

## [Volcanic lessons](#) [1]

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The recent shutdown of European airspace by the Icelandic volcano proved conclusively the existence of Adam Smith's invisible hand. Instantly, hundreds of thousands of stranded travellers made alternative arrangements, independent of any government rules, regulations, instructions, guidelines, targets or programs. Millions of decisions were taken by individuals and companies and millions of bargains struck with each such bargain based on the participants' self-interest.

Trains, boats, cars, bicycles, hotel rooms, meals, drinks, telephones, the Internet all swirled around in a giant pot to deliver the best possible result in the circumstances. It wasn't pretty, it wasn't perfect but it delivered a result far, far better than anything any government anywhere came even close to matching.

Now come the recriminations as consumers and companies seek compensation in one form or another. Fair enough but let's make sure such compensation is drawn only from the travellers and the travel industry, not from taxpayers in general. Unlike the banks, there's no company that's too big to fail so let's not create any new expectations.

The volcano revealed risks to travel that hadn't been previously considered and it's only appropriate that such additional risks are born by those who do travel. This may mean higher travel insurance premiums or higher ticket prices. So be it? if you want to travel, things go wrong and you want compensation, then insure yourself or your company.

And before anyone moans that the problems are due to overly cautious and generous safety and consumer protection regimes, well, indeed, they're part of the underlying risk so start pricing for them. Right, Mr O'Leary?

Finally, the British government's response was somewhat alarming. Is the best this island nation which once ruled the waves can deliver on short notice just two ships?

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