

The Philosophy of Poverty?: My Opening Statement

Here's my opening statement for yesterday's poverty debate with David Balan. Enjoy!

The world is rich, but billions of people are still poor. What's the morally right response?

The default view is that the government should dramatically expand redistribution programs, forcing the well-endowed – especially business and the rich – to provide a decent standard of living for everyone. I strongly reject this default view.

Why? Most glaringly, because the default view overlooks the fact that governments willfully cause an *enormous* amount of poverty. The most effective way for human beings to escape extreme poverty is to move from the Third World to the First World and get a job. Yet the governments of every First World country on Earth make it almost impossible for the global poor to come. Economically, immigration is a fantastic deal for both sides, because labor – especially low-skilled labor – is many times more productive in rich countries than it is in poor countries. A standard estimate says that if anyone could legally work anywhere, this would ultimately double the production of the world.

But First World governments don't merely prevent the global poor from moving to opportunity. They covertly do the same to the domestic poor by strictly regulating construction in high-wage parts of the country. Right now, workers in places like New York and the Bay Area earn far more than identical workers in other parts of the U.S. However, governments in these areas also keep their housing prices astronomically high by blocking construction. As a result, most workers – especially low-income workers – can't profitably move to high-paid areas because housing costs eat up all the gains. Standard estimates, again, say the harm is enormous; one influential paper estimates that housing regulation has cut total U.S. growth by at least half for decades.

Economists often fret about markets' "equity-efficiency tradeoff," but what the evidence really shows is that free markets are ready, willing, and able to give us far more equity *and* far more efficiency. Unfortunately, it's against the law.

Given the situation, governments' primary moral responsibility is to stop impoverishing people. If a man habitually attacks strangers, is the sensible response, "That guy should give his victims more money"? No; the sensible response is, "That guy should keep his hands to himself." When people look at poverty and call for redistribution, I say they're making the same mistake. If, in the absence of government interference, people are able to solve their own poverty problem, the best government policy is no government policy. Serious thinkers should loudly proclaim this fact *before they breathe another word about*

poverty.

Since my opponent *is* a serious thinker, I know that he actually agrees with much of what I've just told you. So where does he go wrong? Emphasis. Yes, David favors allowing a lot more immigration and a lot more construction. He grants that these policies will enrich society in general, and the poor in particular. But none of this *excites* him. Why not? I'm no mind-reader, but my best guess is that David idolizes Big Government, and resents free markets. So when he thinks about a grave social problem like poverty, he doesn't want government to get out of the way and let the free market work its magic. He wants government to heroically solve it with redistribution. Even when he knows that government viciously victimizes the poor, he wants to hastily concede the point, then talk about redistribution at length.

Aside: I will happily withdraw this criticism if David spends at least half of his allotted time on the evils of government.

Now David could reply: Sure, government does a lot of bad stuff to the poor. However, government also greatly helps the poor with massive redistribution programs - and these programs could easily be expanded. He could even flip my psychoanalysis around: "I'm no mind-reader, but my best guess is that Bryan idolizes free markets, and resents Big Government. So when he thinks about a grave social problem like poverty, he doesn't want government to step in and ask the free market to pay its fair share. He wants free markets to heroically solve it with economic opportunity."

How would I respond to this? I'd begin by pointing out that most government redistribution doesn't even *go* to the poor. Most obviously, almost all extreme poverty exists outside the First World, but almost all redistribution happens within the First World. Less obviously, when you examine the budget, the welfare state focuses on helping the old - and most old people are not poor. The upshot: Governments could do vastly more for the truly poor without raising taxes by a penny. Just take the money they fritter away on elderly Americans, and give it to desperately poor foreigners.

To my mind, this would be a big improvement, but still a bad idea. I don't just oppose the expansion of government poverty programs. I oppose the programs themselves.

Why? In my view, there's a strong moral presumption against taking people's stuff without their consent. This doesn't mean that it's wrong to steal a penny to save the Earth. But it does mean that no one should take people's stuff without their consent *unless* they have a really good reason. And taking people's stuff without their consent is the foundation of all government redistribution. Wishful thinking notwithstanding, there is no "social contract." *Real* contracts require unanimous consent - and no government has that. What about "Love it or leave it"? It's silly. Refusing to move to another country does not remotely

indicate consent to anything.

So what counts as a “really good reason” to use redistribution to help fight poverty? Here are the main moral hurdles to clear.

Hurdle #1. Do we have strong evidence that the social benefits of redistribution *far* exceed the costs? It’s OK to steal a car to save your life, but not to steal a car because you’d enjoy it more than the current owner. The same moral principle holds for government – and due to the complex effects of economic policy, it is especially hard for government to comply. Redistribution plausibly has big effects on incentives and economic growth, so government has no business doing redistribution until it can credibly rule out major negative side effects.

Hurdle #2. Is government trying to solve absolute poverty – hunger, homelessness, and the like? Or merely relative poverty – lack of a smart phone or cable t.v? Using coercion to alleviate absolute poverty is morally plausible, but using coercion to alleviate relative poverty is not. If you’ve seen *Les Miserables*, you may remember the part where Jean Valjean sings, “He stole some bread to save his sister’s son.” It would be laughable, though, if he sang, “He stole an iPad to play *Halo*.” Since there is little absolute poverty in First World countries, there is simply little moral room for domestic redistribution. International redistribution is another matter, of course.

Hurdle #3. Can voluntary charity take care of the problem? If you can handle morally objectionable poverty by asking for donations, there is no good reason to force anyone to help. And to repeat, you shouldn’t take people’s stuff without their consent unless you have a really good reason.

Hurdle #4. The last, and most controversial hurdle: Are the potential recipients of government help poor through no fault of their own? Or were they negligent? Yes, I know this is a touchy subject; morally, however, we must address it. If a friend asks to sleep on your couch for a few weeks, you normally want to know why he needs your help – and his answer matters. “I’m fleeing a war zone” is more morally compelling than, “My wife kicked me out because I drink away all our money.”

Why raise this touchy subject? Because there is an enormous body of evidence showing that a major cause of severe poverty is irresponsible behavior of the poor themselves: unprotected impulsive sex, poor work ethic, substance abuse, violent crime, and much more. Just ask yourself: If you engaged in such behavior, how long would it take before you, too, lived in poverty?

When I make this point, people have two radically different objections.

The first is to deny the facts. I can’t do much to answer this objection during a debate; all I

can do is give you a reading list later on.

The second objection, though, is to excuse irresponsible behavior – or even morally condemn anyone who calls behavior “irresponsible.” I say this second objection is absurd. If you had a spouse who cheated on you, or was drunk half the time, or kept losing jobs, you would run out of patience for his excuses. Why should you be more forgiving of total strangers? While irresponsible people often say, “I can’t help it,” this is just a misleading figure of speech. Think of all the times you said, “I can’t come to your party,” when what you really meant was, “I don’t feel like it.” That’s the real story of irresponsibility.

I am well-aware that blameless people do occasionally end up poor. My point is that the advocates of merit-blind redistribution are morally blind to the possibility that *they* are mistreating people who have compelling reasons not to help others. Suppose you have an alcoholic brother. He’s repeatedly made your life miserable for the sake of his favorite beverages. Your brother has lied to you and stolen from you. One night he shows up at your house, begging for help. You turn him away. Question: What would you think if a neighbor called you up and berated *you* for your “selfish attitude”? I say you should hang up on him, because your neighbor is way out of line.

To recap: I’ve offered no absolute objection to redistribution. Instead, I’ve pointed to four moral hurdles to clear before we even consider it. If we take these hurdles seriously, maybe you could salvage a *tiny* welfare state for indigent kids, the severely handicapped, refugees, and so on. Before you make even this small exception, though, consider this: When someone has made awful decisions in the past, ironclad rules are often best even though a judicious decision-maker would make minor exceptions. Given how badly all existing welfare states deviate from defensible moral principles, there’s a strong argument for keeping government out of poverty alleviation altogether.

Last point: If you summarize my position as, “We should do nothing about poverty,” you have totally misunderstand me. I earnestly favor a radical new War on Poverty. *This* War on Poverty, however, will target governments’ horrific policies that deprive the poor of vital opportunities. Instead of scapegoating people who understandably don’t like paying taxes to support strangers, this War on Poverty will deregulate labor and housing markets so the poor can solve their own problems with dignity. I am sadly aware that my War on Poverty lacks popular support. Few progressives want to solve poverty with deregulation – and most conservatives want to regulate immigration even more strictly than we already do. My War on Poverty, however, is the War on Poverty we ought to be fighting.