

ECONOMIC WELL-BEING

economic
growth

whence
surplus?

**HOW DO YOU KNOW WHEN
AN ECONOMY IS GROWING?**

**CAN EVERYONE'S INCOMES
GROW AT THE SAME TIME?**

**Self-
Reflection**

ECONOMIC GROWTH

the accumulation of whatever a particular economy counts as wealth

ECONOMIC GROWTH

the accumulation of whatever a particular economy counts as wealth

only occurs when we make more than what it takes to make what we made

ECONOMIC GROWTH



Total Product

ECONOMIC GROWTH



Total Product

**for instance, this is all the
wheat a society produced**

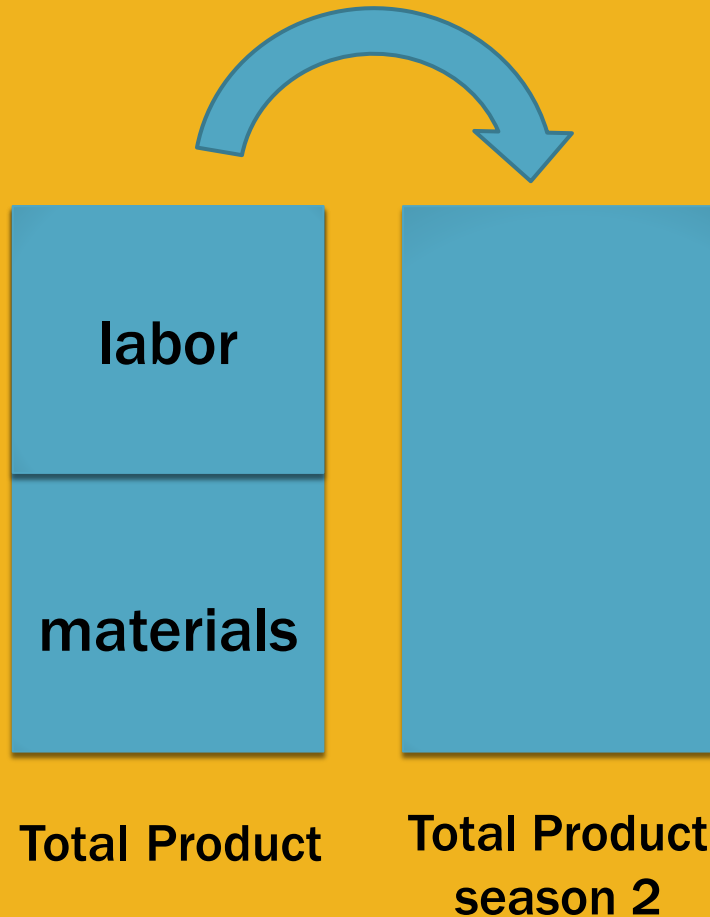
ECONOMIC GROWTH



Total Product

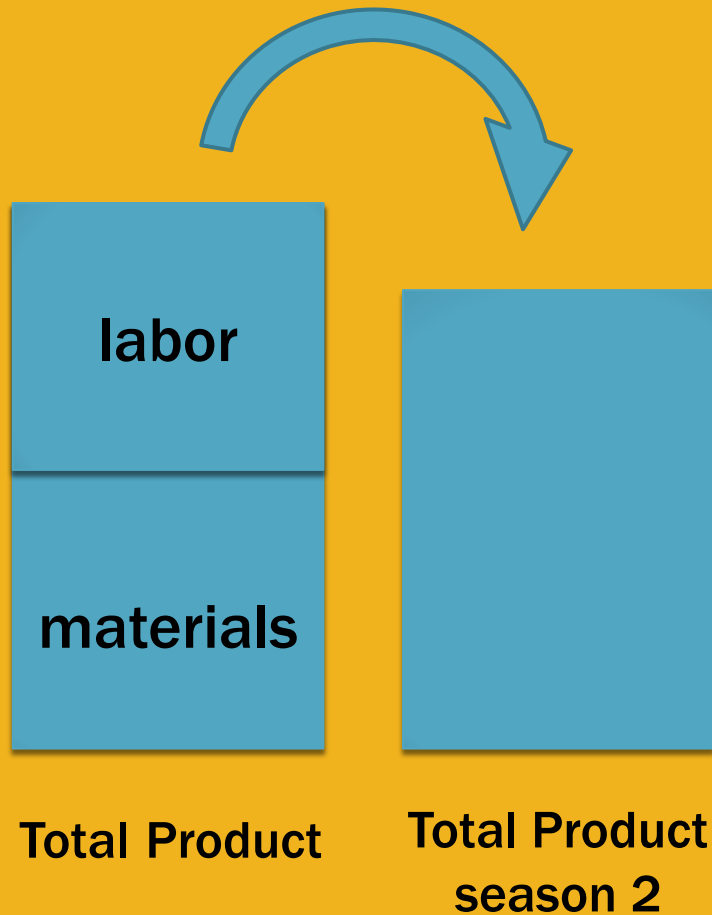
all that wheat is then used
to sustain the people
(labor) and plant wheat for
the next season (materials)

ECONOMIC GROWTH



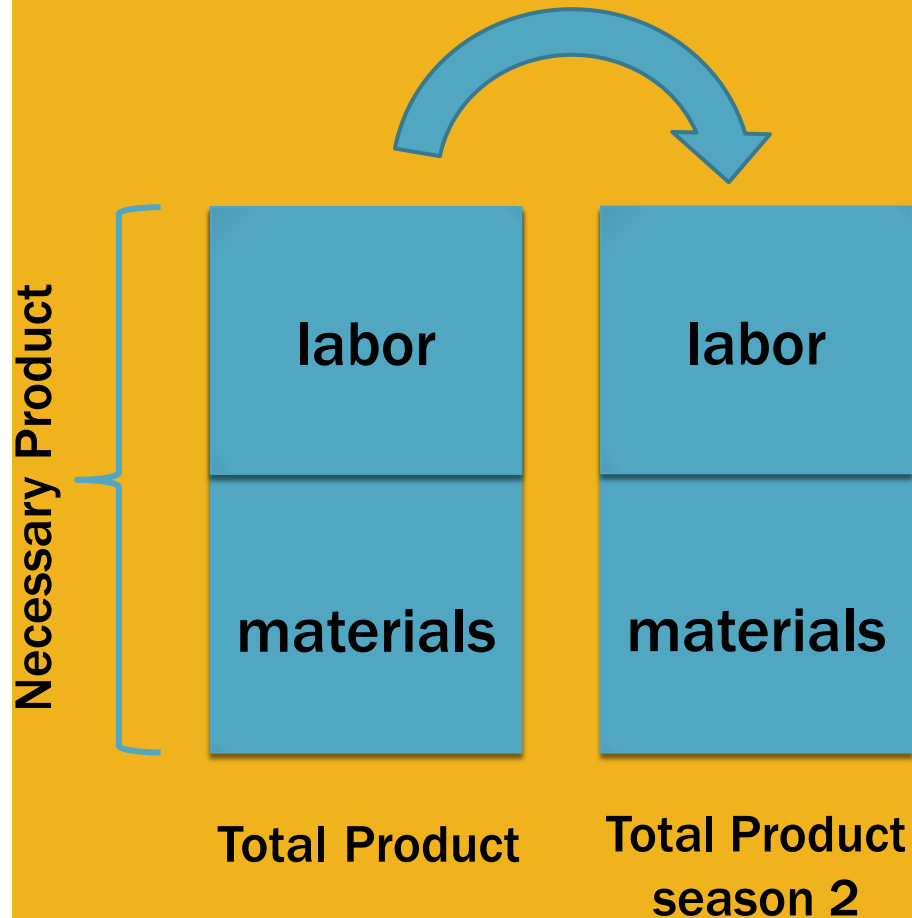
if the total product is enough to cover the labor and materials needed to make it, then they society will be able to make the same amount of wheat (Total Product) in the next season

ECONOMIC GROWTH



if the Total Product isn't enough to sustain labor or materials, then Total Production in season 2 will be less than before

ECONOMIC GROWTH



that's why, the part of the total product that is allocated to labor and materials is called the "necessary product"

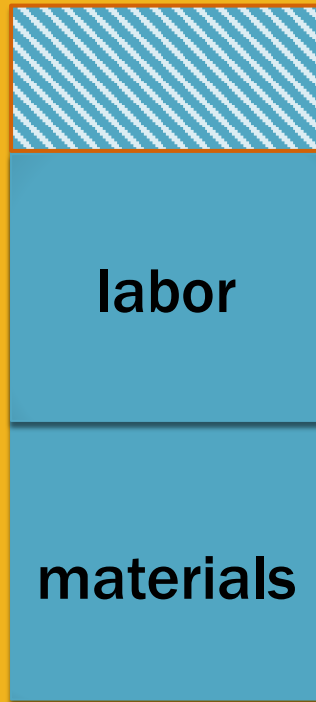
ECONOMIC GROWTH



Necessary Product



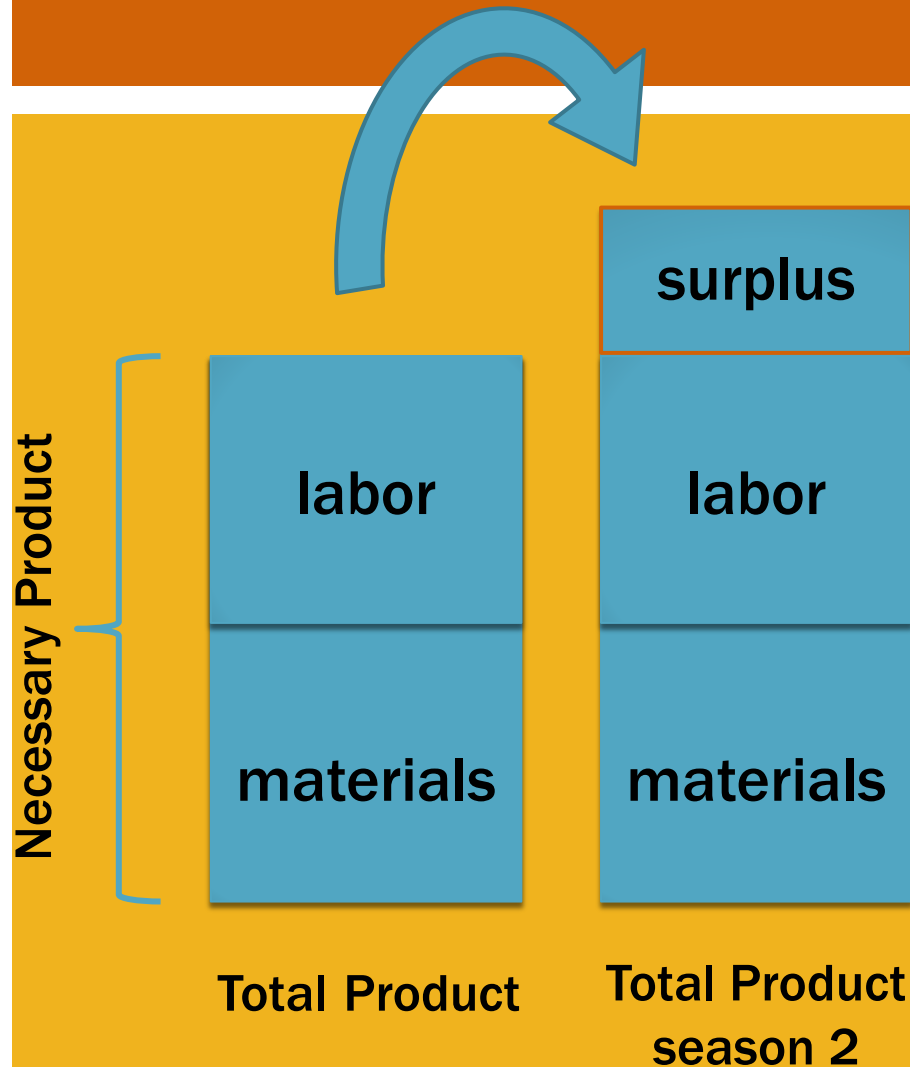
Total Product



Total Product
season 2

what happens if we are able to produce more than the necessary product?

ECONOMIC GROWTH



surplus product is the part of the total product over and above the necessary product

OR

the surplus is the part of production left over after paying labor and material costs

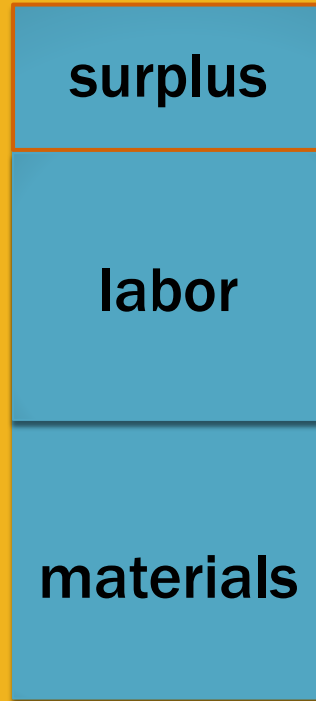
ECONOMIC GROWTH



Necessary Product



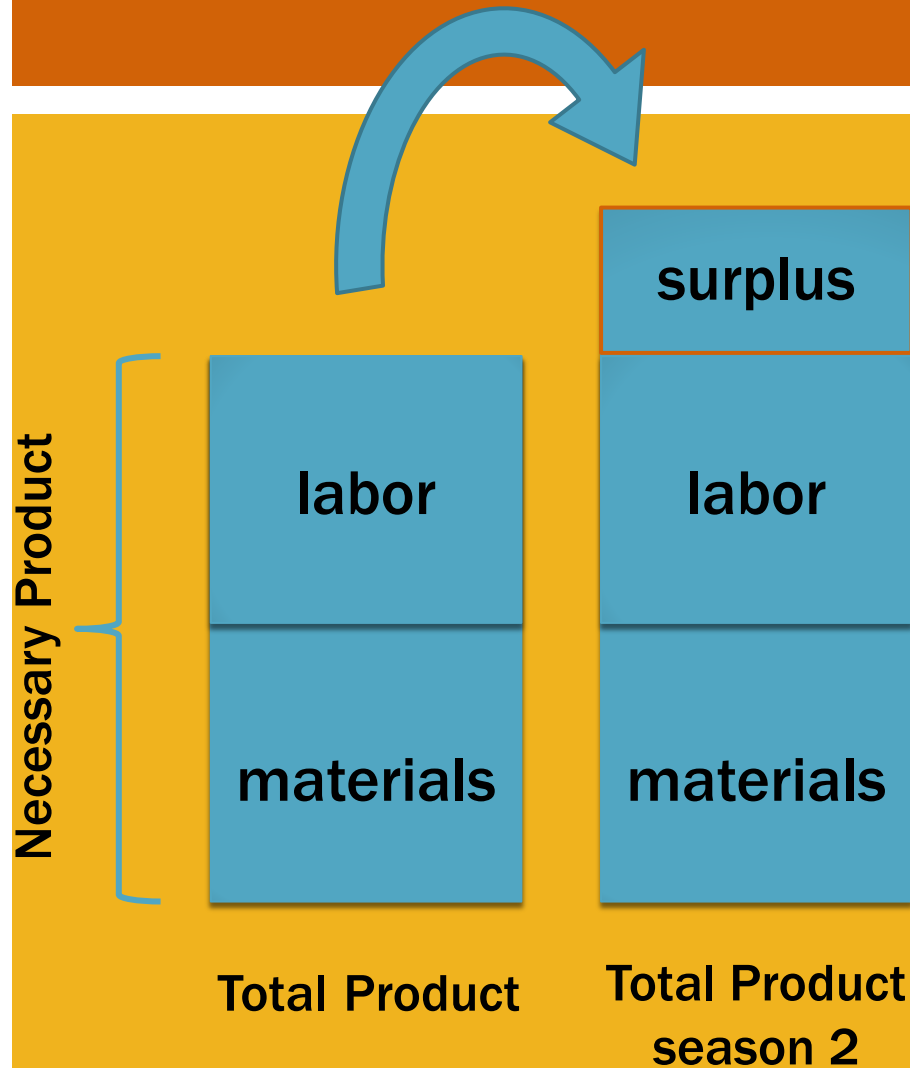
Total Product



Total Product
season 2

what can we do with the
surplus product?

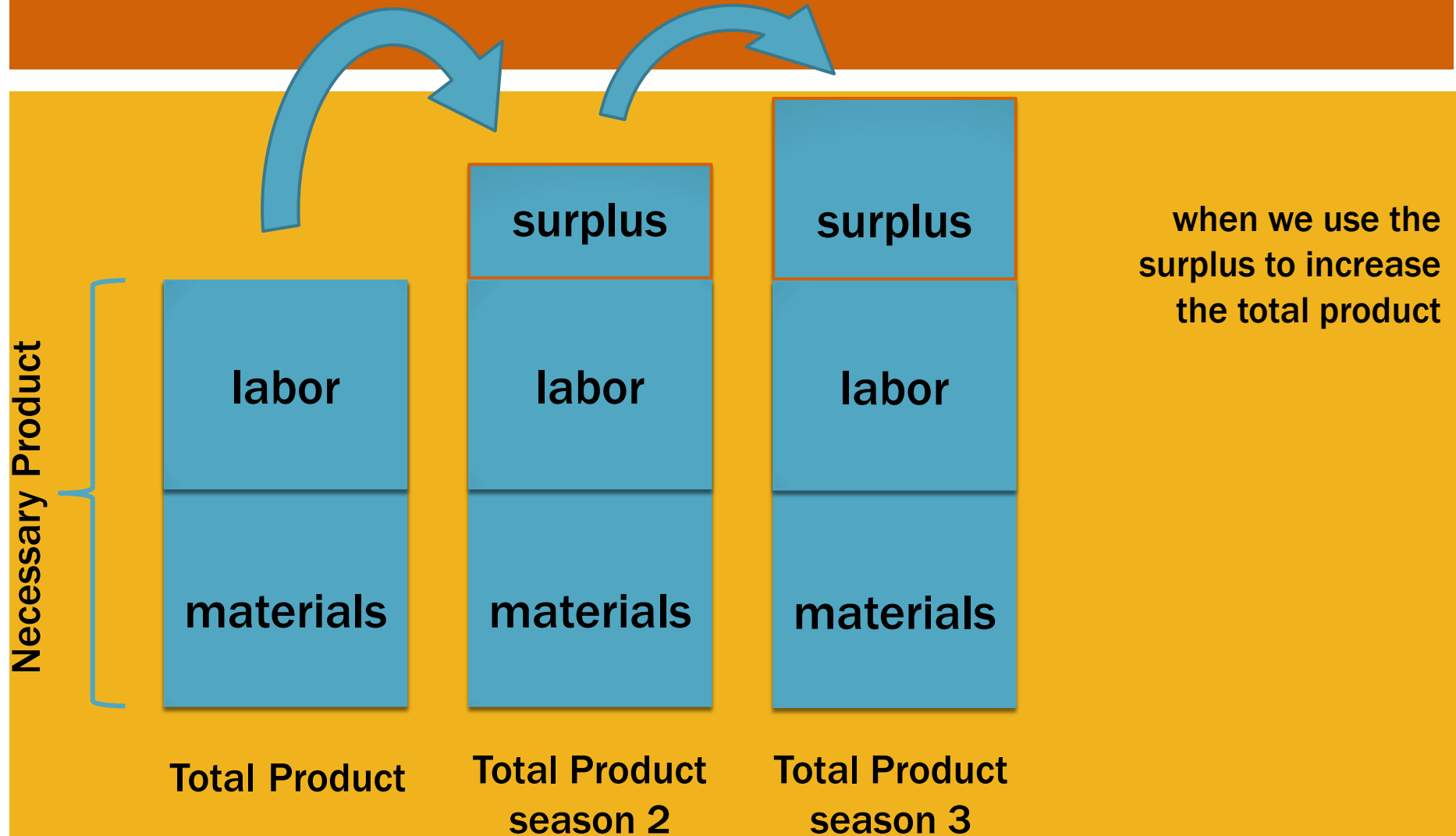
ECONOMIC GROWTH



what can we do with the surplus product?

- “unproductive” things
- more leisure
- higher wages
- more workers
- more/better materials
- new technology
- market capture

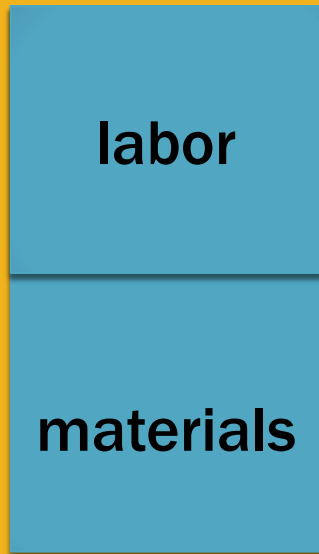
ECONOMIC GROWTH



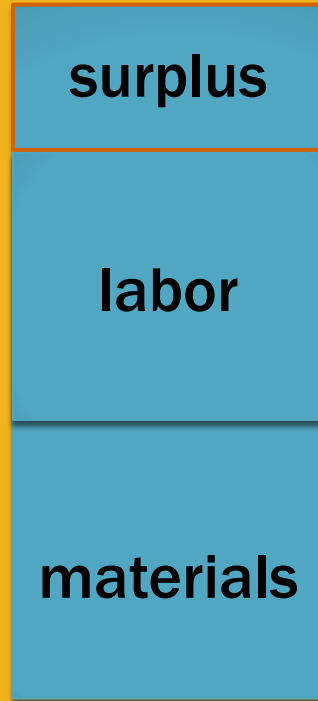
ECONOMIC GROWTH

we can generate
even more
surplus

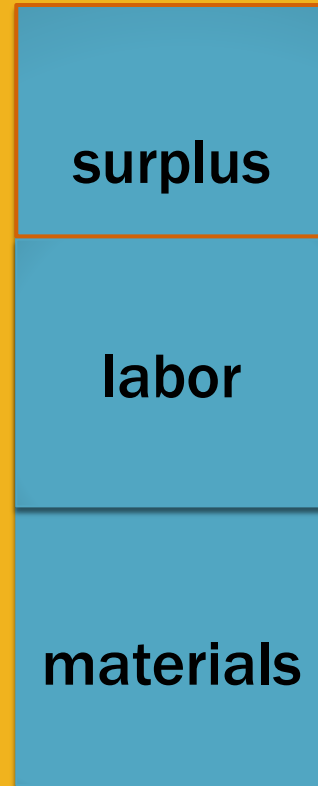
Necessary Product



Total Product



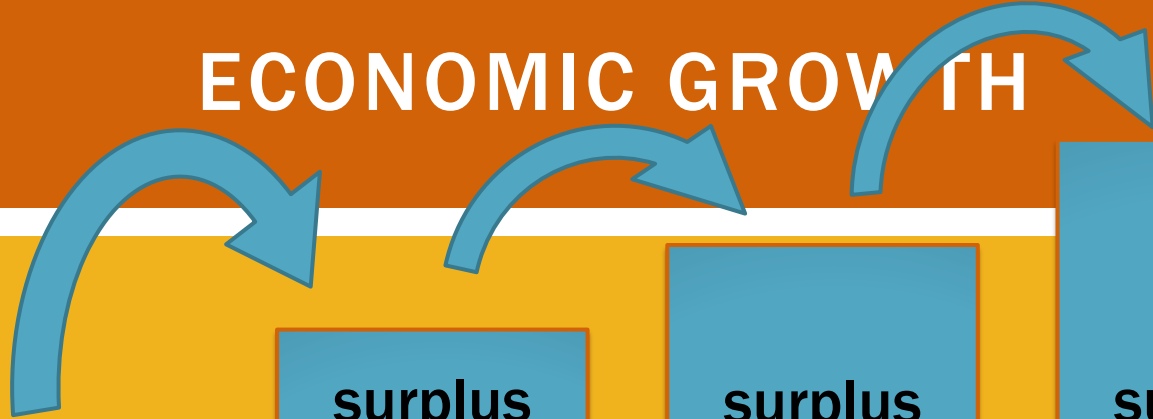
Total Product
season 2



Total Product
season 3



Total Product
season 4



**WHERE DOES SURPLUS
COME FROM?**

WHENCE SURPLUS?

- Specialization
- Good weather
- Bigger market (advertising or imperialism)
- New technologies (e.g. food preservation)
- Steal (appropriation or “primitive accumulation”)
- Work super hard (protestant work ethic)

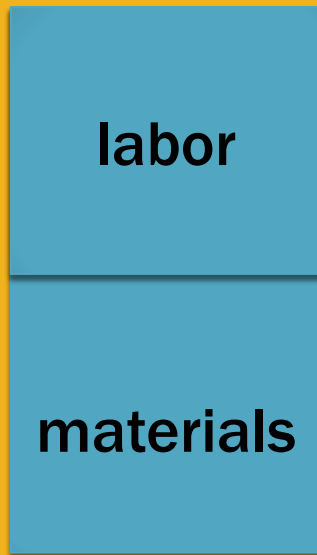
OR

- Take it from the necessary product

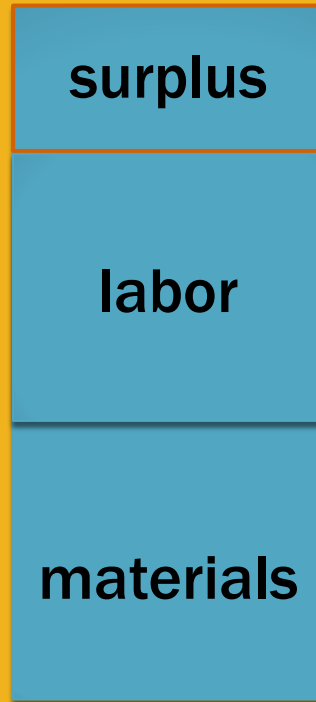
WHENCE SURPLUS?

increase labor
productivity

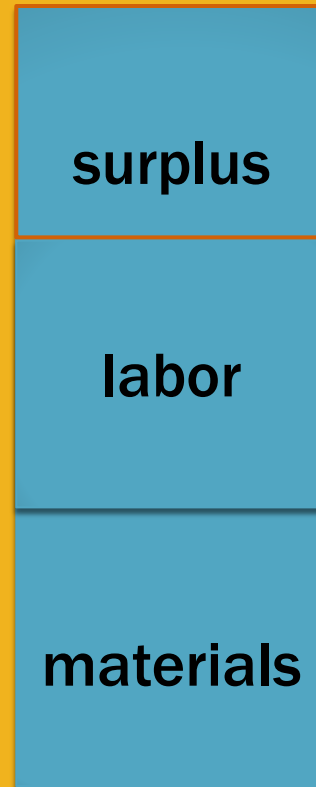
Necessary Product



Total Product



Total Product
season 2



Total Product
season 3



Total Product
season 4

Necessary Product

WHENCE SURPLUS?

take it from the necessary product

