Per Bylund. 2016. *The Seen, the Unseen, and the Unrealized: How Regulations Affect Our Everyday Lives* Lexington Books. 192 pages

Each new government regulation creates economic ripple effects that produce unrealized costs. Proponents of regulation focus on the "seen" effects, which are often seem positive. Regulation skeptics frequently focus on the "unseen" ripple effects of the policy, which are usually negative. In his book *The Seen, the Unseen, and the Unrealized: How Regulations Affect Our Everyday Lives,* Oklahoma State University Economics Professor Dr. Per Bylund identifies another set of economic costs that should be included in any regulatory policy analysis, "the unrealized".

The first four chapters of his book are a highly accessible summary of basic economics. These concepts are presented in such a way that pretty much any reader can understand them. A key point is that "production must precede consumption." In a free market each person is responsible to produce their own food and shelter. If they produce a surplus, they may be able to trade it to other producers. Without production there is nothing to consume or trade.

Trading allows productive specialization. Specialization creates efficiencies and increased prosperity. Self-interested individuals only generate personal income by serving the wants of others. Byland explains it this way, a consumer's "purchasing power … is a result of one's contribution to satisfying the wants of others." As the economic discussion becomes more complex, we must not forget that there is no consumption until there is production.

Of course, those who produce surplus see the need to share with the young, the elderly and the infirmed, those who cannot produce for themselves. That is the purpose of families, clans, tribes and societies. However, when government gets involved there are always costs.

Free individuals adjust their personal choices to production opportunities they see in the marketplace. When a particular job or industry seems more lucrative, individuals who believe they have the required skills will gravitate toward that opportunity. This leads Byland to conclude, "The market is therefore best understood as an open-ended, undirected process rather than a system or machine."

The market produces prosperity because free individuals choose to fulfill the needs of others. This freedom of choice moves resources as needs and as wants arise. When government gets involved and limits choice, overall prosperity in the society declines.

Because the economy is not a machine it is very difficult to predict all of the ramifications of government intervention. If government decides to subsidize a product, for example food, people will leave other industries to become food producers. Thus, government has accomplished its goal of more food at lower prices. These are the "seen" effects.

This change in production creates ripple effects. A loss of production occurs in the industries abandoned by the new food producers. This causes a contraction in the economy. Those are the "unseen" effects.

That economic contraction creates limitations for other individuals who would have interacted with those producers if they had not changed jobs. These are the "unrealized" effects. Those who are losing economic interactions do not realize what would have been available to them if the government subsidy had not lured their potential interlocutor into another area.

Byland rightly points out that these unrealized effects are difficult to quantify and to estimate, but they are real effects with real economic costs. When policy analysts consider the costs and benefits of a government regulation, they need to consider the opportunity that was lost across the economy and not just the effects immediately surrounding the policy.

This easy to read book is valuable in two ways. First, it provides an easy to follow explanation of basic economics for anyone who wants to learn. Second, it raises the important point that the effects of government regulation are far reaching, hard to estimate and generally negative.

As Byland states it, "the main point of this book, is that the choices that are actually made are not the full story—and may even be far from it." The loss of unrealized economic activity should be a part of any policy analysis.

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