

Markets and Politics Are Both about Scarcity

Written by Donald Boudreaux.

People succeed in markets by reducing scarcity—that is, by easing scarcity’s grip on their fellow humans. And the more they ease scarcity’s grip, the greater their success. Profits are earned in competitive markets only by successfully making desired goods and services less scarce than they would otherwise be.

People succeed in markets by reducing scarcity. People succeed in politics by increasing scarcity. People succeed in politics by increasing scarcity—that is, by tightening scarcity’s grip on their fellow humans. And the more they tighten scarcity’s grip, the greater their success. Power and prestige in politics are gained chiefly by successfully carrying through on promises to make desired goods and services more scarce than they would otherwise be so that politically influential suppliers of those goods and services reap higher profits from the artificial increase in scarcity.

Originally published at FEE.org.