

Merit and public goods

[Science](#), [Social Science](#)



PUBLIC, MERIT AND PRIVATE GOODS Public goods, merit goods, and private goods Public goods are those good provided with no profit to the members of the society, the government, organization or even individuals are responsible for the provision of public goods. Merit goods are those goods which the government feels that the public will under consume and in many cases are provided ' free at the point of consumption. merit goods are usually provided by both the public goods and the private sector. Private goods, on the other hand, are the goods owned by individuals, in that an individual can deny another individual from using the good (LeRoux, 2007).

The services provided by the government to some extent are related to the public goods, the merit goods, and the private goods. However, the relationship varies most when it comes to the public and the private goods as they involve the government. The public goods mostly revolve around, justice public order and defense; the merit goods revolve around education, health, and the other services that the private sector can provide. The relationship between the private and the merit goods differs totally from the relationship between the private and the public goods; hence, finally the government and the private consumption complement each other (Savas, 2005).

The public goods are often under provided by a free market, as its characteristics are usually non-excludability and non-rivalry. Non rivalry means that the consumption of goods does not reduce the amount available for the other residents in the public, For example, the people benefiting from lights in the street cannot reduce the amount of light for the others. Non-excludability is only possible when the provision of a certain good also

results in the enjoyment of others, for example, the provision of law and orders. Non excludability means that one cannot prevent the ' free riders from enjoying the good or services, in many cases the provider of the good or the service cannot charge for the consumption of the good. In non-rivalrous consumption, the issue of the free rider effect comes in (free ride problem comes in as one is unable to prevent other from enjoying the good).

The private cases are more complex than public and the merit goods, even with the problem of the free rider effect private goods and services pose more problems than the public and merit goods. In most cases the private good and services need to be bought for consumption, the goal of the producer or the service in the case of private goods is to make profits.

Without the incentive to create revenue than the private good is no longer a private good, private goods cannot be shared freely and for consumption then one has to pay (LeRoux, 2007).

Musgrave defined ' Pure public goods" like goods that can be used by everyone as much as they like and not deprive any other citizen of using all they want as well. These goods are categorized in several forms. There is those goods in which the market cannot produce theme as there are no markets that include, clean air, weather data collection, food and drug safety and public sanitation. There are also significant " positive externalities" which the societies determine as available regardless of the ability to pay, they include, education, parks, police and fire protection and portable water. The last category includes the goods that can be provided through single and public providers. Studying public information needs the knowledge of

public, private and merit goods and services as it involves the allocation of goods and services within the society (Savas, 2005).

References

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- Savas, E. (2005). Privatization in the city: successes, failures, lessons. Washington, D. C.: CQ Press.