

# Common goods, public goods, private goods, and natural monopolies essay sample

[Environment](#), [Pollution](#)



### Similarities

Each is guided by the economy.

### Differences

Each is unique and different in reference to rival and exclusion.

### Examples/Externalities

Common goods: rival but not excludable. Interstates and public highways would be a good example because it is shared by all and beneficial to all members of society. A negative externality derived from the use of interstates and highways could be the greenhouse effect caused from gas emissions from vehicles traveling on them.

Public goods: neither excludable nor rival. Public parks would be a good example because one person's use of does not diminish another person's use, and there are no restrictions for the use. A negative externality could be that public parks attract unsavory characters i. e. drug dealers, rowdy teens etc. A positive might be that it's a nice place to hold birthday parties, weddings etc. with large groups.

Private goods: both excludable and rival. Personally owned vehicles (POV's) would be a good example because one person's use of it would diminish another person's use of it, and the use of it is restricted by the owner. A negative externality might be air pollution caused by gas emissions.

Natural monopolies: excludable but not rival. Electricity would be a good example because it can be restricted to only those who pay for the service; however, one person's use of it does not diminish another person's use. A positive externality might be the social benefits of production and consumption of electricity i. e. cooking, heating and air conditioning etc.