

# Public Goods – Small Group Discussion

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## Read:

***Private Individuals Never Pay for Streetlights*** on Brightspace.

**Task:** Read the article individually. Then, come together as a group, decide on which role you will take on, and answer the questions below.

You and your group members will take on one of the following roles:

1. **Discussion Leader:** Responsible for facilitating the discussion and involving all group members
2. **Planner:** Responsible for pacing the discussion so that all parts of the task are completed in the time allowed
3. **Recorder / Reporter:** Responsible for recording the essence of group discussions and reporting them in subsequent large group meetings
4. **Economics Watchdog:** Responsible for ensuring that the discussion is based on sound economic concepts and reasoning

## Questions/Tasks:

1. What is a public good?
2. Why are public goods an example of a market failure?
3. Explain the two important characteristics of a public good.
4. List the examples of public goods given in the article. Can you think of any examples that are not listed in the article?
5. Would the Royal Ontario Museum be an example of a public good?
6. Given there is a market failure for public goods, what are two solutions the government can do to correct it? (hint: if you are having trouble with this one, the answer is on page 154 of the course companion).

# Questions/Tasks:

## 1. What is a public good?

Goods that are to become freely available to all or where it would be difficult to prevent or used by nonpayers.

Non-excludable

non-rival

## 2. Why are public goods an example of a market failure?

There's no profit incentive and usually can't be provided by the markets.

## 3. Explain the two important characteristics of a public good.

A public good has the two characteristics of non-excludable and non-rival. Nonexcludable means that it is costly or impossible for one user to exclude others from using the good. Non-rival means that when one person uses the good, it does not prevent others from using it.

## 4. List the examples of public goods given in the article. Can you think of any examples that are not listed in the article?


- Street lights
- Breathable air
- ~~Law enforcement~~ ?
- Lighthouses

## 5. Would the Royal Ontario Museum be an example of a public good? **NO**

- ~~TP (tax payer) funded, government supported.~~
- ~~A museum is public good in terms that it provides a service that enriches those that come to it free of charge.~~

- able to stop access  
reasonable

## 6. Given there is a market failure for public goods, what are two solutions the government can do to correct it? (hint: if you are having trouble with this one, the answer is on page 154 of the course companion).

- Direct provision
- Subsidies 
- Work in partnership with the private sector