

Can't We Just Print More Money?

Worksheet for Lesson Two: Planning and writing a debate speech



Refer to Chapter Two: *Can economics solve climate change?*

Activity 1

Read the extract from Chapter Two and answer the questions below.

Extract

Prior to 1998, students going to a UK university paid no tuition fees. Zero. Obviously there were other costs – books, accommodation and so on – although even then, many students received grants that covered these expenses. Then, in November 1997, the government introduced legislation that allowed universities to charge a maximum £1,000 annual contribution from students towards their tuition. A report had highlighted the precarious finances of British universities and outlined the economic and social reasons why a larger part of that funding gap should be met by the students themselves. As it turned out, the 1997 introduction of fees was only the beginning – at least in England. In 2006, tuition fees at English universities rose to £3,000 a year; in 2012, they tripled to £9,000, much to the chagrin of a generation of students – many of whom took to the streets in protest.

The debate around tuition fees and who should pay for them is complex, and often fraught. But at its heart, it comes down to a core economic concept, which is particularly important if you want to understand how and why markets fail: externalities.

An externality is the side-effect of an activity on people who aren't directly involved in it. This side-effect means that the costs or benefits to society as a whole are not the same as the costs and benefits to the person involved in the activity itself.

What does this look like? Take higher education. In the case of going to university, the effects on the people actually involved are fairly straightforward. Each potential student will be thinking hard about their personal pros and cons, their private benefit and costs. On the benefit side, going to university will likely mean you earn more money over your lifetime, even though there is an initial opportunity cost of not earning a full-time wage while you're studying. If you're a bookish person, you might value a period of being surrounded by huge libraries and smart academics. If you're a social butterfly you might value the chance to join societies and sports clubs that include like-minded people. On the cost side, there are the tuition fees, as well as the time and effort given up to study.

What is less likely to feature are the costs and benefits of this decision for the wider economic and social system. For example, societies with higher rates of university-educated people tend to be more productive, more law-abiding and have higher levels of civic engagement. This benefits the economy and society as a whole. This is an externality: the social cost or benefit of the action differs from its costs or benefit to the people involved.

If, as is the case with education, the social benefit is greater than the private benefit – a positive externality – then markets will tend to underprovide the good relative to what is desirable for society as a whole. Why? Because the individual deciding on how much to buy will only buy to the point that they feel their private need is met; and if the cost is too high for them personally, they may not buy at all. But this is a problem: this price won't take into account the wider benefit that their decision would have. This is a market failure: left to itself, the market is not going to provide enough of that thing, and so here too government policymakers might be inclined to intervene. Their goal: to increase the provision of that good or service to the point that is best for society as a whole.

Although few newspaper editorials put it in these terms, different ideas about externalities underpinned the tuition fee debate. If you believe that the benefit of doing a degree went pretty much exclusively to the person studying and no one else – that is, the positive externalities are small – then you may well push for relatively higher tuition fees covered by students. On the other hand, if you believe there is a large benefit to everyone in a society having low-cost access to university education and therefore encouraging a larger number of graduates – that is, the positive externalities are large – you might push for a relatively larger contribution from the state: a subsidy.

1. When were university fees first introduced in the UK?

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2. What happened to fees in 2006?

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3. How did students respond to the increase in fees in 2012?

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4. What are some of the benefits of going to university according to the text?

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5. Can you identify two ways society benefits from having university educated people from the text?

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Activity 2

- Using the two options on the slide, decide which point of view you would like to argue for.
- Recap on the key techniques for presenting an effective persuasive speech from the Toolkit below.
- Then complete your plan in the grid.
- You are now ready to write your speech.

The Debate Speech Toolkit

direct address

facts

opinions

statistics

rhetorical questions

emotive language

listing

list of three

personal pronouns

inclusive pronouns

commands/imperatives

abstract nouns

repetition

hyperbole

comparisons

statement sentences

personal anecdotes

Sequence	Ideas for content Topic sentences	Techniques to include
Para 1: Introduction/thesis		
Para 2: Logical arguments		
Para 3: Ethical arguments		
Para 4: Creating pathos		
Para 5: Call to action		