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The new economics foundation hasn't bothered to understand Adam Smith [1]

Written by **Tim Worstall** [2] | Thursday 19 September 2013

You would think that 237 years after publication that those who wish to pronounce on matters economic would have, by now, grasped the simple and basic points that were made by Adam Smith in Wealth of Nations. But apparently not, at least not over at the nef, which is why Giles Wilkes explanation of the acronym, not economics, frankly, is so apposite.

They've a new book out [3] telling us how lovely it would be if we all just worked less and had more leisure. In this they are correct: it would indeed be wondrous if we were able to take more of our increasing wealth as leisure. Which is, of course, what we have been doing for some centuries now as our wealth has increased. We all have a great deal more leisure time than our forefathers (and most especially foremothers), as I've pointed out here and elsewhere many a time.

However, where the wheels come off the organic yurt is that they think that we will increase leisure hours by doing less work in the market and more for ourselves in domestic production. This is, quite frankly, an insane suggestion.

Take two of Adam's points. The first that the sole purpose of all production is consumption. The corollary of this is that we would like production to be efficient: this will maximise potential consumption for any given set of inputs. The second that the division and specialisation of labour increases the efficiency of production. Thus, if we wish to increase the amount that can be consumed for the inputs available then therefore we want to take advantage of the specialisation and division of labour.

The specialisation and division of labour takes place through the market: sadly it's not true that all 7 billion extant human beings are part of this yet (this is why some of them are so darn poor) but a good three to four billion are. That's the number that we can divide and specialise with. This is going to, does lead to, vastly greater efficiency of production than the available split between the two people in my household. Thus by doing more market work and less household production I will maximise the amount of leisure I have for any particular standard of living. Or, if I wish to run it the other way (as we all do at times, some of us do all the time) maximise the standard of living for the number of hours I am prepared to labour and not be at leisure.

The entire thrust of the nef's new little book is that we should, in complete contradiction to the above description of reality, do less market work where we are efficient and more household work where we are less so. So that we must labour more hours for any particular standard of living or, alternatively, have a lower standard of living for any particular amount of leisure we might decide to have.

In one chapter we have a full blown professor no less arguing the following:

> Tim Jackson challenges the argument that more labour productivity inevitably leads to more growth and more jobs.

No one has ever said it does: rather, that greater labour productivity allows more leisure for that labour that is being more productive: or, alternatively, a higher standard of living for said labour.

These people a loons.

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