

# Public Economics: Introduction

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# What is Public Economics?

- Households (utility maximizer)
- Firms (profit maximizer)

Governments

Why do people take lunch at lunch time?

Why do F.A.s agglomerate in N.Y?



matines

midnight

laudes

around 3:00

prime

around 6:00

tierce

around 9:00

sixte

around 12:00

none

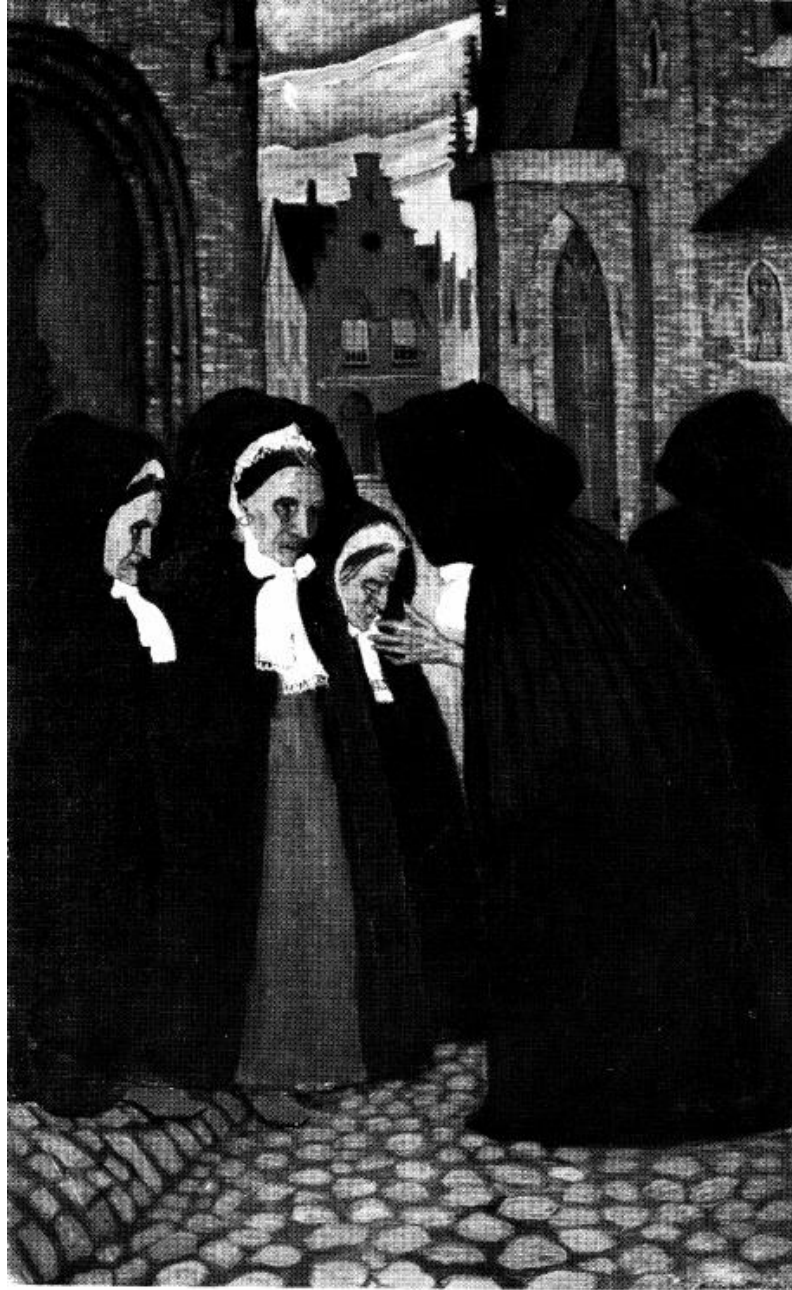
around 15:00

vêpres

around 18:00

complies

around 21:00



*Brügge – Flanderns medeltida centrum  
Målning av Olof Sager-Nelson*

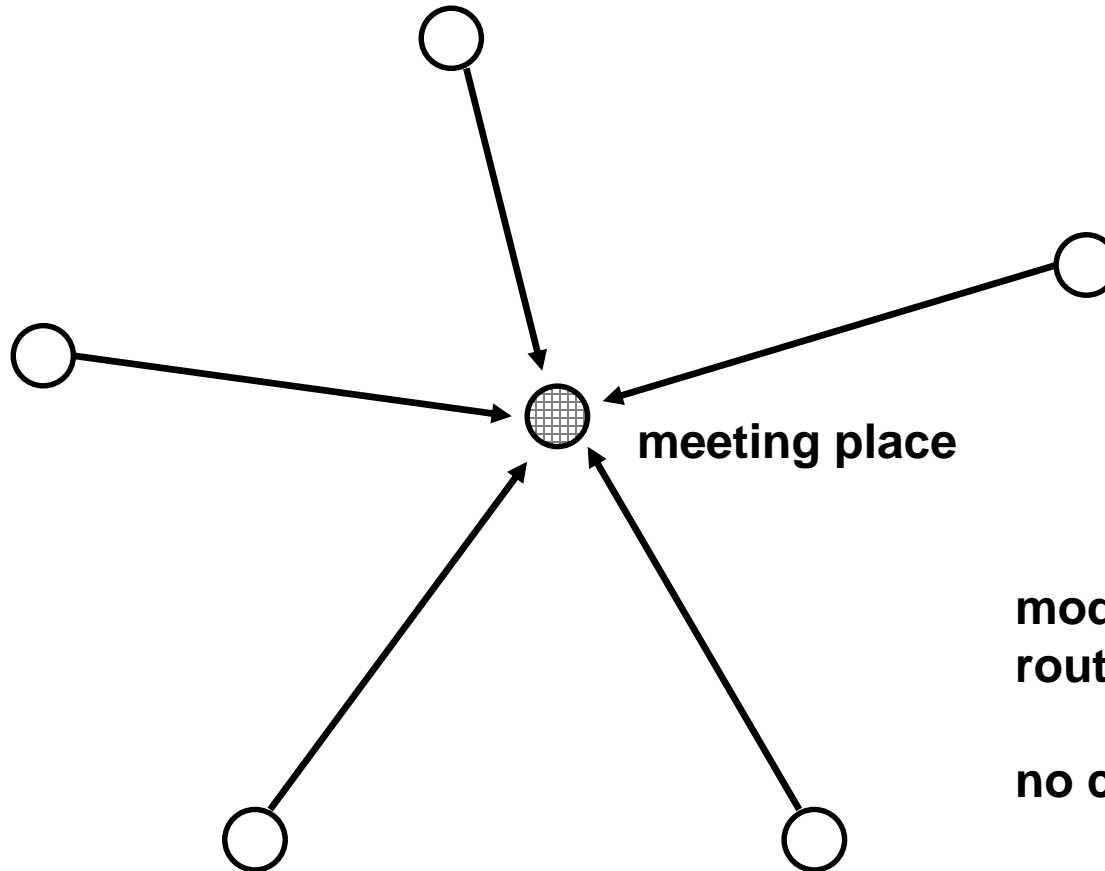


*Utbildning för kreativitet kräver öppen närhet*





# transportation network

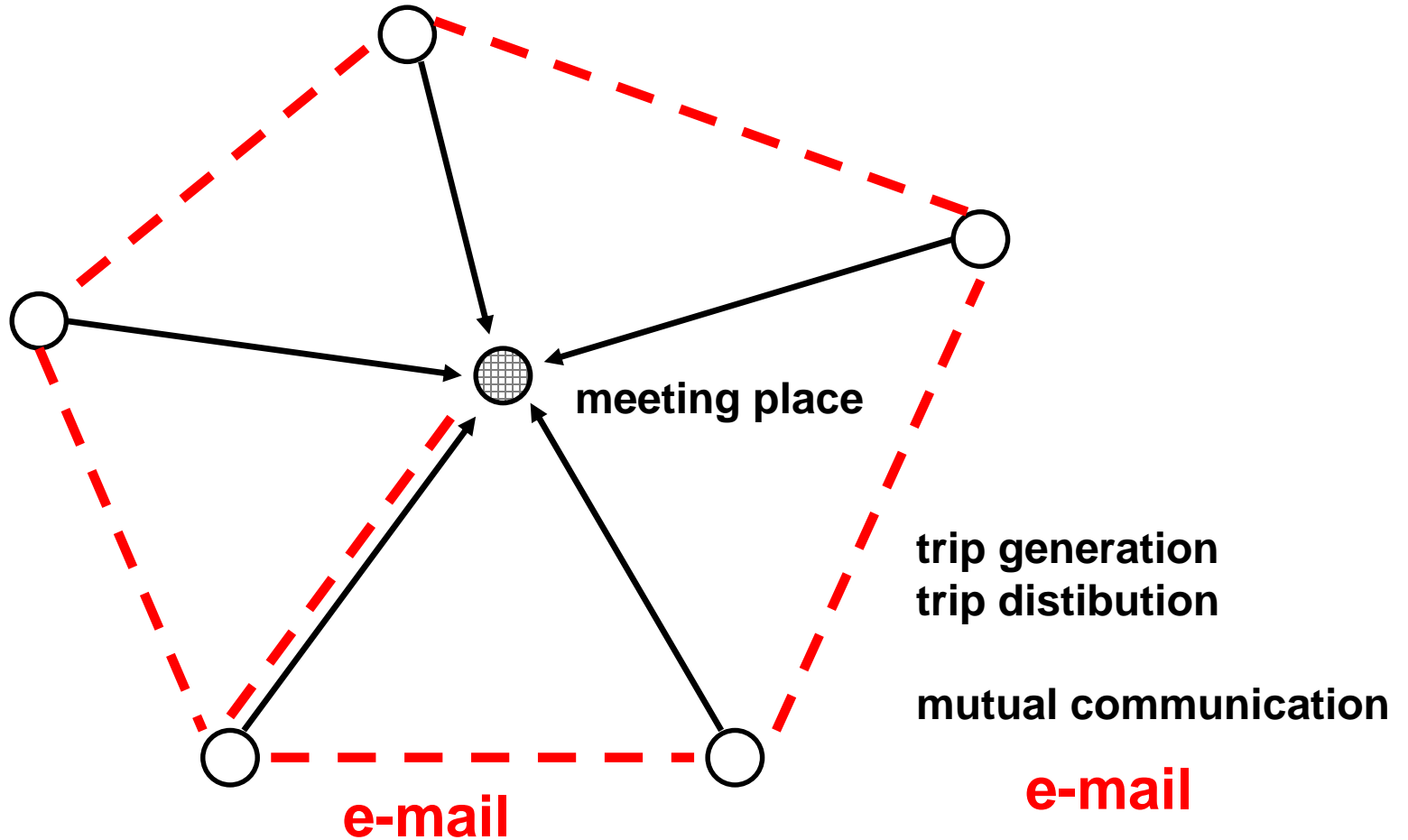


mode choice  
route choice

no communication

**ITS**

# knowledge network



Scitovsky —

Hirsch —

K —

Dilemma

$$P \times P = P^2$$

$$0.5 \times 0.5 = 0.25$$

$$0.1 \times 0.1 = 0.01$$

$$0.01 \times 0.01 = 0.0001$$

# What is Public Economics?

- Households (utility maximizer)
- Firms (profit maximizer)

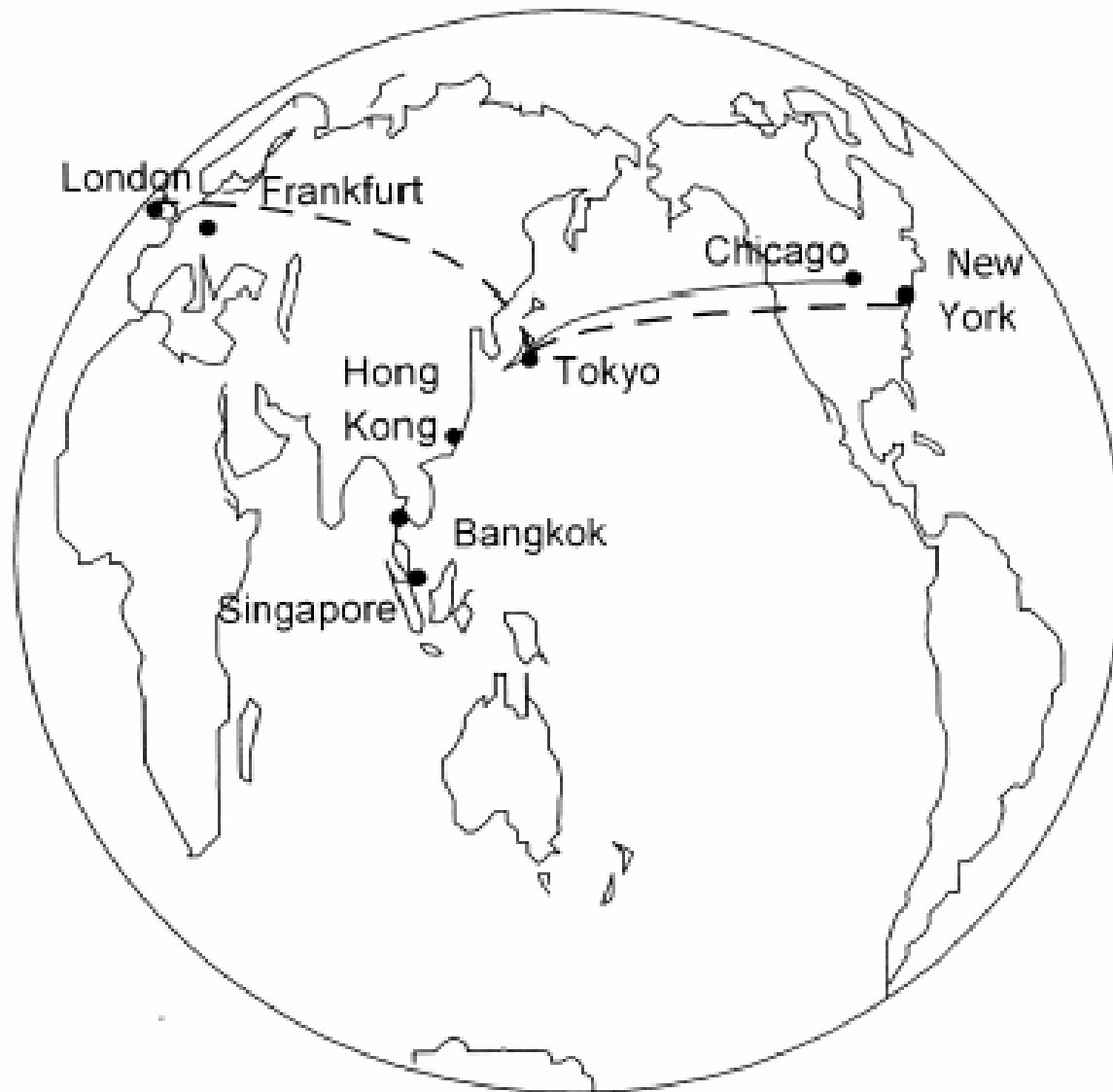
Externality, Complementarity

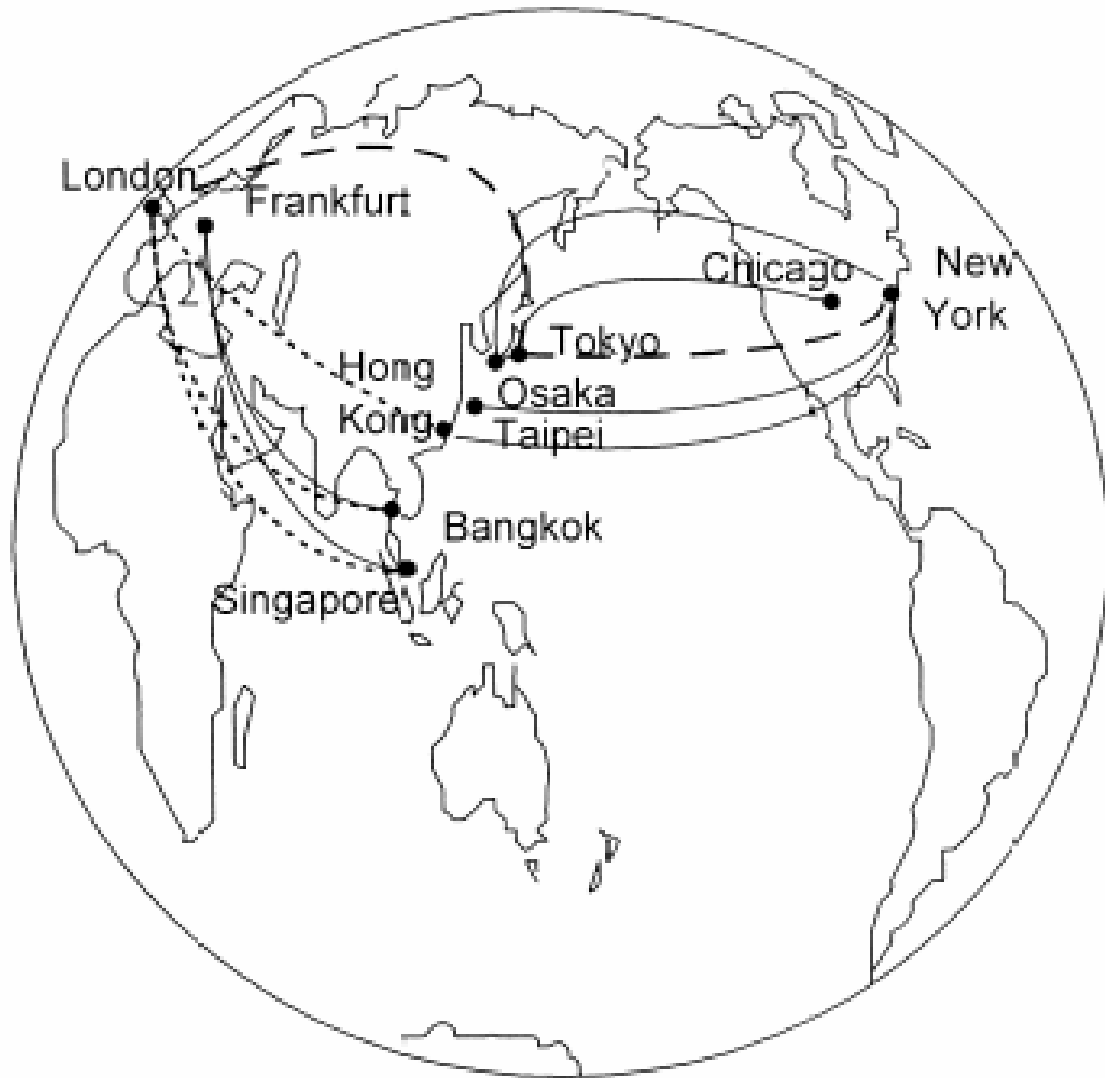
# Externality

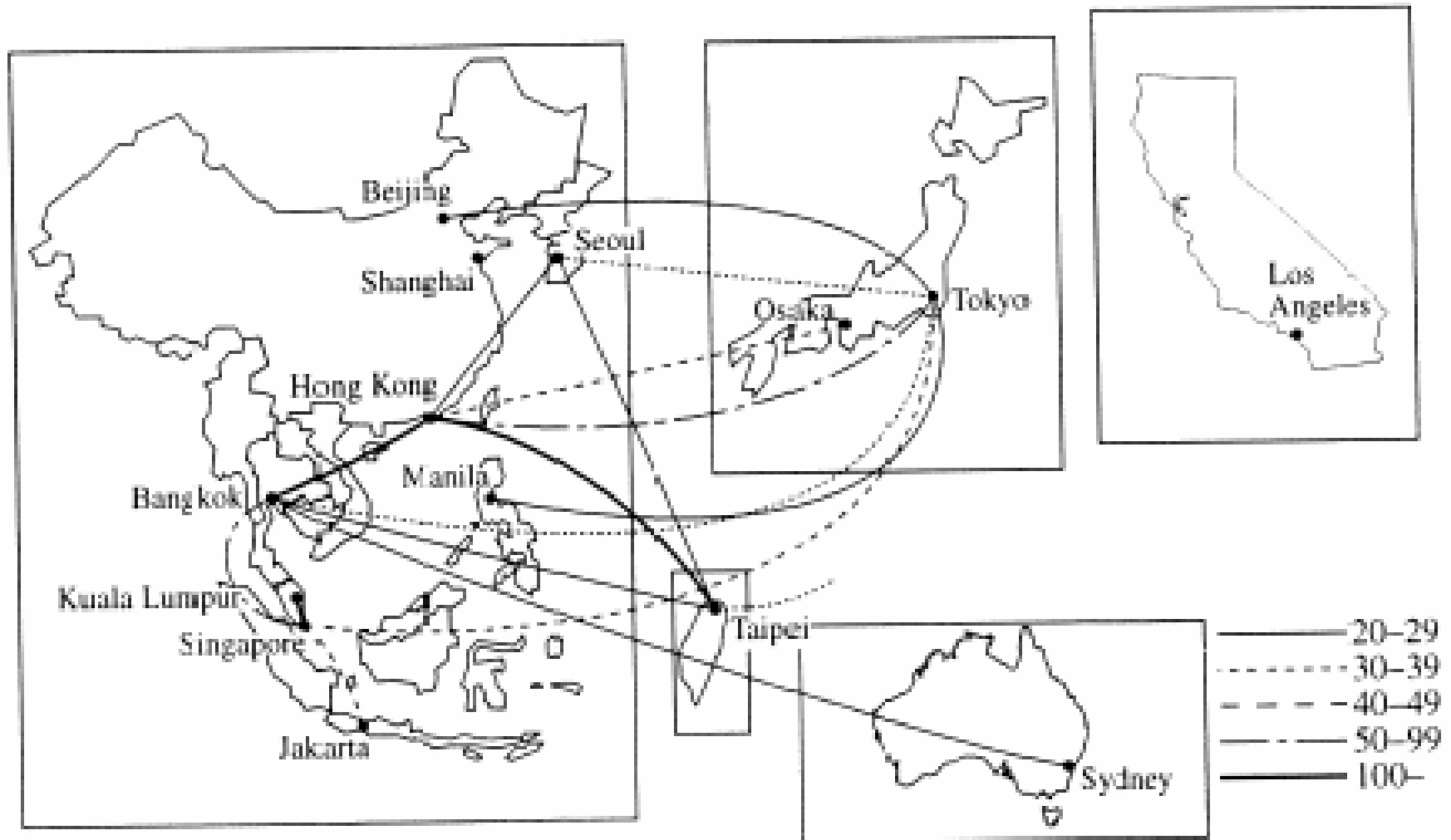
time (lunch time)

space (New York)

city, terminal

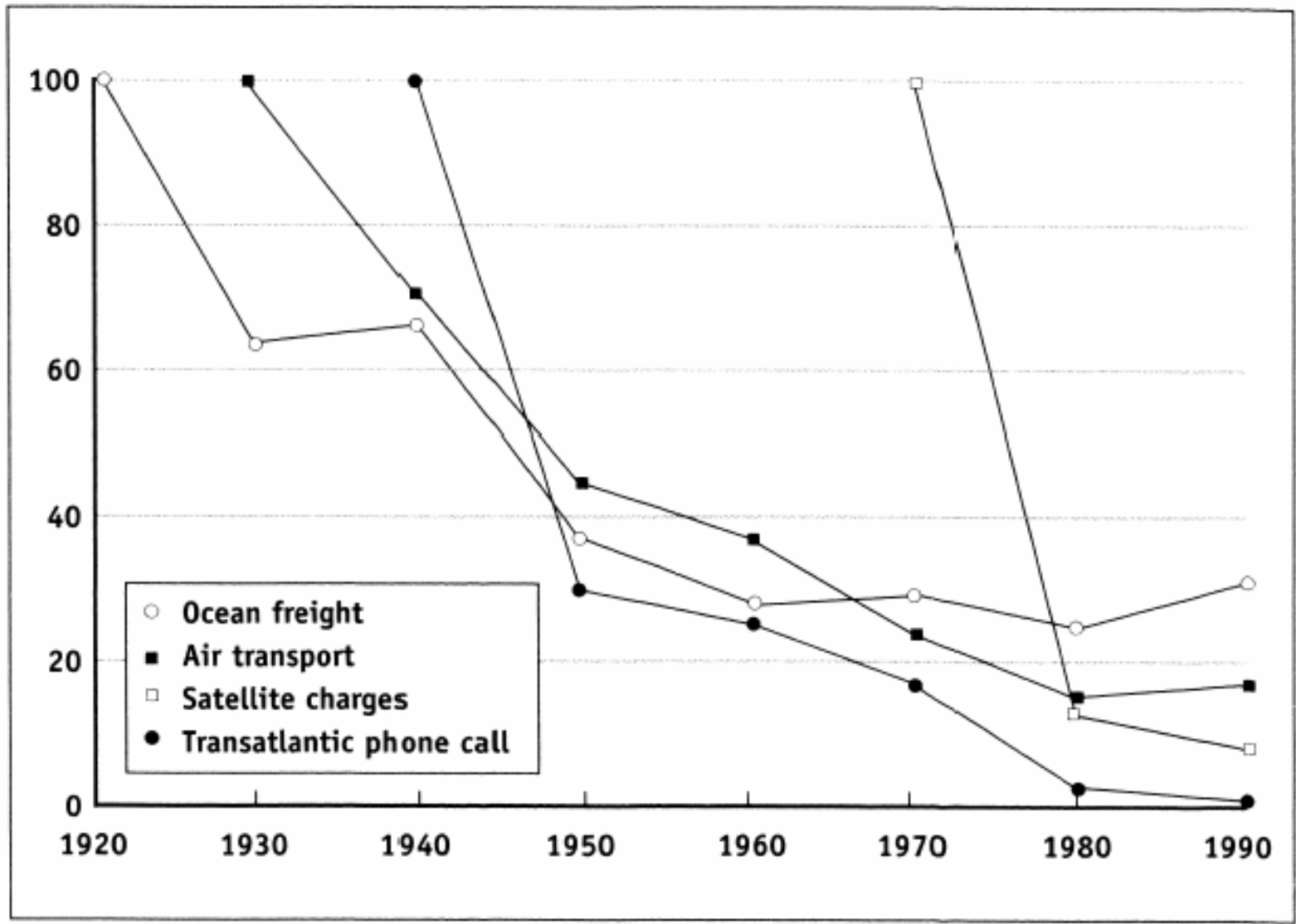












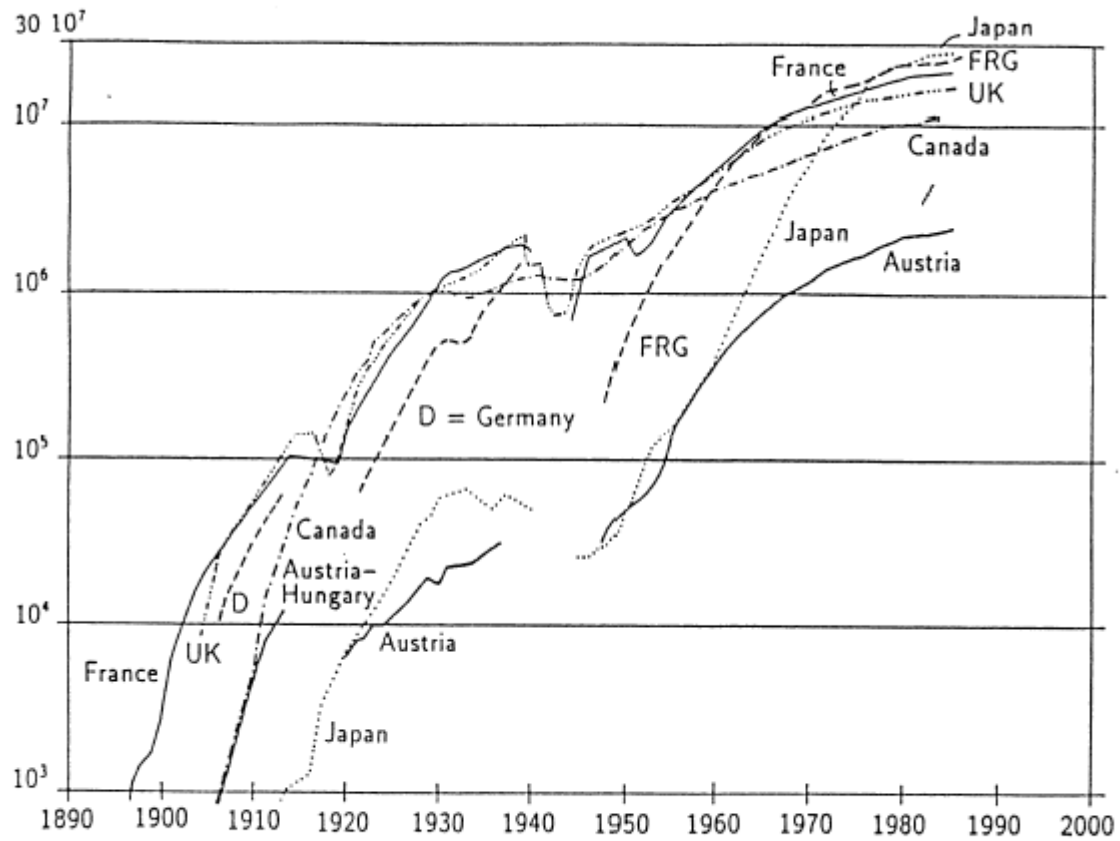
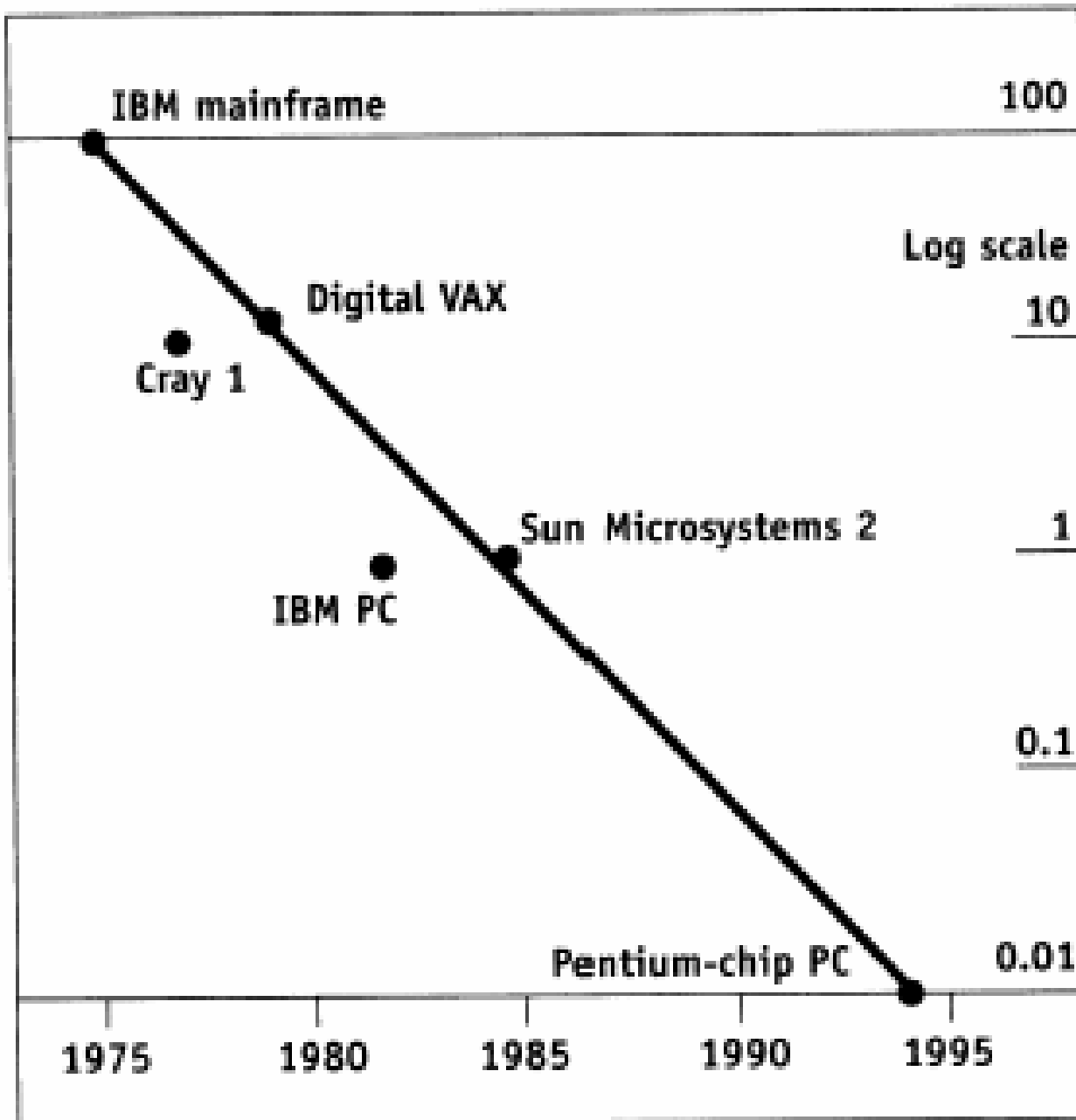
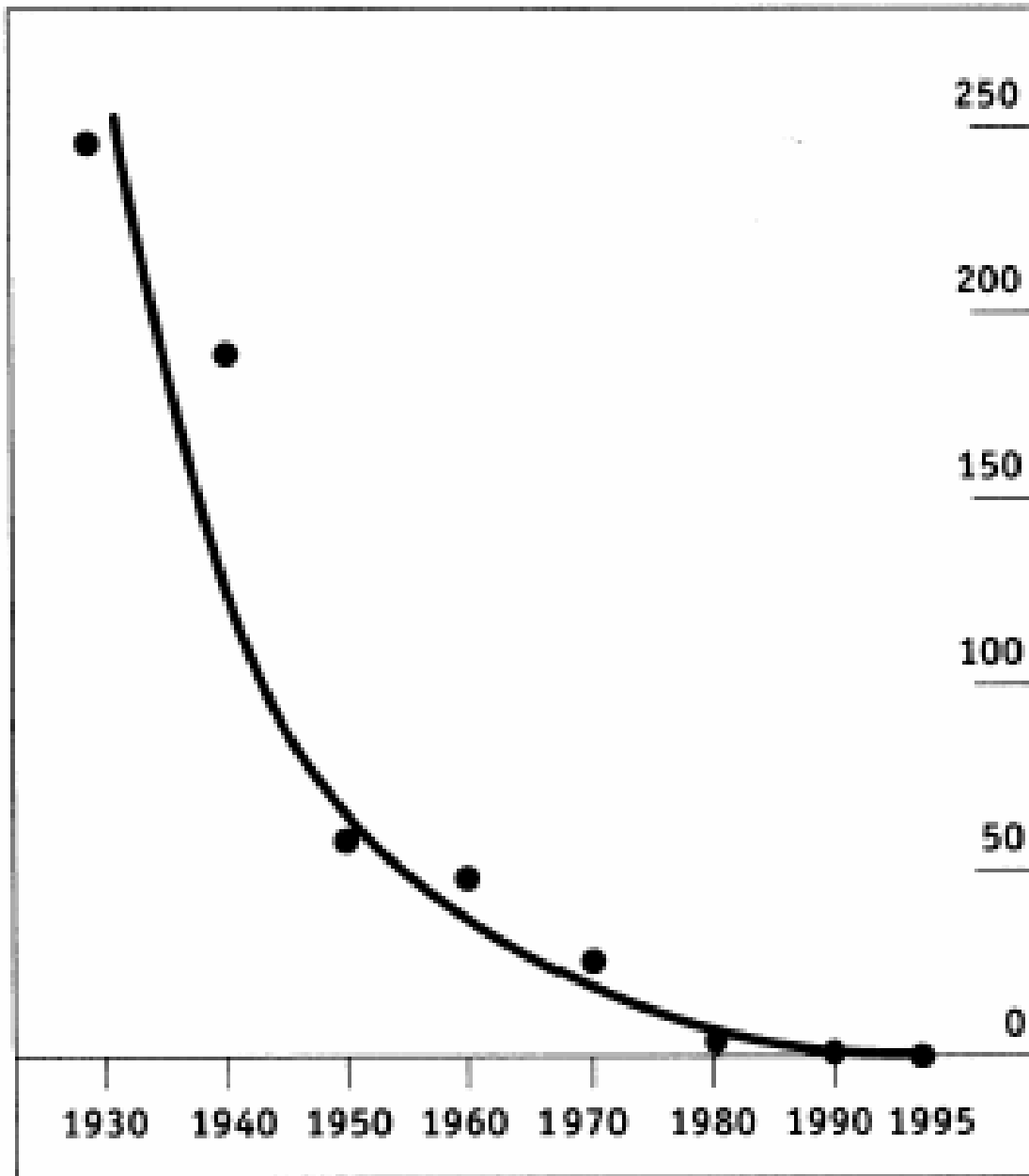
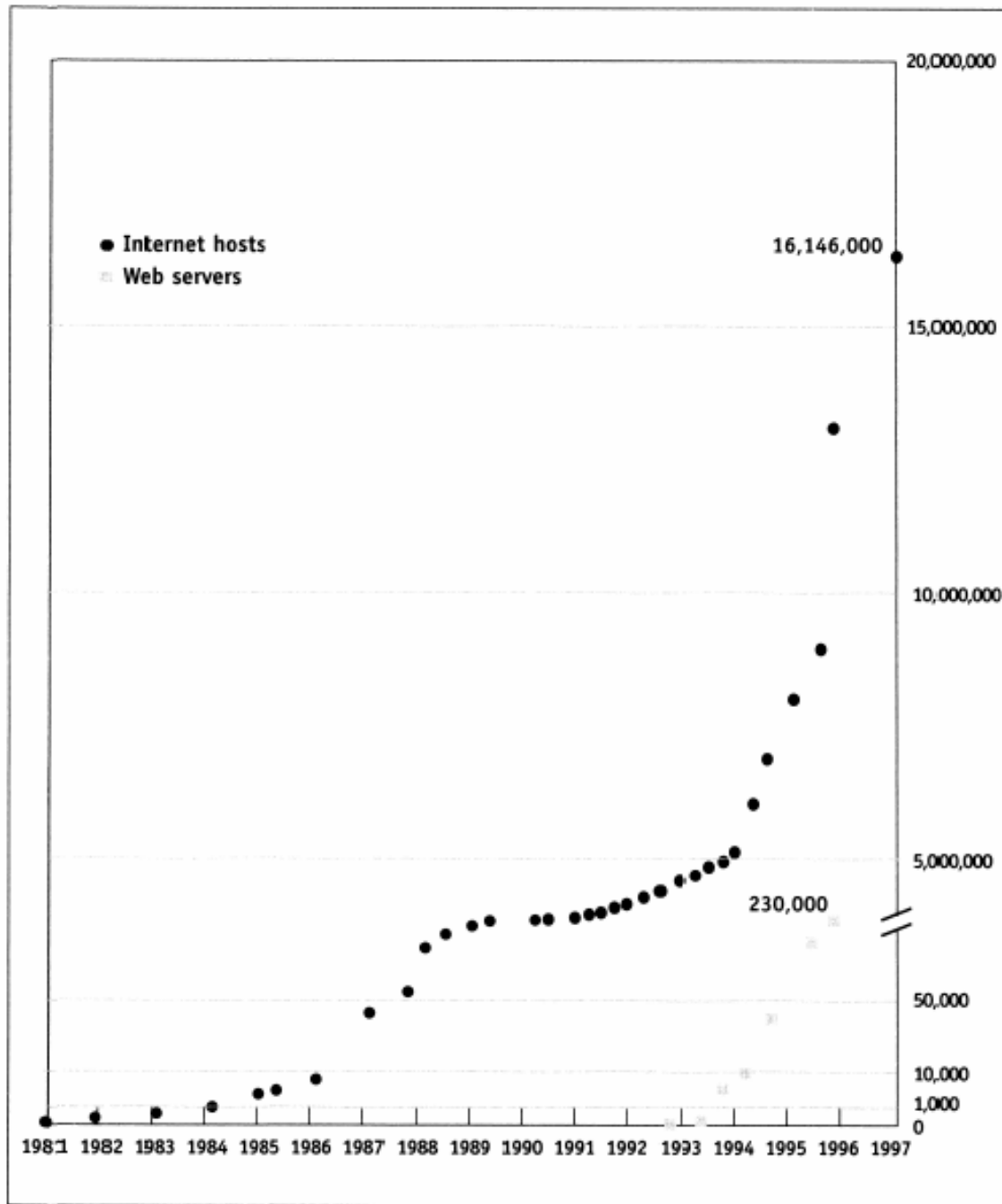


図 5.3: 自動車の普及過程



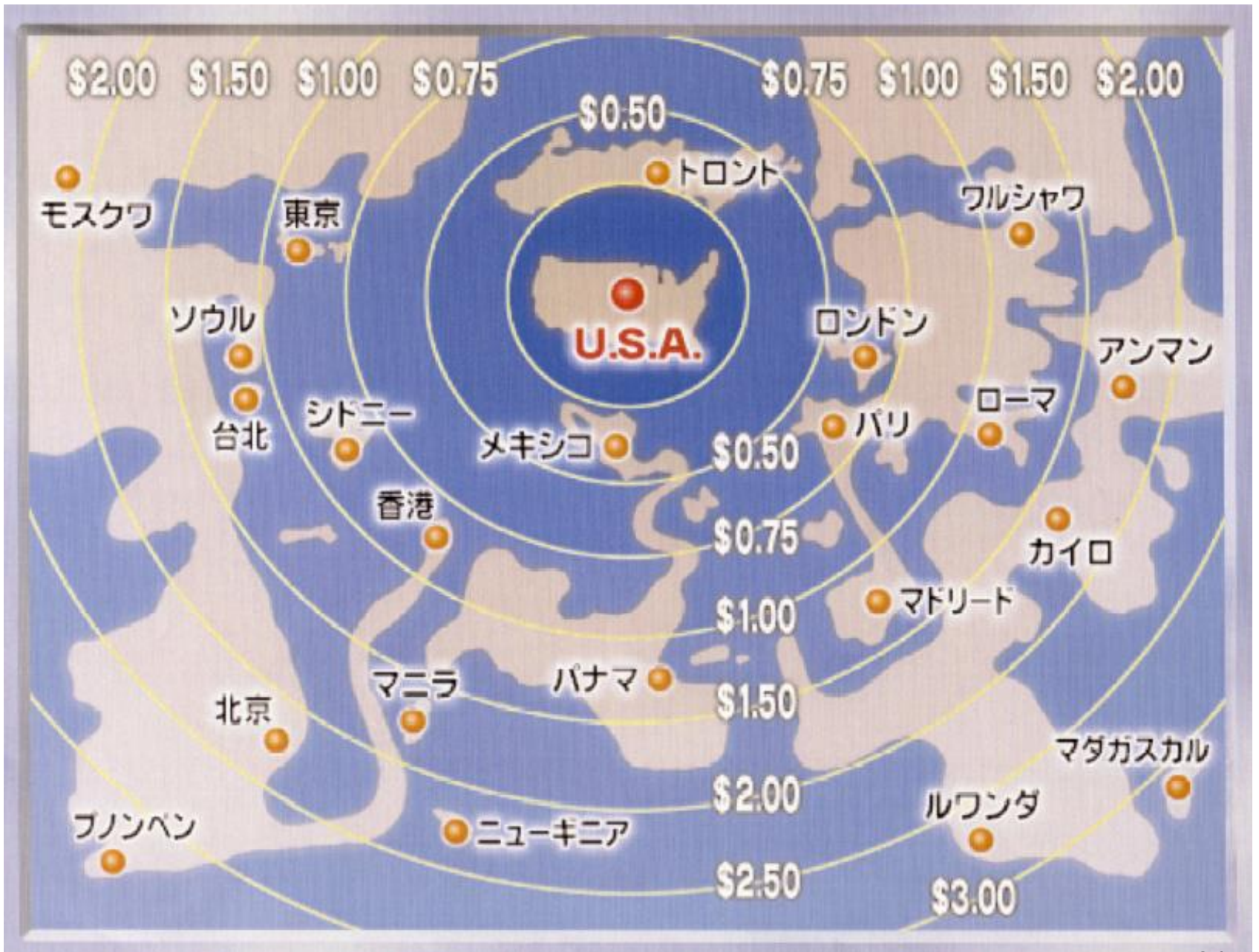




<b>Year</b>	<i>Transatlantic (North America–Europe) Voice Paths</i>		<i>Transpacific (North America–East Asia) Voice Paths</i>	
	<b>Cable</b>	<b>Satellite</b>	<b>Cable</b>	<b>Satellite</b>
1986	22,000	78,000	2,000	39,000
1987	22,000	78,000	37,800	39,000
1988	60,000	78,000	37,800	39,000
1989	145,000	93,000	37,800	39,000
1990	145,000	283,000	37,800	39,000
1991	221,000	283,000	114,200	27,000
1992	296,600	496,000	190,500	27,000
1993	410,000	620,800	264,000	83,300
1994	701,800	620,800	264,000	234,000
1995	1,310,800	710,800	264,000	234,000
1996	1,310,800	710,800	864,600	234,000
1997–2000*	1,310,800	737,500	1,464,600	424,500

\*Minimum available

Source: TeleGeography, Inc.—Washington, DC.





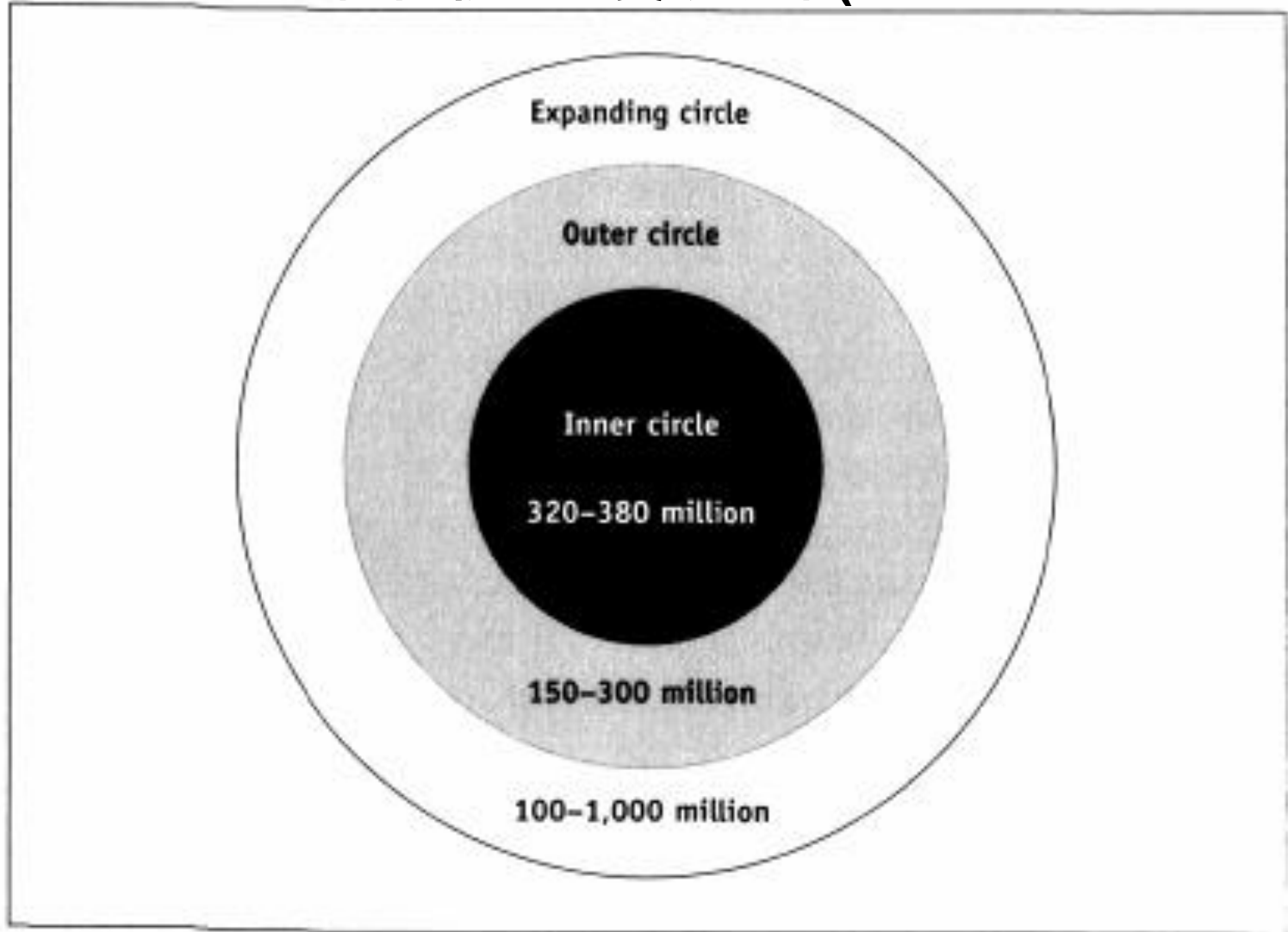
# Market competition

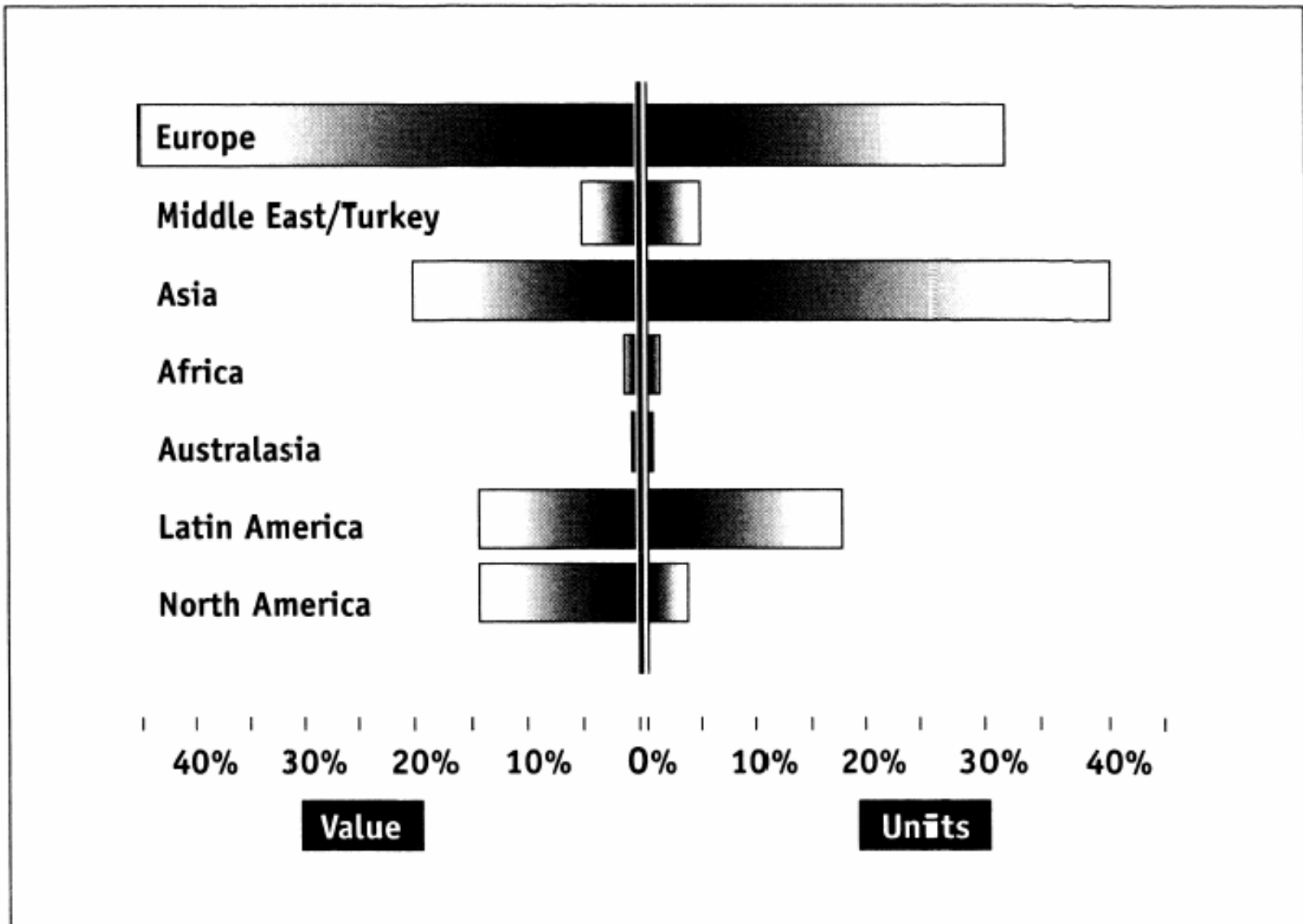
- traditional competition
  - price competition
  - quality competition
- business model competition
  - standards

# Consequences of business model competition

- Multiple equilibria
- lock-in effects
- snow ball effects

## 米国商務省の貿易政策(1990年)





leisure

recreation

Money

Time

Knowledge  
(Human capital)

Friends