Public Vs Private Goods

Name

Institution

Date

**Public vs. Private Goods**

1. Local neighbourhood is a public good. Explain why it is a public good.

The local neighborhood is a public good because it is shared collectively by the people who live around it.

1. A gated community is a private good. Why do entrepreneurs build gated communities? For

whom?

Gated community is a private good because it is not shared by the public and those can’t pay are excluded from living in it.

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| Local neighborhood-positives   1. Cheap and affordable 2. Diversity 3. Shared amenities 4. Close to work and schools 5. Availability of public means of transport | Gated community- Positives   1. Increased safety and security 2. Better access to communal facilities 3. Create a sense of belonging and social coherence. 4. Privacy 5. Little or no traffic |
| Local neighborhood Negatives   1. Insecurity 2. Heavy traffic 3. Risk of spread of diseases and infections 4. Lack of privacy 5. Noise pollution | Gated community- Negatives   1. High cost of construction and maintenance 2. Social isolation 3. Lack of diversity 4. Restrictive rules 5. Lack of civic power |