

F R E E M A N

The Tyranny of Good Intentions

Politicians Waste Money, and Sometimes Kill People, With Kindness

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If logic decided policy in Washington, federal spending would be low, the budget would be balanced, the benefits of regulations would exceed the costs, and policymakers would guard against unintended consequences. Unfortunately, the nation's capital is largely impervious to logic, and the tragic results are obvious for all to see.

Emotion and intention seem to have become the principal determinants of government policy. People are poor? Increase the minimum wage. Not everyone can afford a home? Create a dozen housing subsidy programs. Some people don't have health insurance? Enact Medicaid, Medicare, and Obamacare. There is an infinitesimal chance of something bad happening somewhere somehow? Issue a regulation making everyone spend a lot of money and effort to ensure that it doesn't.

As the officials involved mean well and their ideas sound plausible, never mind the consequences. No need to detain our leaders; they have other crusades to lead.

This widespread inability to compare consequences to intentions is a basic problem of humanity. In fact, it's one of the reasons the Founders desired to limit government power and constrain politicians. How to deal with people who meant ill was perhaps the most important problem of foreign policy. What to do about those who wanted to do good—and thus often were *more* dangerous—was mostly a concern of domestic policy.

For instance, the newly created federal government possessed only limited, enumerated powers. Even if you had weird ideas for transforming the American people, it wouldn't do you much good to get elected president or to Congress. The federal government wasn't authorized by the Constitution to engage in soul-molding.

Moreover, there would be strong resistance to any attempt to expand federal power. The constitutional system preserved abundant state authority. Three federal branches offered "checks and balances" to abusive officials or majorities. Even Congress was divided into two very different chambers operating on very different rules.

Most important, the majority of Americans shared the Founders' suspicions. Not every early citizen was a proto-libertarian, but the narrow area of debate—over, say, the national government undertaking "internal improvements," or federally-funded development projects—is unrecognizable today. At the

end of the nineteenth century a Democratic president still was willing to veto unemployment relief because he believed Congress had no authority to approve such a bill.

However, over the following century-plus, virtually every limitation on Washington was swept away. Equally important, as faith in religion ebbed, faith in politics exploded. Americans periodically declare themselves to be skeptical of government, but many go on to simultaneously affirm their support for virtually every federal program. Today those who think with their hearts rather than their minds have largely taken control of the nation's policy agenda.

Nowhere has this been more destructive than in the area of poverty. How to deal with the poor who, Jesus told us, would always be with us?

As Charles Murray demonstrated so devastatingly three decades ago in his famous book, *Losing Ground*, ever-expanding federal anti-poverty initiatives ended up turning poor people into permanent wards of Washington. Worse, unconditional welfare benefits turned out to discourage education, punish work, inhibit marriage, preclude family formation, and, ultimately, destroy community.

No one intended this result. Rather, the creators of the welfare state wanted to help unmarried mothers and, more importantly, their children. But by failing to consider the impact of incentives on behavior, advocates of the poor inadvertently created more of them and made it harder for them ever to escape that condition. It took the 1996 reforms to reverse much of the culture of dependency.

Similar is the minimum wage, which may become a top election issue this fall. Unless businesses are charities, raising the price of labor will force them to adjust their hiring. One can argue about the likely impact of any particular increase, but it is not enough to intend that low-skilled workers earn more. How many of those low-skilled workers will be hired if employers are told to pay more than the labor is worth? There isn't much benefit in having a theoretical right to a higher paying job if you are not experienced or trained enough to perform it.

There are similar examples in the regulatory field. No one wants to take unsafe, ineffective medicines. So the Food and Drug Administration was tasked with assessing the safety and efficacy of new compounds before they can be released. The intention is good, but ignores the inescapable trade-off between certainty and speed. The rise of AIDS brought the problem into stark relief, as people faced an ugly death while the bureaucratic, rules-bound FDA denied them the only effective medicine, AZT, in order to make sure it didn't have harmful side effects. Years before the agency held up approval of beta-blockers, killing people lest they suffer some lesser harm from taking the drug.

Equally dramatic is requiring car seats for infants flying on airplanes. Advocates claim that doing so could save lives in a crash. However, raising the cost of flying for families, especially with more children than money, would encourage more people to drive. The evidence is unequivocal that driving is more dangerous than flying the same distance. That is, mandating car seats almost certainly would end up killing some children. Again, the conflict between intentions and consequences.

Few people in politics fail to claim to be acting for the public good. In many cases they really believe it. But good intentions are never enough. Consequences are critical.

Admittedly, worrying about consequences seems cold and utilitarian. But consequences are the truest test of any policy. And ugly experience teaches a powerful lesson: Most of the time government is far better at hurting than helping its citizens. Hence the traditional laugh line: "I'm from the government and I'm here to help you." What you intend often doesn't matter nearly as much as what you actually accomplish.