

Econ 2057: environmental economics and policies ,dr. hari luitel algoma universit...

[Literature](#), [Russian Literature](#)



Environmental Economics and Policies Affiliation: Which of the following do you consider pure public goods and private goods? Why? Give reasons for your answer.

An internet site providing information on airplane schedules

This is a private good. The information is limited to only a particular group of people and is also not being provided for free like is the case with public goods.

Municipal water supply

This is a public good. This is so because the water is available to everyone without exclusion and without rivalry coming in between individuals because the water is provided in plenty (Geuss, 2001).

Medical school education

This is private good. Medical education also requires selection of very few people due to the limited chances and hence not everyone can benefit from it.

Fish in the ocean

This is a public good. The fish are plenty in the ocean and hence cannot be exhausted by one person and they are also being provided for free to anyone who wants (Geuss, 2001).

Biodiversity

Biodiversity refers to differentiation of plants and animals in a particular habitat. They can therefore be considered to be private goods since they are limited in their environment and hence can be exhausted.

Describe in your own words the following two problems from the paper, “The problem of Social Cost,” by the Nobel Prize winning author Ronald

Coase. The paper was published in Journal of Law and Economics Vol. 3 (October 1960): 1 – 44 and is available from the CMS.

a. Farmer and his neighboring cattle-raiser

A farmer plants crops in his farm in order to harvest them and obtain profit through selling them to others as well as eating them himself. The cattle-raiser on the other hand is raising cattle in order to sell their meat to obtain livelihood and the rest of the meat he can eat himself (Coase, 1960). The two people have the same goal of nourishment and profit. The cattle eat the plants of the farmer which means the farmer would not obtain plants to sell but the meat will be plenty in the market for everyone.

b. A Confectioner and a doctor

A confectioner manufactures confectioneries but the process of doing so demands a lot of vibrations and noise which in turn affect the doctor who is in the same locality (Coase, 1960). The two people: confectioner and doctor are important and therefore none can be removed from the premises without the consequences being dire to not only their businesses but lives of those around them and who depend on them.

References

Coase, R. (1960, October). The problem of Social Cost. Journal of Law and Economics, 3: 1 – 44.

Geuss, R. (2001). Public Goods, Private Goods. New Jersey: Princeton University Press.