

The Economics of Poverty and Global Inequality Panel

The Poor: Helping them by Letting them Flourish

Jan Narveson

Our subject is the “economics” of poverty and global inequality - but I’m not an economist, except in the sense that most of us are. And this conference is, of course, basically normative, at least in the sense that it is oriented toward figuring out what we should do. So: what we should “do” about poverty is - let those poor people use their powers to improve their situations, on a basis of freedom with others, and free *trade* in particular. Deliberate government-to-government aid programs are what we should most especially avoid, and what is probably the hardest *to* avoid, since those are political programs and bound to be popular among people who know even less than we do about economics. Even less should we go around attempting to correct or rectify *inequalities*. It’s partly that inequality does indeed play a major role in economic development, everywhere. But it’s especially that inequalities are unsurprising when people are allowed to deal freely with each other, and that intervention to correct it is both wrong and wrongheaded. I do not speak here of the vast inequalities created by government graft, corruption, mismanagement, and brainlessness. I do speak of the inequalities which I agree, with most writers, are essentially inevitable among economically free people. We should not wade in to undo the supposed evil by undoing the freedom - which is certainly evil. We should, of course, allow and even encourage initiatives by charitable organizations, with some discrimination - this last, because even such initiatives could cause some of the very problems we are trying to avoid, such as inadvertent subsidies to economic agents who will upset local economies.

There is much interaction among the several topics addressed in this conference: a sense of environmental or demographic “crisis” for example is almost certain to motivate more counterproductive initiatives on the part of supposedly well-meaning governments. (Think, for example, of the deaths of probably thirty or forty millions from malaria which could have been avoided by quick and early use of DDT - prohibition of which was motivated by ignorance and rah-rah “environmentalism.”) We *are* concerned for the common good, the essential feature of which is that it should be *common* - meaning, not biased against some economic agents (such as “the rich”) or exploitative of others. Promoting the common good properly so understood is a matter of cooperation, among the widest possible set of people.

I will expand on, explicate, and defend these claims in my presentation.