

Principles of Economics  
Moral Philosophy  
**The Economic Problem**

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# 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



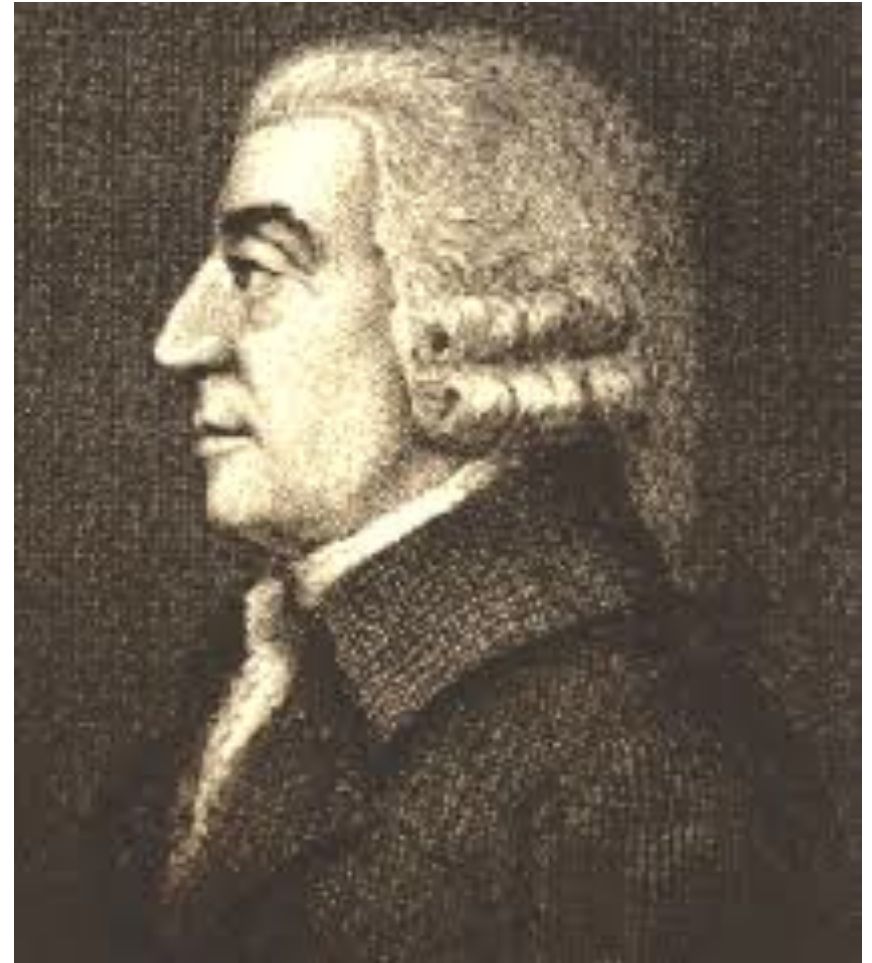
# What Is the Economic Problem? V

- 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



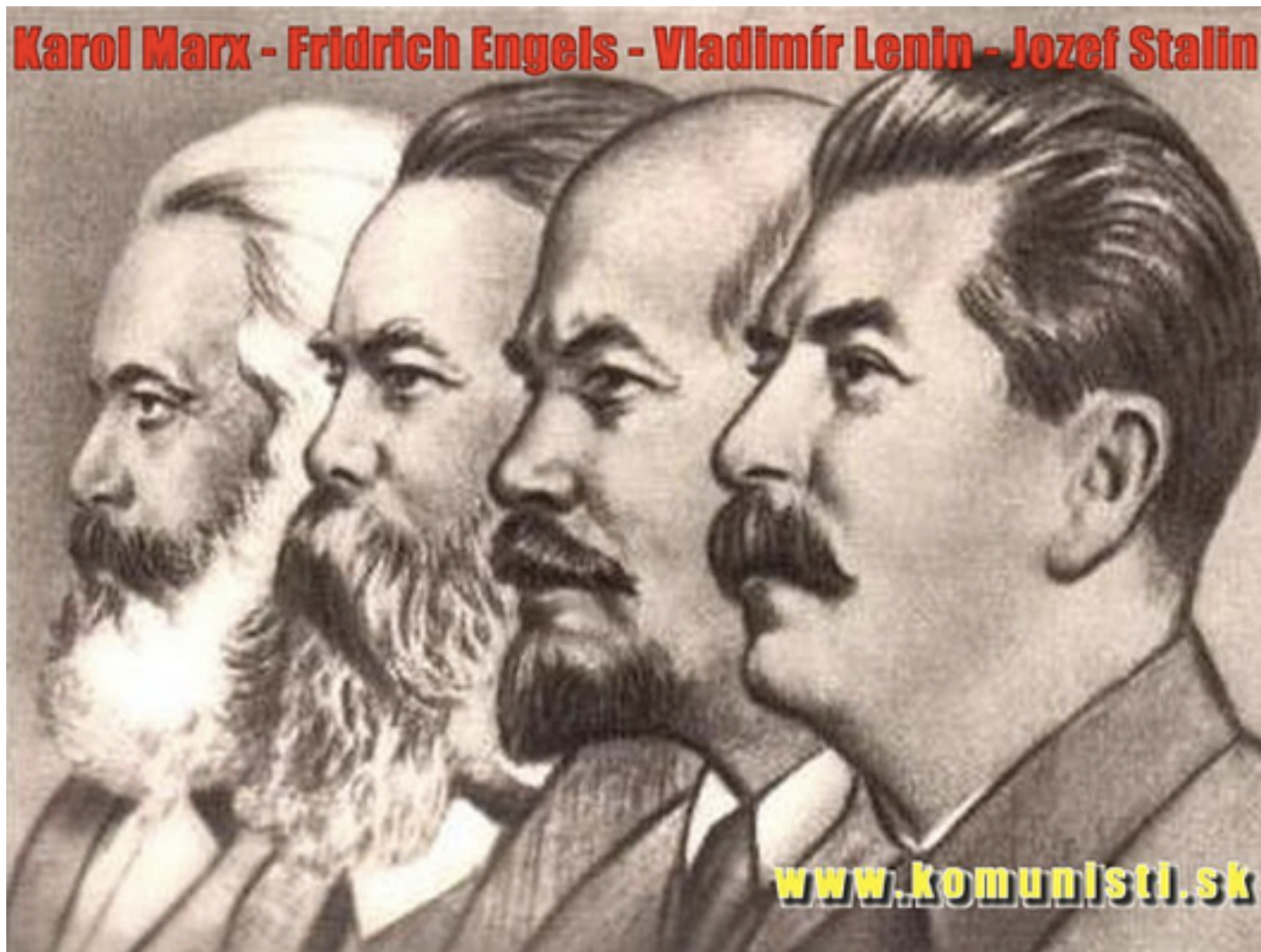
# Adam Smith

- 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

**Karol Marx - Fridrich Engels - Vladimír Lenin - Jozef Stalin**



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