What Is the Economic Problem?

• Stuff:
  – What...
  – How...
  – For whom...

• We can’t make everything we need...
  – Find useful...
  – Just want...
What Is the Economic Problem? II

• Stuff:
  – What...
  – How...
  – For whom...
• We can’t make everything
  • Necessities, conveniences, luxuries...
• Where there is no scarcity—or where we don’t care that there is scarcity—there is no economic problem
What Is the Economic Problem? III

- Stuff:
  - What...
  - How...
  - For whom...
- We can’t make everything we need, could use, or just want
- Where there is no scarcity—or where we don’t care that there is scarcity—there is no economic problem
- Where there is, and where we care, there is an economic problem
What Is the Economic Problem? IV

• Stuff:
  – What...
  – How...
  – For whom...

• We can’t make everything we need, find useful, or just want.

• Where there is no scarcity—or where we don’t care that there is scarcity—there is no economic problem.

• Where there is, and where we care, there is an economic problem:
  – Ursula K. LeGuin: Urras and Anarres
What Is the Economic Problem? V

- Stuff:
  - What...
  - How...
  - For whom...
- We can’t make everything we need, find useful, or just want
- Where there is no scarcity—or where we don’t care that there is scarcity—there is no economic problem
- Where there is, and where we care, there is an economic problem:
  - Ursula K. LeGuin: Urras and Anarres
  - Jan Wenner vs. Paul Allen
Adam Smith

- In 1776 publishes his genuinely game-changing insight the “system of natural liberty”
- Just let people exchange things—in an environment in which there is an alternative deal almost as good just down the street—and things will work out remarkably well…
How Remarkably?: The High Stalinist Experiment