

The Economics of Welfare

Fourth edition

A.C. Pigou

palgrave
macmillan

Contents

<i>Introduction: Reclaiming a Forgotten Master</i>	ix
Nahid Aslanbeigui and Guy Oakes	
<i>Preface to the Third Edition (1928)</i>	xvii
<i>Note to the Fourth Edition (1932)</i>	xix
<i>Note to Reprint (1952)</i>	xx

Part I Welfare and the National Dividend

1 Welfare and Economic Welfare	3
2 Desires and Satisfaction	23
3 The National Dividend	31
4 What Is Meant by Capital Intact	43
5 Changes in Size of the National Dividend	50
6 The Measurement of Changes in the Size of the National Dividend	56
7 Economic Welfare and Changes in the Size of the National Dividend	82
8 Economic Welfare and Changes in the Distribution of the National Dividend	87
9 Reactions through the Numbers of the Population	98
10 The National Dividend and the Quality of the People	106
11 The Method of Discussion to Be Followed	123

Part II The Size of the National Dividend and the Distribution of Resources among Different Uses

1 Introductory	127
2 The Definition of Marginal Social and Private Net Products	131
3 The Values of Marginal Social Net Products and the Size of the National Dividend	136
4 Rates of Return and the Values of Marginal Private Net Products	142
5 The Effects of Eliminating Obstacles to Movement	144

6	Hindrances to Equality of Returns due to Imperfect Knowledge	149
7	Hindrances to Equality of Returns due to Imperfect Divisibility of the Units in Terms of Which Transactions Are Conducted	158
8	Hindrances to Equality of Returns due to Relative Variations of Demand for Productive Resources in Different Occupations and Places	167
9	Divergence between Marginal Social Net Product and Marginal Private Net Product	172
10	Marginal Private and Social Net Products in Relation to Industrial Forms	204
11	Increasing and Decreasing Supply Price	213
12	State Regulation of Competitive Prices	229
13	State Regulation of Supplies	243
14	The Conditions of Monopolisation	250
15	Monopolistic Competition	266
16	Simple Monopoly	269
17	Discriminating Monopoly	275
18	The Special Problem of Railway Rates	290
19	Purchasers' Associations	318
20	Intervention by Public Authorities	329
21	Public Control of Monopoly	336
22	Public Operation of Industries	381

Part III The National Dividend and Labour

1	Industrial Peace	411
2	The Classification of Industrial Differences	415
3	Voluntary Arrangements for Conciliation and Arbitration	420
4	Mediation	434
5	Coercive Intervention	439
6	An Analytical View of Industrial Peace	451
7	Hours of Labour	462
8	The Methods of Industrial Remuneration	473
9	The Distribution of Labour among Occupations and Places	488
10	Employment Exchanges	512
11	Unemployment versus Short Time	519
12	The Practicability of Interference to Raise Wages	531
13	Methods of Engaging Labour	541

14	Interference to Raise Wages in Places and Occupations Where They Are Unfair	549
15	Fair Wages inside Particular Industries	572
16	Fairness as a Variable Relation	586
17	Interference to Raise Wages in Places and Occupations Where They Are Already Fair	593
18	Wage Rates and Capacity	607
19	A National Minimum Time-Wage	613
20	Fixed and Fluctuating Wage Rates	619

Part IV The Distribution of the National Dividend

1	The General Problem of Disharmony	645
2	Pareto's Law	647
3	The Supply of Capital and Labour	656
4	Inventions and Improvements	671
5	The Manipulation of Wages	681
6	Rationing	694
7	Subsidies to Wages	699
8	Direct Transferences from the Relatively Rich to the Relatively Poor	705
9	The Effect on the National Dividend of the Expectation of Transferences from the Relatively Rich	710
10	The Effect on the National Dividend of the Expectation of Transferences to the Poor	720
11	Bounties on Things Purchased by the Poor	737
12	The Effect on the National Dividend of the Fact of Transferences from the Relatively Rich to the Poor	742
13	A National Minimum Standard of Real Income	758

Appendices

1	Uncertainty-Bearing as a Factor of Production	771
2	The Measurement of Elasticities of Demand	782
3	A Diagrammatic and Mathematical Treatment of Certain Problems of Competition and Monopoly	789
4	The Measurement of Real Income in Relation to Taxes (to Part I, Chapter III)	815
5	Obsolescence and Kindred Matters (to Part I, Chapter IV)	817

6	Real Income and Economic Welfare (to Part I, Chapters V and VI)	820
7	Duopoly (to Part II, Chapter XV)	825
8	All-round Monopoly (to Part II, Chapter XVI)	831
9	Imperfect Competition (to Part II, Chapter XVII)	833
10	The Elasticity of Substitution (to Part IV, Chapter III)	835
11	Measurability and Comparability of Utilities	845
	<i>Index</i>	853
	<i>Index for Appendices IV–XI</i>	875