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**The Broken Showcase**

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As a rule, people see only the immediate effect of the policy, i.e. its impact on a particular group, and do not want to delve into what the long-term impact of the policy will be not only on a particular group, but also on all other groups. This error it consists in ignoring secondary consequences. The foresight that consists in seeing all the consequences of the policy may seem self-evident. But doesn't everyone know from their own personal experience that there are all kinds of weaknesses, charming at the beginning and disastrous at the end? Does not every child know that if he eats too much candy, he will be sick? Does the drunk guy know that the next morning he will have heartburn and a “cast-iron head”? Does an alcoholic know that alcohol destroys his liver and shortens his life? Does Don Juan know that he exposes himself to all kinds of risks, from blackmail to diseases? Finally, moving into the economic, albeit personal, sphere, does not the lazy and spendthrift know, even at the peak of his delightful pastimes, that debts and poverty await him in the future?

Today is already tomorrow, which bad economists yesterday demanded to ignore. Some long-term consequences of some economic decisions may become apparent within a few months, others may not become apparent for several more years, and some others for decades. But anyway these long-term consequences are contained in any policy, just as the chicken was once in the egg and the flower in the seed.

From this point of view, therefore, the whole of economics can be reduced to a single lesson, and this lesson to a single sentence: the art of economics is the ability to foresee not only the short-term, but also the long-term results of the application of any law or the implementation of any policy; it consists in determining the consequences of that policy not only for one group, but for all groups.

Consider an example with a broken window pane.

A bully throws a brick into the bakery window. The furious owner runs out into the street, but the boy is gone. A crowd gathers and begins to look at the hole in the window and the fragments that littered the bread and pies. Soon it becomes necessary for her to philosophically comprehend what happened. Several people will almost certainly remind each other or the owner of the bakery that, in the end, each failure has its advantages, for example, some glazier will have a job. How much will a new sheet of glass for a showcase cost? \$250? This is quite a decent amount in the end, if the glass had never been broken, what would have happened to the glass business? And so you can argue indefinitely. The glazier will have to spend \$ 250 on settlements with suppliers, suppliers, in turn, will also spend \$ 250 to pay for goods to other suppliers, and so on indefinitely. Infinitely expanding circles will diverge from the broken showcase, providing people with money and employment. From all this, the crowd could draw a logical conclusion: the hooligan who threw the brick is not a threat to society at all, but a public benefactor.

However, the crowd is at least right in its first conclusion. This small act of vandalism means a larger volume of orders for a certain glazier. But the owner of the bakery will not have the \$ 250 with which he planned to buy a new suit. Since he had to repair the showcase, he will have to do without a new suit (or meet equivalent needs, or luxury items). In a word, the acquisition of a glazier is equivalent to the loss of a

tailor in business. No there was no new “employment”. People from the crowd took into account only two parties involved in the case — the baker and the glazier. They forgot the potentially involved third party — the tailor. They have forgotten about him precisely because he is not appearing on stage at the moment. In a day or two people will see a new showcase, but they will never see a new suit because it will never be sewn. They only see what their eyes perceive right now.

References:

1. Henry Hazlitt. Economics in one lesson. – M.: Williams, 2015. – 256 p.