Amartya Sen

Markets, no markets/command economy, mixed, laissez-faire or regulated?

Even prior to the (more common) considerations of efficiency, the greater freedom in market economies is a strong if overlooked, factor in their favor

Missing Market – Supplier unwillingness to supply things. They do this if the demand isn’t great enough to cover their cost. E.g. mail service in rural areas

Under “Smithian Conditions” pareto optimality will be achieved

Conditions: Parties are all fully rational\*

Parties are all fully informed

Parties all have equal access to markets, resources, and capital

Parties are not monopolies, oligopolies, or other restraints on trade (including government regulation)

There are no externalities also called spillovers (cost to third parties that are not born by the producer or paid for by the buyer). E.g. pollution

\* They will always take the option with the highest $USD