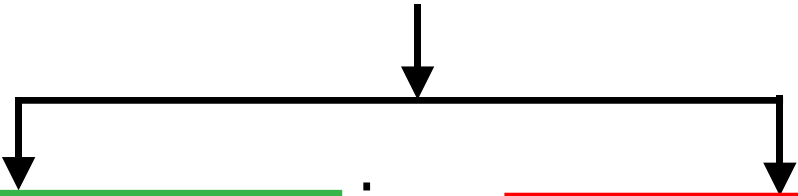


6.8 Pareto efficiency

'Pareto efficient' means that it is impossible to make one person better off without making another one worse off.



Pareto efficient

inefficient

Example: Distribution of wealth between 2 persons

