

Public Goods Vs Private Goods

Public goods, as the name suggests, are for the facility and welfare of the public in general for free of cost. Whereas, private products are the ones which are sold by private companies to earn profits and fulfil the needs of the buyers. This is a significant difference between these two types of goods.

However, both public goods and private goods are for the consumer's benefit; they differ drastically from each other. But, where public goods benefit the mass population, private products are only for those who have affordability. To know these differences in detail, read below.

Content: Difference Between Public Goods and Private Goods

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BASIS	PUBLIC GOODS	PRIVATE GOODS
Availability	Readily available to all	Reduces with each consumption
Quality	Remains constant	Varies with ability to buy
Decision	Social choice	Consumer's decision
Objective	Overall growth and development	Profit earning
Traded in Free Market	No	Yes
Opportunity	No	Yes

Private goods are manufactured by the private sectors, and therefore they function on demand and supply concept. These products or services goes on decreasing with each use since the goods bought by one consumer cannot be purchased by the other.

These goods create discrimination among the rich and the poor or the payers and the non-payers since they limit the access for those who don't have purchasing power.

Summary

1. Public goods are produced by the government or by nature for the welfare of the people without any cost. But private products are the ones manufactured and sold by private companies to earn a profit.
- 2.
- 2.3. When nature or the government provides public goods, private goods are produced by the businessmen or the entrepreneurs.
- 4.
- 3.5. In the case of public goods, rich or poor can equally benefit from such goods. Whereas, in fact of private products, only rich people who have the purchasing power can relish its benefits.
- 6.
- 4.7. The former is readily available and accessible by all the public. However, the latter diminishes with the consumption of each unit by the consumers.
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