

# Public Economics: Principles and Practice

## Preface to On-Line Edition

It is a pleasure to bring to you an on-line, open-access, edition of *Public Economics: Principles and Practice*.

Public economics is the study of the role of government in the economy. As I remarked in the Preface to the Third Edition in 2012: “It is hard to think of a more important and topical field of study in the social sciences”. This is surely as true in this turbulent world today as it was then.

It is a core thesis of the book that government is a fundamental instrument of the social welfare of communities. As described in the book, government has traditionally played a fundamental role in both economic development and social welfare in Australia, as indeed it has in many other countries.

In taking this view of government, we are following the European tradition more closely than the American (US) one which tends to elevate markets and distrust government. Of course, the picture is complicated with many variations within these political cultures and with many reasons for and against both governments and markets, which we discuss at many points in the book.

On a personal note, I may say that when I completed the Third Edition six years ago in 2012, I had no intention to prepare another Edition. At that time, I had completed 47 years of professional life. This included ten exotic years of economic consulting work in 13 countries around the globe and 37 years of much more sedentary though very pleasant life in Australian Universities in Sydney (Macquarie and Sydney University).

I was then (in 2012) about to move out of academic life into local government as Mayor of my local community in Sydney (Mosman) for 5 years as well as part-time economic consultancy work, including for the NSW (state) Government, which was to prove a slightly tricky combination at times. This renewed experience in government was a source of great pleasure and fully confirmed for me the importance of government in community welfare.

At the same time, we were observing extraordinary and deeply disturbing economic and political developments around the world: increases in inequality within countries, anger with globalisation of trade and international movements of labour, the vacuous Brexit debates, the extraordinary election of a President of the United States with neither knowledge of nor aptitude for government, and within Australia a distrust of both major parties leading to more minority parties and weak government. A theme common to all these events was deep distrust of government.

I was therefore delighted when McGraw-Hill (publisher of the Second and Third Editions) agreed in December 2017 to revert the rights of *Public Economics* to me, thus allowing me to publish a revised version of the 2012 text in full on line.

In the short time available since then, I have edited and partially updated the 2012 edition. This includes a minor restructure with the original Part 9 (Social Welfare and Income Redistribution) advanced to Section 7. However, at this stage I have included few new academic references. And I am aware that many other improvements can be made.

Subject to sufficient interest, I plan is to revise the book regularly and to provide this as an ongoing, open access, publication. I invite, and would be most grateful for, any suggestions for improvements and updating.

I hope that this will contribute to an informed and inclusive discussion of these issues that are so important to our individual and collective welfare both here in Australia and in many other countries.

In preparing this online edition I have received valuable research assistance from Thomas Bennett. I also wish to acknowledge the great support that my wife, Jeanne, has given me once again while I have been preparing this online addition.

Dr. Peter Abelson

Sydney, Australia

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