

Public Goods vs. Private Goods

Public Goods

- Commodities and services required by everyone in the community.
- They benefit you if another has them.
- Cannot be successfully delivered by the private sector without “cherry-picking” or excessive inequality.
- State bureaucracies tend to be more efficient than private sector.
- Examples:
 1. legal system, police, customs agents
 2. fire departments, pensions, health care, education, welfare
 - 3.(?) auto insurance, daycare, old age homes
 - 4.(?) Management/Labour cooperation
 - 5.(?) Gov't/Worker ownership

Private Goods

- Commodities and services not needed by all or in equal amounts.
- Inequality in distribution does not create social unrest.
- Production requires flexibility and responsiveness to changing tastes and niche markets; nationalized industries tend to be inefficient.