

Lesson 2: The key issues

INTRODUCTION :

Governments make financial decisions to deal with important issues and influence the economy. Democracy, as defined by Abraham Lincoln, is "the government of the people, by the people, for the people". Thus, to ensure the proper functioning of a democracy, citizens have a duty to develop the reflex to learn about social issues and proposed public policies and to take an active role in the public debate.

OVERVIEW :

The purpose of this lesson is to explain how the provincial budget works by focusing on the social issues that the government seeks to resolve through the establishment of its budget.

To this end, we wish here to offer you a flexible set of teaching tools that you can adapt to your class so that students develop a general understanding of the operation and the importance of the budget.

LEARNING OBJECTIVES:

Following this lesson, students will be able to:

- Develop their critical thinking regarding the funding priorities of the Government of Quebec;
- Understand the concepts of politics, stimulation, austerity and economic rigor;
- Understand the importance of paying attention to the government budget process;
- Identify the most important issues in preparation for the upcoming budget;
- Compare and analyze different perspectives on an issue.

RESSOURCES :

- Sheet 2.1 : My Quebec Budget
- Sheet 2.2 : Examining the Issues
- Slide Deck D : The 2019 Quebec Budget
- Slide Deck E : Interprovincial Comparisons
- Lesson 2 – To do more
- Videos: Expert Opinions
(<http://budgetconsultation.quebec/expert-opinions/>)

ACTIVITIES :

This section is divided into four parts. "Getting started", "Initiation", "Let's Go", "Consolidation". We estimate the complete realization of the activities takes 1h30. Note that sections III and IV can be given as homework. If necessary, additional activities are available in the document "Lesson 2 - Doing more".

I. Getting started : 10 to 15 min.

1. Using Sheet 2.1, ask your students to imagine that they have the position of Quebec Minister of Finance and ask them how they would spend the \$ 113.2 billion and collect the \$ 117.4 billion for the operation of the Government of Quebec and the provision of services for the coming year.
2. Invite your students to compare their allocation list with that of their classmates. Students could create pie charts to picture the structure of their budget and post them around the classroom for comparison and discussion.
3. Allow students a moment of consultation to "turn around and discuss" with their comrades of their choice. You can then summarize with the class.

Suggested questions:

- How did you decide which sectors should receive the most money?
- How did you determine which sources of income would bring the most money?

II. Initiation : 10 to 15 min.

1. Review the breakdown of the main expenditures and main revenues of the Government of Quebec for this fiscal year (Slide Deck D). How does it compare to the ideas raised by the students during *Getting started*?
2. Using Slide Deck D, examine the Quebec government's budget estimates for the current fiscal year (*April 1, 2019 to March 31, 2020*). The figures presented include those of the November 2019 economic update and those of the 2019-2020 budget.
 - Expenses = \$ 113.2 billion (cash out)
 - Revenue = \$ 117.4 billion (cash entry)
 - Gross debt = \$ 199.1 billion (borrowed money that has not yet been repaid)

Suggested questions: Based on the November economic update, will the Government of Quebec have a surplus or a deficit? What is the amount of the surplus or deficit? How do you calculate this amount?

3. Introduce the following concepts: **economy, economic policy, stimulating the economy, austerity and the Generations Fund.**
 - **Economy:** The wealth and resources produced by a country or a region, more particularly in relation to the production and consumption of goods and services.
 - **Economic policy:** When a government adjusts its revenues and / or expenses in order to exert an influence on the economy.

- **Stimulating the Economy:** Policy of "government spending" that aims to create jobs and invest money into the economy to boost it (often results in infrastructure investment). Governments around the world, including Canada and Quebec, have attempted to stimulate their economies by implementing programs to combat the effects of the last global recession (marked decline in economic activity in the late 2000s).
- **Austerity / budgetary rigor:** The policy of "government cuts" is based on rigorous measures aimed at limiting spending and reducing the deficit. Following the recent global recession, several governments around the world have faced serious deficit and debt problems. In order to avoid bankruptcy, some countries have no choice but to impose strict spending restraint measures to improve their situation. The terms "rigor" and "austerity" are often used interchangeably by governments and opposition parties.
- **Generations Fund:** a fund intended to repay public debt. The Generations Fund is made up of income from: Hydro-Québec, mining rights, specific tax on alcoholic beverages, etc.

III. Let's Go : 25 to 40 min.

1. Using the [Experts' assessment](#) videos posted on the Student Budget Consultations website, explore the issues raised by experts from civil society as they explain why those issues should be put forward in the 2020 provincial budget. These issues include, among others: the environment, tax relief, the public debt and education.
2. Allow students to share their opinions after each video.

Suggested questions :

- What did you learn by listening to the opinions shared in each video?
- With which opinions do you most agree or disagree, and why?
- Is your opinion on the subject different from that of those around you and your family? Can you tell why?
- Why is it important to listen to comments containing different points of view, including those found in different media?

Depending on the time available, the focus can be on one or more issues and additional issues could be assigned as homework. Distribute the sheet 2.2 to your students and ask them to fill it after listening to video experts.

IV. Consolidation : 5 to 10 min.

Discuss with students the public policy issues that affect the Quebec budget. You could also ask students to prepare a written reflection.

- Why is it important for citizens to pay attention and participate in the government's budget process?
- Are you optimistic about your future? What are the main challenges you face and how can the government help you?
- What do you think is the most important issue for the province?
- How can you, as a young Quebecer, promote an issue that you consider important?

ADDITIONAL RESOURCES

- [The Student Budget Consultation website](#)
- [Quebec's ministry of Finances — 2019 Budget , Government of Quebec](#)
- [Update on Quebec's economic and financial situation, Fall 2019](#)
- [Organisation for Economic Co-operation and Development \(OECD\)](#)
- [Video: Understanding the economy \(2016\)](#) Radio-Canada