

The Optimal Level of Government Intervention

Neoclassical economists have made many studies of various aspects of what they call “the optimal level of government intervention in the economy.”

All of these studies are highly problematic, mainly because they presume that the existence of a coercive, imposed type of governance (as opposed to one based on voluntary, individual contracting) is a net benefit in the first place.

I dispute this assumption, on the grounds that the government’s imposition of its rule ipso facto demonstrates that it is an arrangement that benefits some at the expense of others — that is, an arrangement for bullying and plundering the ruled for the sake of the rulers and their cronies.

Once this reality is acknowledged, the foundation for determinations of “optimal government intervention” more or less evaporates. The optimal level of government as we know it is zero. No such government, no such intervention.