government.	2
Government Measures	vi. State the Types of Government Measures used to address the Economic Issues of the Economy.	1
	vii. Describe a Monetary Policy Measure.	2
	viii. Describe a Fiscal Policy Measure.	2
	ix. Describe a Policy Measure that is neither monetary nor fiscal.	2
	x. Explain How each Government Measures is used to address the Economic Issues of the Economy.	3
	xi. State the Side – effects of each Government Measures used to address the Economic Issues of the Economy.	1
	xii. Explain the Side - effects of each Government Measures in addressing Economic Issues.	3
	xiii. Classify the Types of Government Measures used to address the Economic Issues into Other Controls.	3
xiv. Discuss how efficient Government Measures are in addressing the Economic Issues of the country.	4	

ECONOMICS AIMS OF GOVERNMENT:

FAIR DISTRIBUTION OF INCOME

The Government aims at ensuring that income is earned in proportion to the amount of factor of production owned, or income earned is in proportion to the qualifications, quality of resources or workers age or experiences. This is to reduce the gap between richer and poorer as it will lead to division and tension in society.

Example: *using of progressive taxation*

PRICE STABILITY

Prices do not rise or fall by more than a certain range as set by the Government. The market system will operate most efficiently and will remain competitive if price level is stable.

Example: *Increasing interest rate or price control or wages control etc.*

ECONOMIC GROWTH

Government aims at ensuring continuous increase in Real GDP Per Capita, thus raising people 's standard of living. That is the government aiming in producing more goods and services so that the economy will be able to satisfy the needs and wants of its citizens.

Example: *Increase government expenditure*

FULL EMPLOYMENT

Government aims in ensuring that more employment opportunities are available for the people of the Economy. As more people employed the greater the likelihood that those unable to work can be provided for and that income can be minimized.

Example: *Improved education and health services*

FAVORABLE BALANCE OF PAYMENT

Export receipts (both visible and invisible) must exceed or at least cover the payments for imports (both visible and invisible). That is the economy is able to pay its way in the world and earn enough revenue from selling goods and services overseas.

Example: *Devalue of local currency*

ECONOMIC WELFARE

Government making transfer payments to disadvantaged groups in the Society such as unemployment benefits, sickness benefits, benefits for the disabled and pensions. The Economic aims above are important to every Economy simply because they are concerned with the well being of the people.

Example: *Provide welfare and transfer payment*

ECONOMICS ISSUES OF GOVERNMENT:

1. EMPLOYMENT AND UNEMPLOYMENT

Employment: - refers to the number of adult workers (aged 15 -65) who have jobs.

- 'UHINGA ENI KI HE TOKOLAHI 'O E KAU NGAUE 'I HE (TA'U 15-65) 'OKU 'I AI ENAU NGAUE.

Unemployment: - simply refers to people who are out of work and those looking for one.

- 'OKU 'UHINGA ENI KI HE KAKAI 'OKU IKAI KE NAU MA'U NGAUE PEA MO KINAUTOLU 'OKU NAU KUMI NGAUE.

The statistical workforce excludes: - those involved with the domestic duties example:

- bringing up children
- Retire people
- Students
- Those with permanent disabilities
- People not actively looking for work
- *Underemployed people:* - those people who have job that underutilize their skill.

Labour force: - refers to people between 15-65 years old who are able and willing to find a work.

2. ECONOMIC GROWTH

- It refers to an outward shift in the production possibilities curve that results from an increase in resource supplies or quality or an improvement in technology.
- It also refers to an increase of real output (GDP) or real output per capita.

3. INTERNATIONAL TRADE

- It refers to the process of exchanging goods and services for money between two or more countries / trade between countries.
- In other words, it simply means 'Trade between countries'.
- Given the presence of an Open Economy—one that includes the International Sector—Tonga produces more of certain goods/ services (exports) and fewer of other goods/ services (imports) than it would otherwise. Thus the Tongan labor and other resources are shifted toward export industries and away from import industries.

4. INFLATION

- It refers to the rise in the general level of prices in the economy
- When inflation occurs, each dollar of income will buy fewer products than before
- Inflation reduces the purchasing power of money

5. INEQUALITY

- Refers to an unfairly distributed of income, therefore the gap between rich and poor is getting wider
- **Equality :-** it is referred to the situation where everyone is being treated the same way or has exactly the same right

- **Equity :-** is fairness (It is referred to the situation where everyone's circumstances are being taken into account. It is sometimes referred to as 'Being Fair' and 'Being Just').
- **Horizontal equity:** - is achieved when those on equal incomes pay equal amount of tax
- **Vertical equity:** - related to the tax payer's ability to pay on higher incomes could pay more tax on the principle that they can afford to pay more.
- An equitable distribution of income is considered fair, whereas absolute equality of income distribution means one person's pay will be the same as the next person
- There will be large inequalities of income distribution whenever incomes are determined by the free market
- This is because those who own resources in high demand or in short supply will earn higher incomes whereas those who have few resources will have much lower incomes.
- Therefore, society may seek to reduce income inequalities in order to increase equity.

GOVERNMENT MEASURES TO ADDRESS ECONOMIC ISSUES:

Fiscal Policies, Monetary Policies, and Direct Control:

Fiscal Policies: -

Government policies with respect to government budget in which it alters revenue and spending to attain economic objectives

Example: *Government budget, taxation rate, government spending*

Monetary Policies: -

The government policy with respect to the availability of money and credit in the economy.

Example: interest rate, discount rate, OMO, reserve asset ratio, moral suasion, money supply, exchange rates

Direct Control: -

Government controls such as price and wage controls, import restriction, Devaluation of exchange rates and so forth *simply the government can, through its ability to make binding laws, bring any aspect of the economy under its own direct control if it wishes*

Contractionary Policies vs Expansionary Policies

Contractionary Policies:

Are policies that government uses which result in a decrease in inflation, balance of payment deficits as well as economic growth and employment.

(Koha ngaahi policies e ngaue 'aki e he pule 'anga o hoko ai e holo e inflation, holo e deficit e BOP, holo e tupu faka'ekonomika pea pehē foki ki he holo e kau ma'u ngaue)

Example:

- **Increase income tax rate – Fiscal Policies**
- **Reduce producer's subsidies – Fiscal Policies**
- **Increase interest rate – Monetary**
- **Sales of Reserve Bank bills – Monetary etc.**

Expansionary Policies: (Koha ngaahi policies e ngaue 'aki e he pule 'anga o hoko ai e alu ki olunga e inflation, pehē ki he deficit e BOP, alu ki olunga moe tupu faka'ekonomika pea pehē foki ki he tokolahi e kau ma'u ngaue)

Are policies that will result in an increase in economic activities – increase prices, employment, balance of payment deficit and increase economic growth.

Example:

- **Increase spending on health and education – Fiscal**
- **Reduce reserve assets ratio – Monetary**
- **Raise minimum wages – Fiscal**
- **Decrease in interest rate – Monetary etc.**

Note:

Contractionary and Expansionary Policies can be either Fiscal or Monetary.

Government Aims	Economics Issues	Suggested Measures
Fair Distribution of Income	Income Inequality	<ul style="list-style-type: none"> • Progressive Taxation • Welfare and Transfer Payments, Provision of public goods and services.
Price Stability	Inflation	<ul style="list-style-type: none"> • Interest Control • Control of the quantity of money through the reserve asset ratio, bank interest rates, government securities issues, moral suasion and price control and wages control, welfare and transfer payment
Economic Growth	Economic Growth	<ul style="list-style-type: none"> • Increase Government expenditures • Seeking foreign aid and Investment • Lowering interest rate for borrowing • Export subsidies • Devalue of the local currency
Full Employment	Unemployment	<ul style="list-style-type: none"> • Seeking foreign investment and aid • Increase Government expenditure • Improved education and health • Lowering interest rates • Export subsidy • Import Substitution
Favorable Balance of Payment	International Trade	<ul style="list-style-type: none"> • Export Subsidy • Import Restriction
Economic Welfare	Inequality	<ul style="list-style-type: none"> • Welfare and Transfer Payments • Provision of Public goods and services

MEASURES USES BY THE GOVERNMENT TO ACHIEVE ITS AIMS:

	Measures	Types of Policy	Contractionary or Expansionary	Aimed achieved and why?	Aim Hindered
1.	Progressive Taxation	Fiscal	Contractionary	<u>Fair Distribution of Income</u> Progressive income tax takes more taxes from high income earners and less from low income, will closer the gap between high and low income earning group leading to a fair and equitable distribution of income	<u>Full Employment</u> Current employees will be less willing to work as their tax deductions become a burden to them
2.a	Increase Interest rate control	Monetary	Contractionary	<u>Price Stability</u> All the measures identified, control the quantity of money in the economy (money supply) therefore controlling the amount of money in the economy will mean less money in the economy, less spending and	<u>Economic Growth:</u> Less money supply will mean less income, less demand, less production hence GDP per capita decrease.
b.	Increase RAR				
c.	OMO (Sell government bills)				
d.	Moral Suasion				
e.	Price Control				

f.	Wages Control	Direct Control		less pressures on prices.	<u>Full Employment:</u> Less demand and production will mean more workers will lose their jobs so employment decrease.
3.a.	Increase Government expenditure	Fiscal	Expansionary	<u>Economic Growth:</u> Increase government spending or decreased government income will mean more income, more profit to producers and more production leading to an increase in GDP per capita. <u>Full Employment:</u> Increase in producers profit will mean that producers will expand production hiring more employees thus increase employment	<u>Price Stability:</u> Increase government and reducing government income will mean more income to consumers so more spending inflating prices.
b.	Decrease income tax				
c.	Subsidies Production				
d.	Improved education and health				
4.a.	Devalue of currencies	Direct Control	Expansionary	<u>Favourable Balance of Payment:</u> All these measures will increase export value while reducing import value, this will increase Balance of Payment or reduce deficit so favourable balance of payment will be achieved.	<u>Price Stability:</u> Increase in export will mean greater income for export so increasing spending resulting in rising prices.
b.	Subsidies Export	Fiscal			
c.	Import Restriction	Fiscal			
5.a.	Welfare and Transfer Payments	Fiscal	Expansionary	<u>Fair Distribution of Income</u> Welfare and transfer payment will increase income of poor groups in the society closing up the gap between rich and poor <u>Economic Welfare:</u> Welfare and transfer payment provide assistance to the needgroup of the society. Providing public goods and services enables poor and rich to access those goods.	<u>Price Stability:</u> Increase in government expenditures will generally increase income, increasing spending putting a lot of pressures on prices to increase.
b.	Provision of public goods and services	Fiscal			