

To Prevent Future Riots, Get the Government off People's Backs

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June 12, 2020

Before the COVID-19 pandemic, the resulting recession, and riots in the aftermath of George Floyd's killing, too many low-income and communities of color were struggling. The impact of the past two months will only highlight our failure to address the systemic issues that undergird current unrest.

Consider North Minneapolis, where Floyd was killed. The poverty rate in that predominantly black community was 36 percent, and unemployment topped 12 percent. Those numbers were that high even before the pandemic and shutdown of many businesses, which has weighed most heavily on poor and minority communities. Throw in failing government schools (nearly a third of black students don't graduate in Minnesota) and police abuses (Floyd is not the first black man in Minneapolis to be killed by police under questionable circumstances), and you have a tinderbox just waiting for a match.

Identical stories can be told for similar communities across the country. These disturbances haven't occurred in a vacuum.

In the short term, the focus will be on police reform. There are policies that can and should be enacted quickly: eliminating qualified immunity, reducing the power of police unions, better training, more accountability, and reversing the over-criminalization of victimless and minor offenses that set the stage for police abuse.

But eventually, we must turn our attention to rebuilding poor communities. If we want to avoid future outbreaks of violence and discontent, we must do so in a way that fully empowers members of those communities to control their own lives and rise as far as their talents can take them.

The temptation will be to take the easy way out and throw money at the problem. But we've been there, done that. Last year alone, federal, state, and local governments spent roughly \$1.5 trillion on more than 100 anti-poverty and social welfare programs. This has reduced poverty rates and helped make circumstances for the underprivileged somewhat less trying. But it has done little to help the poor climb out of poverty and become self-supporting masters of their own destinies.

Nor will conservative nostrums of tax cuts and deregulation be enough. Yes, in the wake of the pandemic-induced recession we will need pro-growth policies, because we need economic growth as a step toward addressing poverty. But to truly help North Minneapolis and

communities like it, we must ensure that economic growth is inclusive, meaning all Americans can fully participate in the opportunities and benefits of such growth. That means paying particular attention to regulations and other policies that protect the status quo at the expense of the disadvantaged.

A good first step would be to eliminate most occupational licensure. Economists have long argued that it is a barrier to entry that protects existing license holders while blocking competition from new entrants. A study by economist Morris Kleiner found that as many as two million jobs are lost annually due to occupational licensing. Such licensing also leads to billions of dollars lost in economic activity and is correlated with higher income inequality. The poor, who lack the funds, time, and expertise to maneuver the maze of licensing restrictions are the most likely to be locked out of our current economy.

In addition, we should eliminate residential zoning restrictions that drive up the cost of rent and reduce the supply of affordable housing. Studies show that zoning can add as much as 50 percent to rental costs and contribute heavily to homelessness.

We must also give parents more opportunities to pull their children out of failing schools. It is unjust for educational opportunities to be determined by one's zip code. More choice in education will ensure that poor children have the opportunity to attend better schools, just like their wealthier counterparts whose families can afford private education or posh school districts.

And, of course, we need comprehensive criminal justice reform. This is not just a question of justice and fairness, but of economic opportunity as well. Scholars at Villanova University estimate that criminal justice reform could reduce poverty rates by as much as 20 percent.

The riots we've seen will reach their end. The protestors will leave the streets. But unless we address the underlying causes, it will all happen again. We cannot rely on the tired solutions of the past. We need a new agenda to deal with poverty and inequality. Let's empower people and get the government off their backs.

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