

# What if economic scarcity is a lie?

<https://www.taxresearch.org.uk/Blog/2025/07/28/what-if-economic-scarcity-is-a-lie/>

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The foundation of modern economics is that resources are scarce. But what if that simply isn't true? In this video, I explore how the assumption of scarcity drives inequality, stress, and unsustainability – and what a post-scarcity economy could look like.

<https://www.youtube.com/watch?v=YR2FcHoQLIU?si=ccUMF4RsemyScpxo>

This is the audio version:

[https://www.podbean.com/player-v2/?i=gmnua-1917075-pb&from=pb6admin&p;share=1&download=1&rtl=0&font=Arial&skin=f6f6f6&font-color=auto&logo\\_link=episode\\_page&btn-skin=c73a3a](https://www.podbean.com/player-v2/?i=gmnua-1917075-pb&from=pb6admin&p;share=1&download=1&rtl=0&font=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a)

This is the transcript:

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What if economics is all based on a lie? The lie would be that scarcity exists. But what if it doesn't?

What if there is enough to go around in the world that we live in now?

What would economics look like if that were the case?

Because the fact is that if there isn't scarcity, almost everything that current economic

theory says might be completely wrong.

Let's just look at how economics defines itself.

I've taken this quotation from Investopedia, which is one of the sort of common online dictionaries of economics, and it says that:

*Economics is a social science that focuses on the production, distribution, and consumption of goods and services.*

*The study of economics is primarily concerned with analysing the choices that individuals, businesses, governments, and nations make to allocate limited resources.*

Note the critical word in there. It is 'limited'. The decisions that economics talks about have to be made because it is said that resources are limited. They are, in other words, scarce.

But that assumption may no longer be true in the world in which we live. What if most resources are not limited, in other words? And what if the idea of scarcity is an illusion or, worse, a manipulation? That's the idea that I want to explore here.

I think I can make some simple suggestions to you.

The first is that there is enough food to feed everyone in the world unless governments decide to deny it to people. We know that because 8 billion people are being fed on this planet every day, except in places where governments have decided to create food shortages.

We can also house people because, again, around the world, almost everybody is housed.

We can clothe people. We can educate them. And in a great many cases, we can provide everybody with healthcare, although not always adequate, but it could be if we wanted it to be.

And, perhaps most particularly important now is that there is enough renewable energy in the world for everyone to have access to it. In other words, we are capable of meeting everyone's needs if we want to and if we can create systems to ensure that they can have access to the resources they require for those needs to be met.

But why don't they, in that case, get all the things that they need?

Well, there are simple, straightforward answers to that. Basically, access is denied most, especially by markets.

Markets are rigged. Markets are rigged so that profit can be extracted on the basis of

there being scarcity. In other words, markets manufacture scarcity.

They restrict supplies.

They increase prices.

They extract profits which are disproportionate to those which should be earned by those within them by denying access to companies who might reduce prices.

They will therefore deliberately create market situations where people are left without, and this isn't by chance. This is deliberate.

It's because some people want to be wealthy, leaving others in poverty, and it's because those who want to be wealthy realise that the easiest way to do so is not to be innovative; it is not to supply good products or services; it is simply about trying to restrict supply so that maximum profits can be made.

And the truth is that we can look at some markets where we can see that this is obviously the case.

For example, there is enough land for everyone in the UK to have somewhere decent to live, and if we chose to make them available, there would be enough builders in this country for that to happen. We might need to allow some in as migrants for a while, but when we tried to build half a million houses a year in the UK, we had the builders available, and we could, again.

What is more, the materials to allow houses to be built could be found. They may not exist at this moment, but if we really tried to make sure that everybody had a decent house in this country, the materials would be available, and innovation would make them sustainable.

But the fact is that, although I've just said, land is abundant, builders are available, and materials exist, we are not building anything like the right number of houses, because those who control the land are restricting our access to it. It's not available to keep land prices high.

And funding is not available because people are being priced out of housing by excessive interest rates and excessive demands for what are effectively rents on the existing supply of land by those who own it.

As a consequence, people are homeless, not because we couldn't house them, but because we've decided to prioritise house prices over the need for housing.

And now think about another market which is rigged in this way.

That's the one for medicine. We could eliminate the vast majority of diseases that kill in

our world, but we don't. And the reason why is very simple, and that's because there is no profit for medical companies, pharmaceutical companies, in curing illness. They only want to manage illnesses; they don't want to cure them. And the reason why they want to manage illnesses is that giving somebody, for example, a statin to potentially control heart disease for half a person's lifetime is much more profitable than finding a cure for the heart disease in the first place.

They don't want cures.

They want people to remain ill because that's the way they make more money.

They manufacture scarcity for cures to maximise their profit from treatments to maintain conditions, and that, too, is deliberate.

Resources aren't scarce, but the economic system we have makes them scarce.

Now, imagine how economics would have to change if we decided that we were going to make resources available and scarcity was going to be abolished.

We would begin to have to address questions around the allocation of resources.

Right now, we deal with how we ration resources. The market is not an enabling tool. It is not a system for allocating resources. The price, mechanism, rations availability, and what we should be doing is looking at how we can make things available to everyone who needs them.

The answer should not be about how we manufacture scarcity, but how we create conditions where there is always going to be enough.

This is the big question that we need to ask, and we need to ask it within a specific context, and that, of course, is that we have to do this within the planetary constraints, which we now know exist.

So we are doing enough, in a sustainable way, and this isn't a mathematical problem. It isn't something that can be manipulated with a formula. This is a philosophical problem. It's about what the purpose of economics is. And I'm suggesting to you that the purpose of economics should be about ensuring everyone has a chance, and the existing economic model is not doing that.

The existing economic model assumes we always want more than we can have, and in the process, it encourages the idea that we must forever consume greater numbers of things, but that will inevitably mean that access is denied to some, while others, who have access to wealth, of course, consume more than they will ever need.

As a consequence, existing economics is built on the basis of creating and maintaining inequality, whilst all the time pretending that markets are efficient, when very clearly

they aren't.

The alternative is to allow governments to match resources to need.

Now, I'm not saying that private companies won't have a role in this. I'm perfectly happy for them to do so. I'm perfectly happy for them to be manufacturing things so long as they're about meeting need.

But when it comes down to it, we have to ensure that access for the products that they make will be available to everyone because we cannot live in a world where some go without, and in the world we live in, far too many do.

So government has to use its powers.

Those of money creation, taxation, and regulation to effectively deliver well-being. And they have to define success in terms of sustainable lives lived well, and not GDP growth.

We have to make a change, and we can do so by dropping one assumption.

That assumption that the world is based upon scarcity, when in fact it isn't. We now need to redesign economics for fairness and sustainability. If we stop pretending that resources are scarce, we might just save the world for ourselves, for our children, and for generations to come. This is possible.

We could, in the process, deliver something which is the economic nirvana, its idea of heaven, and that is happiness.

It would be possible for everybody to have enough on this planet to be happy, to live without fear, to live without stress, to live without anxiety, the things that destroy our well-being, but we haven't chosen that option, and my suggestion to you is that we could.

So what do you think? Is it possible that we could re-engineer economics to live in a world where we assume that everybody could have enough, and that scarcity is in itself a choice, and that if we made the choice for sustainability, we might be happy?

What do you think? There's a poll down below. Let us know your thoughts.

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## Poll

[poll id="158"]

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## **Taking further action**

If you want to write a letter to your MP on the issues raised in this blog post, there is a ChatGPT prompt to assist you in doing so, with full instructions, [here](#).

**One word of warning, though: please ensure you have the correct MP. ChatGPT can get it wrong.**