MANKIW'S PRINCIPLES OF ECONOMICS PART 2: THE COST OF SOMETHING IS WHAT YOU GIVE UP TO GET IT

The introduction to this series is here.
Part 1 is here.

Mankiw's second principle is The Cost of Something Is What You Give Up To Get It. Mankiw explains that you have to include opportunity costs in your calculations. His example is college: the actual cost of going to college includes tuition, but not necessarily all of the costs of room and board, because you need food and a place to sleep whether or not you go to college. It also includes the money you didn't earn by going to work instead of going to college.

Before I read Mankiw's explanation, I thought we were going to get a discussion of the way an economist might calculate costs. That was not to be. Maybe I have to buy his Principles of Microeconomics. In the express language Mankiw chooses, you are the sole standard for calculating costs. That kind of calculation fits perfectly with the neoliberal canon of Philip Mirowski. It's part of Number 6: Thou Shalt Become The Manager Of Thyself for sure, and it complements Number 3: Thou Shalt Worship "Spontaneous Order", meaning the market.

Again, non-specialist students will likely remember the principle, and will repeat it mindlessly when talking about value and cost, even though this discussion doesn't include value or even price. This is a license to ignore all the costs that are not visited upon the neoliberal You. Smoking may not make you sick, but smoking makes some people sick directly and others indirectly. The neoliberal You hopefully doesn’t pay those costs, so they aren’t included in the calculations of the neoliberal You. Computers have a number of components that are dangerous to the health of people. Those costs aren’t paid by the neoliberal You, so they aren’t included in the calculation of costs. Coal burning is a major contributor to climate change, but maybe those costs won’t be paid by the neoliberal You, so they don’t count.

Well, perhaps that wasn’t Mankiw’s intent. He does discuss externalities as something government can correct maybe, sometimes, after a fashion, and at a cost to efficiency. The notion of opportunity costs arises directly from Principle 1: People Face Trade-offs. Most likely the only point of the second principle is to make sure there a nice round ten.