

6. Conclusion: The Importance of Getting the Easy Cases Right

In the end, everything is connected with everything else. Markets survive and societies prosper because they get enough of the easy cases right by embracing competitive solutions. It would be nice to report that these carry the day in situations where they should work well. But the experiences that we have had, and continue to have, with labor and agriculture indicate how difficult it is to secure a sound social result in the face of partisan and factional pressures that work to undermine them. In place of markets, we are all too often treated to the spectacle of complex legal arrangements that provide object lessons in economic pathology and opportunities for lawyers and expert witnesses to enrich themselves by working on disputes that ought never to arise in the first place.

Within the U.S. and European cultural framework, it often proves very difficult to win the major intellectual battle on the dominance of competition, although I think it is a terrible mistake not to try. But it is possible to win some second-order decisions about the fine-tuning of these various systems, which can mitigate some of their adverse effects. It is fair to say that in terms of the agricultural situation, the technological improvements have partially offset political mistakes, at least in the developed countries. And I think that within the United States and the United Kingdom, the new waves of technology and the expansion of the international trade system have mitigated some of the power of national

monopolies. But this is not to say that we have reached, or are capable of reaching, a final resting place in the struggle between open competition and state-created monopoly. The settings that make competitive markets work well are the identical settings that make cartels possible. Our future success in picking the right policy alternative is, and will remain, dependent on the ability of people to persuade themselves that one set of outcomes is better than the other. Otherwise, the political process will not support voluntary models but may, in the end, generate forces so strong as to gobble all of them up.