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## Libertarianism Needs To Become More Realistic

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Libertarianism is important, and I want it to be more influential. For it to do this though it has to become more realistic. I believe a major impediment is that many -though not all- libertarians imagine a vision of society that the vast majority of Americans simply do not want. If they somehow managed to win electoral power for a short time and execute their vision, it would be tremendously short lived with a massive backlash.

For proof of this, I think people just need to look around to state and local government. Most of us have little choice about which Federal government we live under. If you're unwilling to leave the country, you're basically stuck with what we've got. This makes it easy to assume that the government isn't mostly giving us what we want, but is imposing it on us due to the influence of special interests.

However, we have a lot of choice over our state and local government. Only 58% of people currently live in the state in which they were born. The share living in a different county than they were born would be even higher: every year 1.5% of people move to a different state, and 2.4% move to a different county in the same state. With all of this movement, people exhibit a fair bit of choice in the long-run over what kind of state government they live under, and in the short-run they have a lot of choice about the kind of local government.

This mobility provides an important check on state and local government. And yet state and local governments do not attempt to usher in anywhere near the libertarian utopia that so many dream of. It's true that federal mandates set something of a binding constraint. For example, no local government could just stop providing k-12 education in some form. However, for the most part federally mandated minimum of what must be provided are not a binding constraint. Local school districts spend a lot educating their students, and in the richest parts of the country the spending becomes even more generous and less bound by federal mandates.

There is, of course, a libertarian explanation for the generosity of state and local government in some places. One is that people have anti-market biases in their voting because the cost of each individual vote is zero. In other words, voting is cheap. This is the Myth of the Rational Voter case. However, while the voice constraint may be subject to systematic bias, the exit option is not. If people truly valued having less government like libertarians imagine, then Tiebout competition should counter the pro government biases at the local level.

You can throw up arguments for why Tiebout competition doesn't work well at delivering small government in practice, but these arguments are just different ways of admitting people don't value small government that much. For example, you can argue that places with big government

are great for other reasons, and this draws people there despite the big government and not because of it. And I think there's a lot of truth to this. But what it tells you is that revealed preferences show that having a small government is less important to people than the other things that make a place great, like culture, quality of life, agglomeration, and economic dynamism.

Libertarians can also point states like Texas that have small governments and are experiencing fast population growth. But it's useful to look at how small their governments actually are. Texas, along with much of the south, strongly embraces crony capitalism. The Cato Institute ranks Texas 28<sup>th</sup> for overall freedom. It's hardly is Randian land of self-sufficiency and small government.

New Hampshire actually ranks highest for overall freedom according to Cato Institute's ranking. And population there is growing slower than the U.S. overall despite the "Free State Project", which tries to convince libertarians to move there.

Today's utopian libertarians imagine smaller government to be a tremendously powerful force that would bring about popular results. If this was the case the world would look different than it does now. You would see the states with the smallest governments obviously and clearly having faster growing populations, while bigger government states shrink. Instead, what I think we observe is modest differences in economic freedom between states and local governments, but rarely any choosing the kind of maximal freedom that many libertarians imagine. And places with the smallest governments maybe are more popular on some margins, after controlling for a variety of other factors, but it's simply not a factor of a size consistent with radical libertarian visions.

In short, the Hayekian process of competition among states and local governments and free movement of people reveals a lot about the kinds of places people want to live in. The kind of extreme minimal government that many libertarians want is simply not desired by most people. It's not even desired by enough people to help the freest state grow faster than average.

Instead, people want quality of life, economic growth, and good government. All three of these can be helped on some margins by utilizing market forces, deregulating, and increasing freedom. Libertarianism should focus on these margins, and accept that the all-too-popular vision of radical freedom and minimal government at all costs is not wanted by enough people to actually matter. Realistic libertarianism would unabashedly accept limits of markets, and embrace in rhetoric, theory, and practice the first order importance of quality government, which on many margins trumps small government.