Economic competition: should we care about the losers?

Economics

These potential " losers", he states, lactates between producers and consumers. Within his description, Wolff clarifies that exploitation is a direct consequence of economic competition. " A competition has been set up for the general good, but without sufficient regard to how this affects the people who are enticed into the competition by the promise of victory' (606). He therefore concludes that several methods of protection are needed for these individuals.

Although he gives a relatively plausible argument over the potential mishaps within economic competition, Wolff fails to not only identify the greater successes in economic competition, but does not establish that the ability for exploitation to manifest lies within the government and can be minimalists by advocating citizens' rights. To begin with, Wolfs argument must be broken down and analyzed. Within his piece, he identifies several types of competition but only the most relevant shall be mentioned: 1) Pure Lottery, 2) Weighted Lottery, 3) Pure Competition, and 4) Side- effect of activity.

The first three forms hold the similar concept of pulling through with an action in order to receive a tangible reward. For example, two kids compete or a prize for who has the cleanest closet. Unlike these forms, the side effect of an activity consists of the individual " benefiting from people behaving competitively, rather than the effect of the awarding the prize to one person" (605). This precise component, Wolff states, is what drives the dubious potential for exploitation.

He identifies the action as not merely taking advantage of someone, but playing in a way that their actions should be an essential component in the achievement of one'sgoals. Therefore, Wolff presents the idea of a " moral safety net" (I. E. Social security, inerrancy laws) that prevents such exploitation to take place (609). However, as much as it is known that exploitation is possible within the market, Wolff only subtly grasps the idea of economic competition. Although he gives a decent argument about the interests of those who may potentially suttee let us talk about legitimate microeconomics and now they will a society.

In Wolfs entire argument, he focuses on only one scope of competition, production efficiency. This is where a good is produced at the lowest input cost possible. Obviously this will not maximize social welfare because the ultimate repose is to eventually surpass the original level of production and maximize profit. Given that the level of production within a business fluctuated to maximize social welfare, a whole new story- one Wolff ignores- is given. Here, marginal benefit is equal to one's marginal cost and therefore, producers and consumers have come to a win-win situation.

Unlike John Wolff, it should also be duly noted that within the producer realm, employees are not exploited. How often is an individual chained to their desk (606)? Within capitalist economics, wages are fairly paid by an employer's refits. We should only show concern if this were not the case and people were instead forced into a wicked and inhumane method of production such as slavery. Even within monopolies, their economies of scale allow for their consumer surplus deadweight loss to be looped back into the economy because of how they choose to invest their large profits.

For example, investing in research and development can therefore, I believe, compensate for exploitation. Other monopolistic businesses can be controlled and exploitation can be minimalists via tighter government policy and anti-trust acts. Therefore, a financial safety net would not be necessary. If the government sets up stronger methods of controlling businesses and encourages employees to participate in their contractual rights, then there is no moral obligation to compensate for the losers.

One way to see this is how we function as autonomous individuals. We are willing and able to go to the supermarket and purchase groceries, or buy a new set of golf clubs to match those new accessories bought. Because of the Job one has, they are able to produce income. With income, the person is able to freely choose what to spend theirmoneyon. Therefore autonomy is a direct derivative from income. Wolff argues that even if businesses are highly regulated, they will Just become a part of a larger monopolistic scheme within the economy (608).

But as I previously mentioned, monopolies have the capacity to not only give back to the community, but its lack of allocation efficiency can be curbed by government regulation. Anti-trust acts like the Sherman Anti-trust act of 1890 control businesses that dominate the market and hinder consumer and producer surplus. This being said, consumers and producers alike hold positive and negative freedoms hat should be highly encouraged in order to minimize the possibility of exploitation.

Individuals within the competitive labor market hold both types of freedoms. Firstly they hold positive freedom, which is a right in which either, the government or employer holds an obligation to the employee. For example, once Susie signs a contract with Cataracts, which provides decent dental care, they are obligated to provide it to her. Apart from that Susie also has the right to attend a public school free of no charge because she pays her taxes. Individuals also have negative rights, r the right to not have anyone intervene in a decision they make.

After she's done with her shift, Susie has a right to go walking in the park without her manager from Cataracts chasing near down, demanding that seen return to the shop. In the same sense, this applies to the exploitation Wolff analyzes in his piece. If we deeply acknowledge the fundamental rights of autonomous individuals such as these freedoms, then there is no need to set up extraneous safety nets that solely end up wasting a taxpayer's money that should instead be devoted to endorsing democratic goals.