

Welfare and Wealth, Poverty and Justice in Today's World

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Introduction

There was a time, certainly, when I generally agreed with the outlook on these matters that has been so ably supported by Larry Temkin in the preceding talk. But over the many years since I expressed myself to similar effect,¹ I have come to think very differently. In particular, I dissent from his conclusion, that "... each of us could do vastly more than we do to help the needy ... That we don't is a serious moral failing." I don't think it is any such thing. I am now inclined to think that most of us, and our friends and neighbors, who don't devote a lot of money or thought to such things, act quite justifiably in so doing. But as will be seen, I do think that much can be done about world poverty, insofar as it is a genuine issue, and that we can point fingers of blame in certain directions, identifying people and especially institutional activities that do much to hinder progress in this regard. In the world we live in, it's mostly true that the rich get richer and so do the poor; but most of us, poor and otherwise, could get richer faster than we are doing now, and that is somebody's fault. Read on.

1. The Egalitarian Idea

Too often we see it said that the fact that person A has a great deal of wealth while person B has very little is, all by itself, testimony to injustice. This stems from the outlook known as "egalitarianism," an idea that is frequently invoked, though rarely defended. Indeed, it seems to have much the same status today among social philosophers as did Christianity among Christians of old (and still today, among many): an article of faith which people are not allowed to query. But egalitarianism of this type is not only baseless, it is, I shall argue, also *irrational*. That so many philosophers seem to take it as axiomatic is puzzling, and, I think, sad - since I think this tendency has tended to block productive discussion. It is also, I hold, *counterproductive*: it cannot but have profoundly bad effects on the world's poor, in particular.²

1.1 Identifying Egalitarianism

When I say, "of this type" I should explain. Some writers seem to want to classify *any* view that proclaims that all persons everywhere have certain rights as *ipso facto* egalitarian. This is wrong, and

¹ See my "Morality and Starvation" in William Aiken and Hugh LaFollette, *World Hunger and Moral Obligation* (Englewood Cliffs, NJ: Prentice Hall, 1977), 49-65.

² For a fuller statement, see Jan Narveson, "Egalitarianism: Partial, Counterproductive, and Baseless" - Ratio 1997; also in Andrew Mason, ed., *Ideals of Equality* (Blackwell, 1998), 79-94.

pointless. It is the very purpose of a general moral theory to affirm that all people have certain rights (or duties, or whatever moral properties the theorist is talking about.) But Egalitarianism is much more specific than that. By "egalitarian" I refer, rather, to the substantive view that all persons have a general right, as against all other persons, *to be supplied with* (if they do not already have and cannot on their own acquire) *an approximately equal amount of some commensurable and variable good*, at the expense of all who have more of this good. The usual choice of this variable is Welfare; sometimes it is Income; sometimes something more exotic ("Resources" has been a favoured candidate of late.) *How* "approximately equal" it is to be is greatly variable among egalitarians. Moreover, there are variants such as Rawls' familiar "maximin" - though I have shown, I believe, that he is not really an exception.³ But at any rate, the view I have characterized is the real thing - egalitarianism with, as we might say, teeth. It is what egalitarians do in fact hold. It is also, I will argue, *irrational*; it is also, I think, a major source of misery for the world's poor, in the end.

A special note is perhaps called for regarding the proposal that a theory such as mine, which holds that we all have a general right to liberty (in what is now called its "negative" sense) is also a kind of egalitarianism. Liberty, in the context of social philosophy, is the *absence of interfering actions from others*. It is not the *presence* of some positive good that others are able to bestow on us. If we say that general liberty is a kind of egalitarianism, with "equal liberty" as what everyone gets, then they get it by a "quantity" of something else, namely interfering actions, being at *zero*. In that sense only, there is "something equal for all." But that is hardly what egalitarians want to hold. It is much clearer simply not to count the libertarian theory as any sort of "egalitarianism."

Note, however, that it *could* be held that we are all entitled to, say, an *equal amount of police protection*. And some have held this. But I do not, and it is not entailed by - indeed it is inconsistent with - the general liberty principle.⁴

1.2 Impartiality

Consider, for comparison, the work of Brian Barry, who decries Mutual Advantage as a hallmark of justice in favor of what he calls "Impartiality."⁵ The opposition is odd, however; indeed, on the face of it, it is just plain wrong. Impartiality is a *sine qua non* of *any* moral principle, of course. Obviously we cannot hope to settle any moral dispute on the basis of a principle that says, "I get two extra, no matter what,

³ See Jan Narveson, *Respecting Persons in Theory and Practice* (Lanham, Md.: Rowman and Littlefield, 2002, Ch. 2.)

⁴ I am grateful to my colleague Brian Orend for suggesting the need for this explanatory note.

⁵ Brian Barry, *Justice as Impartiality* (Oxford, 1995)

and no reason given.” But mutual advantage is *not like that at all*. Mutual advantage says, simply, that a configuration which is better for all concerned, and no worse for anyone else, is morally preferable to one which is not, *unless* there is a *prior wrong* to correct. Egalitarianism, however, is insensitive to prior wrongs. If the idea is to make us all equal, then how does it matter how we came to be unequal?

1.3 Mutual Advantage vs. Egalitarianism

Mutual advantage, by contrast, has an obvious advantage: instead of making some people win from others’ losses, it requires that *no one* “lose.” It is an advantage in the specific sense that it presents reasons for *all* to go along with it: no one loses, so no one has reason to object; no one gains at the expense of any other, since each party voluntarily accepts the outcome. The fact that some gain more than others, if they do, is not surprising, but it is also no occasion for complaint, since those who gain less would gain still less if the agreement were not made - this being, after all, why they made the agreement in the first place.

But egalitarianism, if advanced as a theory of justice, is quite another matter. To begin with, the terms posed are erroneous. The correct opposition is not between mutual advantage and impartiality, but between mutual advantage and *imposed equality*. To promote clarity on this matter, let us consider the following situations: [(1) and (2) are the options, A and B the recipients]:

Case I.

	A	B
1)	\$4	\$6
2)	\$3	\$3

Suppose that in this situation, both A and B were to opt for the second distribution. This would reflect an odd taste on the part of A and B, but OK: after all, it’s their money, as we say. But also, here would be a case in which, the utilities are inadequately represented in purely monetary terms. If Jones *chooses* option x over y, then by definition Jones *attaches more utility* to option x than y. Therefore, the true account of the situation is more like this:

Case II:

	A	B
1)	\$4	\$6
2)	\$3 + 5	\$3 + 5

where the ‘5’ designates units of some *other sort of utility*, which, added to the monetary utilities specified, makes option (2) outweigh (1) *for both A and B*. The point is that each, because of the aforementioned *tastes*, gets more total utility from the money’s being distributed equally. And that’s fine - no problem. We are each entitled to our tastes. But if the tastes are different and if the parties actually *care* about how

much they get, and *don’t care much* about what the *other* party gets, then it’s *not* so fine. In that case, the choice of (2) over (1) would be simply irrational. Nevertheless, that is what the egalitarian would *impose on us all, irrespective* of our *own* personal tastes or ideologies. The egalitarian elevates *a matter of personal taste* into a basis for imposing on others, and he does that wholesale. Who is he, then, to accuse others of *partiality*? Egalitarianism in fact *violates* impartiality. On an impartial view of the matter, where the choosers did not know whether they were in the position of person A or of person B, and if the choice were exclusively between (1) and (2), it would *clearly be wrong* to choose (2) in the first case, while in the second case *the situation is inaccurately represented*.

1.4 “Objective Value”

At this point, most likely, some egalitarians will insist that the extra dollop of utility I have added in case II to represent the tastes of the egalitarian is not really just “utility” and not a matter of “taste” or sentiment, say, but of “absolute objective value.” That’s a handy device for responding to an opponent, of course. It’s like saying, “the difference between your view and mine is that I’m right!” On my more reasonable account of the situation, though, everybody’s preferences get figured into the equation, and nobody is presumed to be god. This seems to me more reasonable because it is in accord with reality, which is devoid of gods.

Indeed, we all want our views to be based on the best, most solid premises, and some or perhaps all of those, one hopes, will be objectively confirmed or substantiated. The claim that certain values, just as such, are “objective” without further explanation is, however, not a contribution to the desired objectivity.

1.5 Egalitarianism Violates Pareto

In general, egalitarians have two major conceptual problems. First, they must violate Pareto, as illustrated by my example. The Pareto idea is profound. Its appeal is that *no one loses*. How then can anyone reject it without being guilty either of *malevolence* (if somebody else loses from the rejection) or of *irrationality* (if he himself does)? The innumerable academics who defend egalitarianism are guilty, I think, of the former. It is, to be sure, a sort of studied, nonchalant, ivory-tower malevolence whose possessors don’t much care what they’ve gotten into for others out there in the real world - others who do *not* live in the ivory tower and who *do* care. Philosophers are prone to put themselves in the position of the *philosopher-king*: with a snap of the fingers they dictate who shall have what and why. This is not a healthy position for anyone to be in, let alone irresponsible philosophers.

1.6 Egalitarianism Discriminates against Luck

The second point is subtler but, I think, extremely

important in the context of contemporary discussion. According to current egalitarians, egalitarianism is intended to rectify maldistributions due to “brute luck.” Brute luck is the sort you can have done nothing about; “option luck” by contrast is the sort where you deliberately take a risk. Dworkin, and many who agree with him, hold that option luck is acceptable, but brute luck, he thinks, needs to be fixed. The question is: on what principle? The idea seems to be that brute luck is *not to be held against the person in question*. But egalitarians are *not consistent* about this. For they *do* think that in cases where the luck is *good*, we get to descend on these fortunate people and deprive them of their desirable but undeserved assets, in order to help the likewise undeserving but unfortunate. Yet interfering with person A because he has been fortunate, through no fault of his own, is surely *just as arbitrary* as kicking person B because *he* has been brute-unfortunate. Choosing to help either of them for the same reason is likewise arbitrary. Now, there is in fact nothing wrong with being arbitrary, so long as you are being so with your own money or whatever other good you are “distributing”; but there is plenty wrong with it when it is *other people’s* goods we are making free with.

1.61 Fortune: The Right Way

The principled way to deal with this, of course, is to *refrain from imposing on anyone just because of the way Nature, or Lady Luck, has dealt with him or her*. (An ancient, perhaps apocryphal? Arab proverb says, “If you see a blind man, kick him! Why should you be kinder than God?!”) Well, we do not kick the blind man, but the egalitarian wants to kick the whiz kid or the inheritor of a fortune. Yet they are equally in the situations they are in due to luck. The egalitarian, in short, *discriminates* between those whose luck is good and those whose luck is bad. So his principle cannot be that we ought not to impose on people *because of whatever is due to luck*. It seems, rather, to be based on bloody-mindedness with perhaps a dash of class hatred thrown in for good measure. Oh, yes: and, of course, sympathy - so much sympathy that it induces these sympathetic people to compel all the rest to assist the objects of their sympathetic feelings.

1.7 Rawls on Desert

In John Rawls’ rendering of the argument, it is held that *no one is entitled to anything on the basis of desert*. The reasoning is that desert is always due at least in part to the presence of factors for which one could not have been responsible: high intelligence, say, or extraordinary musical ability. Rawls argues that this *undoes* the desert in question as a relevant consideration in the theory of justice: justice cannot consist in giving people what they deserve, because the desert-basis itself is always undeserved. Why we have to make this drastic move is an interesting

question, to be sure. We do not normally accept this kind of argument: we do not disqualify the batter because of his superior ability, even if it is natural, or refrain from hiring the personable announcer on the ground that he seems to have been just *born* personable rather than having developed that amiable quality with much effort. In any case, however, the effect of the argument is drastic: namely, to entail the conclusion that *nobody deserves anything at all*.⁶ Justice, then, would be done by *depriving everyone of everything* whatever - and *not* by giving *everybody an equal amount*, since no matter what that amount is, they don’t deserve *that* either.

1.8 No-Person Injustice

Those who complain of the unfairness of initial distributions on the ground that they are unequal, or that they are due to luck, must explain why anyone can rationally be held liable for correction of these, since *by definition it was not anyone’s doing*. If something is held to be unjust, that should, on the usual use of that term, be because it was due to *someone’s* injustice. But this is precisely what fails in cases of brute luck - unless, of course, the alleged injustice consists in not making the rectification in question. The latter move, however, would simply beg the question at issue. One is responsible for rectifying an injustice *if it has happened due to one’s own actions*; but one cannot be held responsible for not correcting an injustice which consists in nothing more nor less than *not making the “correction”* in question. For *when no one is at fault* for the situation, *there is nothing to correct*.

In social philosophy, we have no sensible option but to take what is given as given: people have natural endowments, and that is what makes them what they are. Wishing they were otherwise is wishing we were talking about something else, rather than talking to rational effect about the people around us. Any other assessment of their situations is *irrational* - attributing divine powers to humans, say. And initiatives that discriminate sharply against some persons on the basis of their natural endowments are paradigmatically unjust. That kind of discrimination, however, is precisely what the egalitarian calls for.

1.9 Summary on Egalitarianism

So much, then, for the idea that the disparities in wealth typical of the present-day world are unjust on the face of it and need correction *on that ground alone*. They do not. But it is still possible, certainly, that for some *other* reason it is the fault of the rich that the poor are poor. Possible, yes - but, I think, in general, *not true*. On the contrary: by and large, much of whatever *progress* the world’s poor peoples have managed is *due to their interaction with the rich ones*.

⁶ I elaborate in “On Recent Arguments for Egalitarianism,” in *Respecting Persons in Theory and Practice* (Lanham, Maryland: Rowman and Littlefield, 2002), ch. 4.

Moreover, insofar as their progress has been slow or blunted, this is to a considerable extent due to *barriers to further interaction* of that kind, rather than the reverse.

2. Welfare and Wealth

An obviously very important and, I think, very difficult question concerns the relation between wealth and welfare. Neither is easy to define, certainly. Neither seems to be simply identical with happiness either - obviously, people can be unhappy though wealthy, and happy though poor. It is less obvious whether we should say that the happy though poor person has a higher level of *welfare* than the equally poor but unhappy person next door, and even less so what we should say about the considerably wealthier though considerably less happy person down the street. Fortunately, however, for present purposes it doesn't much matter which we say.

2.1 Welfare: Conditions for Well-Being

It is perhaps most satisfactory to identify *welfare*, or *well-being* (I shall equate the two here) with *certain general conditions* tending to make for a happy life, even though it is possible to meet those conditions and yet be unhappy. I think especially of *health*, which is sustained by a decent food supply and an environment free of the nastier germs which exposes the subject to reasonably comfortable ambient temperatures, if necessary by means of a suitable array of clothing. We could no doubt include also the having of a suitable set of *options of activity*, at least some of which would be viewed with pleasure or enthusiasm by the agent. The person with high well-being, we may say, is someone who *should be* happy, and we are surprised and puzzled if he is not. Wealth, in turn, we will identify with one's level of *real income* - for what that is worth, which is something, but not terribly much. (To see the limitations, think of "psychic income.") Persons described as 'wealthy' are imputed a comparatively *high* real income; though as to *how high* is "high" - that's unanswerable in general, but we will just say, well above average in the comparison class for the inquiry in question. We are concerned in this discussion with wealth as a general variable, not with "wealthiness" in the latter more restricted sense. so that all who are above zero will be said to have *some* wealth, though it might be tiny.

2.2 Utility of Wealth

The word 'command' has to be used advisedly here: those with high incomes can't "command" anything or anyone, any more than any other person not possessed of *political* powers. But if one can offer a high price for something that someone has *and is willing to part with*, then the latter is unlikely to refuse, and so the wealthy person is likely to be able to get much of what he wants, so long as what he wants is transferable from others who are willing to

transfer it on those terms. Thus wealth is usually pretty useful for securing *welfare* - though by no means always. And it is presumably true that concerns for the poor are primarily motivated by an interest in their *welfare*, to which their wealth would be a means.

2.3 A Caution

But we must be careful. Someone might come into considerable wealth, and instead of promoting her own welfare might squander it in ways we think will defeat that welfare - perhaps on expensive "recreational drugs," for instance. And it is fairly obvious that people "on welfare" do not always spend their incomes on what promotes their welfare either, at least in *our* view of what constitutes welfare. And at this point, we have a problem: if our aim is to promote welfare, will we do so by promoting wealth? Generally, perhaps, yes; but in many particular cases, no, or at least not, as I say, in our normal view of the matter.

2.4 Real Income - Easier to deal with

As an independent point, we may also note that it is easier to increase someone's real *income* (at least temporarily) than her *well-being*; or more precisely, it is easier to know that someone's real income has increased or decreased than that his welfare has. Even there, it is not trivially easy. Correcting monetary-unit income to make it reflect "real" income is not so easy.. Still, it is easier; and both the finding out and the promoting of real income are in any case a lot less *intrusive*. And so there is likely to be a great theoretical divergence here, between what increases an individual's *choices*, which is what adding to his wealth will do, and increasing his *welfare*, which may not. This divergence may be especially pressing if what "we" have done to promote someone's welfare is, in fact, to enable that person to promote his or her *wealth* - which is what I shall be concerned with here.

2.5 Poverty is not Misery

A further point of great importance is that we should not just assume that the very "poor" in various parts of the world, as measured by real income reckoned in western terms, are thereby *miserable*. They are, by and large, not so, and likely are no less happy than you or I. Those who have been fortunate enough to see the recent movie *Nirgenwo in Afrika* (*Nowhere in Africa*) will have some helpful data on this point. The dollar income of the Kenya natives depicted there must have been essentially nil. But they appeared to be having enjoyable lives, and to be only slightly interested in, let alone passionately sorry not to be sharing, the lives of the much wealthier foreigners in their midst. That is one main reason why we should not feel free to disrupt their ways of life by imposing ours on them.

No doubt, what we call "poor" people generally, if

not invariably, *prefer* to be better off in point of real income, just as do you and I. But they don't prefer this above all other things. By world standards, you and I are hardly "poor," though we are far from wealthy by G7 standards. Still, I'd be glad to have a much higher income than I do. But on the other hand, I'm not willing to do very much to achieve this - it just doesn't matter *that* much, and other things are *more important*. Are we, then, miserable and the object of pity? Well - no, frankly; and neither are the poor, by and large. The hand-wringing pity that most academic G7 persons and their friends trot out for the world's poor is largely misplaced. Which is not to say, of course, that the subject of wealth is without interest or trivial - of course it isn't. It is to say, though, that it is a *bourgeois* sort of subject, and susceptible to the biases and narrownesses that we in the First World are so liable to.

2.6 Summary on Wealth/welfare

An easy answer to all these questions would be got by blithely assuming that welfare and wealth go together, and that happiness, much more loosely, is at least likely to be promoted by doing well in economic terms. We know it is not always so, but for practical purposes, we might say, we may not have to choose among them. I am not at all confident about this, but for the present will make this my provisional assumption. I shall talk, then, as though our main interest here is in wealth-promotion.

3. Wealth and Cooperation

We'd better begin by reminding ourselves of something that some seem to find unobvious: *all* wealth involves human effort of some sort: 'work,' as it's usually called. Oil, gold, platinum, diamonds - whatever natural stuff you want to name, it is worth *nothing* unless and until someone thinks of a way to do something with it, and undertakes to do it. Wealth does not grow on trees - *not even when the wealth in question comes from growing trees!* And virtually all of this work that is the source of *economic* value involves, in one way or another, *cooperation*.

"Many hands make light work," the saying goes. But it may or may not be so. What is so is that many hands, if suitably organized and coordinated, make *more efficient* work, as detailed by Adam Smith in the opening pages of his *Wealth of Nations*. Something we have come to appreciate, even in the halls of philosophy, is that when it comes to work, it is *quality*, and *not* (by comparison) *quantity*, that matters. (Failing to see this leads to the fallacy of the "labor theory of value," which is one of the all-time mistakes of economic science.) Work, to be productive, requires technological information and organization, not just muscle (if indeed any), nor even just discipline and motivation along with the muscle. And the all-important factor of motivation requires, in addition, *demand* for its results. If nobody wants it,

"production" has *no value*. All these need to go together, and so *a blockage against any will result in reduced output or none*. It is that general point that really provides the *whole story* about wealth and poverty, be it national or international. Wealth does not grow on trees, even when the wealth comes from harvesting apples. Nature can be (and is) simply littered with "resources," but they are worth nothing unless and until someone figures out how to make use of them, and how to access, or harness, the potential utility they may contain.⁷

3.2 Two Kinds of Cooperation

For present purposes, I want to identify two different contexts of cooperation - only one of which is traditionally classified under that heading. The kind that is so classified may be termed "worker-worker" cooperation, or "workplace cooperation," or cooperation *in production*, hence *productive cooperation*. The kind that is normally not called that is "seller-buyer" cooperation. A considerable part of my thesis here is simply that both of these are cooperative in *exactly the same sense of the term*, and that as economic life gets richer and more diverse, the second kind of cooperation is easily as important, indeed arguably much more important than the first. Of course, worker cooperation is *for the sake of* consumption and not vice versa as well. But the point is that the cooperation involved at the consumer-transaction end of things is crucial to the successful working of any even moderately complex economy.

3.21. Productive Cooperation

Adam Smith's account of the division of labor in a small pin-making enterprise remains a classic, one whose basic story can be multiplied by millions. The focus of Smith's account, though, is somewhat narrow. It focuses entirely on the various operations performed by various workmen in making pins. It does not go into the matter of *who figured out* that you can make more pins if you start with a long roll of suitably heavy wire and then cut it at appropriate lengths for starters, than if you simply started with a lump of metal and shaped it into the desired configuration. It doesn't much discuss the matter of how the industrial design, the organizational plan manifested in the workers' close-meshed activity came to fruition, or the further matter of the capitalization of the enterprise to get it going and keep it going. But *all* these are essential to production, when you think of it. Just as 12-penny spiral-grooved nails with flat heads don't grow on trees, neither do workplace designs. And, again when you think of this, all of this requires cooperation.

3.22 True Cooperation

⁷ See my "Natural Resources, Sustainability, and the Central Committee" - another chapter in the same book (*op. cit.* note 5) - Ch. 16, 279-297.

Well, production requires cooperation *in a sense*. The qualification is pretty important, though. In the Gulag Archipelago, a certain amount of production somehow managed to be carried out, some of it involving a fair amount of worker-cooperation. But the main organizing tool there was compulsion, *not* cooperation in the favored sense of the term in which I am using it here. Compulsion also involves a sort of cooperation, to be sure: I threaten to beat you if you don't do x, and you *decide* to do x rather than putting up with the beating. This is the sort of "cooperation" that obtains in slave enterprises. Notoriously, in such enterprises, a good deal of potentially valuable time and energy is expended on compulsion itself; a good deal more is expended on figuring out ways to avoid it on the part of the unwilling workers, and also on how to do, otherwise, as little as possible. But in a properly free-enterprise, capitalist economy, this is not how things are done. People do what they do because others have made the best offer available. This applies to capitalists, scientists, engineers, and managers as well as to workmen down on the shop floor.

Thus we can see that the organization of production constitutes an internal economy, in the same sense of the word 'economy' that applies to the larger one that goes beyond the factory gates and into the stores or other marketplaces where the product makes its way to the eventual consumer. At all points, what we have amounts to *a huge series of exchanges in which both parties act voluntarily*, do so basically in pursuit of their own separate purposes, and yet all parties do better because of it.

3.24. Marketplace Cooperation

If we turn now to the end-of-the-line exchanges in which, typically, a consumer shops for the best ways of catering to his interests, and a merchant attempts to maximize his profit in contributing to that consumer's satisfaction, we find the same story. No one *compels* anyone either to buy or, we hope, to sell; but those activities, of buying and selling, result in an increase in wealth for both parties by comparison with the status quo. How much of an increase? That depends on the range of options available, the specific interests or needs of the persons in question, and a measure of luck. But above all the effectiveness of cooperation depends especially on one thing: *the absence of barriers against free entry to the marketplace*. For barriers keep people from taking advantage of available options, or they prevent them from making those options available to others. In either case, we can expect that the persons prevented are going to do worse than they might have.

The story of agriculture in particular, as also of productive work in general, is that specialization can yield an increase in wealth. The land that Pedro lives on might be much better for growing a certain crop which Pedro and his family don't even like or use than it is for growing what they do like and use. *If a*

market is available, Pedro can reap benefits: sell his produce for much more than the value of what he might have grown for local consumption, thus enabling him to buy all that and more. This story, multiplied by billions, is in considerable part the story of the modern world.

3.3 What is "the problem of poverty"?

Now, there is worry, and much talk, including a good deal of hand-wringing and name-calling, regarding "the poor countries" in today's world. The question that arises is: precisely what is the problem? And insofar as there is one, what went wrong - why is there a problem? Finally, what can and should be done about it? I believe the answers to all three of these questions are knowable and mostly fairly straightforward. The answer to the last one, in particular, is crystal clear, though the chances of getting the right things done are, alas, not very good.

3.4 Do the Rich Nations Exploit the Poor ones?

It was once popular - and still is in some quarters - to claim that the rich countries are somehow "exploiting" the poor ones - even, perhaps, *stealing* from them - and that this is a terrible thing which should weigh heavily on the consciences of the "rich" nations.⁸ Of course, all useful exchange between people involves exploitation in the neutral sense of the term in which each party derives some benefit from the other. But the claim we are considering is that the exploitation instanced by rich countries over poor ones is *bad* exploitation. Why?

To begin with, as an account of how the rich countries *became* rich and the poor countries *became* poor, the claim is essentially ludicrous. It is both absurd on the face of it and historically largely just wrong, with occasional exceptions such as the Spaniards' despoilation of the Incas' gold - far from the typical case. and not even very relevant, since the gold in question, in addition to being useless, was monopolized by the Incas' emperors. If explanations are wanted for the very large differences in what we think of as economic "advancement" between the rich nations and the poor ones, there are two main ones, which in various mixes supply us with all we need. With minor adjustments, they apply also to the cases of discrepancies between wealthy individuals and poor ones in the same country or community. Consider, for example, the Australian Aborigines when Europeans first encountered them. If we want to talk about wealth and poverty in the sort of terms that make sense to us, then the Aborigines were about as poor as it is possible to be and still be an ongoing group of people. But since no people from "our" part of the world had ever seen any of these people

⁸ That seems to be the message of Ted Honderich's recent book, *After the Terror* (Edinburgh: Edinburgh University Press, 2002) Or see his shorter article, "After the Terror: A Book and Further Thoughts," *The Journal of Ethics*, 7.2, 161-181, 2003.

before, it is a bit much to attribute their poverty to *theft by Europeans*. On this point, we can hardly do better than to read Jared Diamond's brilliant and hugely well-informed study of such matters, *Guns, Germs and Steel*,⁹ in which the geographical and biological factors that led, globally speaking, to the general sort of situation we have today, or rather, yesterday, are clearly and convincingly explained.

3.41 The Current Situation

But I said "or rather, yesterday" on purpose. It is pretty unsurprising that some peoples of the world should have got into a sort of trough, leading to low or very modest prosperity as a normal outcome for their situations. But once there is a lot of interchange, touristic and otherwise, then things are a bit different. I still remember a striking picture, in the American *National Geographic* magazine from many years ago, of natives in their log dugout canoes in coastal areas of New Guinea, expertly steering their primitive craft with hewn sticks - and Sony Walkmans attached to their jeans (yes, jeans! - evidently more durable than grass skirts). Nowadays it'll be cellphones, we may be sure. There is certainly no problem about peoples all over the world being intelligent and enterprising enough to assimilate European/American technology and, for that matter, culture in various respects, once they come in contact with it and start the kind of enterprising activity that will enable them to avail themselves of some of those things. The question, in many parts of the world, is: why didn't they, or why haven't they, or why hasn't it gone faster than it has? And to this there is indeed an answer of the broad type that social philosophers are fond of. The answer, generally speaking, is mostly that *their governments won't let them*. Or also, sometimes, that *other governments won't allow the citizens of those other countries to engage in the kind of trade relations that would promote the kind of wealth that we enjoy and which others might like to enjoy as well*.

3.5 The "Extraction" Thesis

It has, on the other hand, *nothing at all* to do with the supposed extraction of resources from the poor and transfer to the rich countries. Those who think that have a hopelessly wrong view of what wealth consists in and how it is attained.¹⁰ The idea they have reminds me of Wagner's *Das Ring der Nibelungen*, in which wealth is equated with gold, and the plot revolves around who steals it from whom and who murders whom in the process. This is an absurd and, when you think of it, insulting view of the subject of wealth, which equates the achievement of prosperity with its very opposite: theft. But obviously before

⁹ Jared Diamond, *Guns, Germs and Steel* (New York: Norton, 1997)

¹⁰ To get started on the right view, see Julian Simon, *Population Matters* (New Brunswick, N.J.: Transaction Press, 1990) Or more briefly, see my *Respecting Persons...*, *Op. Cit.*, Ch. 16.

there can be theft there has to be something to steal, and that is created by hard-working people who have no intentions of stealing anything.

And of course on the international level the Wagnerian picture is most ludicrously inapt. The world contains plenty of examples of very wealthy countries with virtually no natural resources (such as Hong Kong and Holland), and incredibly poor countries with vast natural resources (Nigeria, Russia). Extraction of those resources by foreigners is just what those countries might most benefit from; the resulting employment in the country with the natural resources is a significant step up the ladder toward wealth for the local population. Trading labor for the kind of goods that it takes a more advanced economy to make is just the thing to do for such countries. (And indeed, that continues to be so: in Hong Kong, the main thing that is traded to the outside world is ingenuity, not "stuff." And in the fifty-some years since the end of the second World War, Hong Kong rose from one of the poorest places in the world to one of the wealthiest - despite or perhaps because of its very lack of natural resources.) More generally, it is the *kind of work that people do* that fundamentally creates wealth.

3.51 Poverty: in General, why

To turn for a moment to the case of individuals: A has a lower income than B because the demand for whatever A has to offer is lower than the demand for whatever B has to offer. A may have the undemanded things to offer owing to lack of innate ability, or to kinds of training, or lack of it, that give him the wrong skills at the wrong time. In some cases, B's higher income is due to B's having reasonably effectively invested inherited wealth. People with capital are usually in demand for that reason, so our characterization still applies. On some few occasions it may also be that A's lower income is due to previous theft or some other sort of specific injustice committed against A, and uncompensated for. But that is rare; it is certainly not the story of the "underclass" except in the very significant case where the thief, so to say, is one or more of the governments to which A is subject. Here the story regarding such individuals connects very closely with the story regarding whole nations or substantial parts of nations; I turn to that next.

3.6 Interferences Promote Poverty

Thomas Pogge, in his important study *World Poverty and Human Rights*¹¹, makes in general a kind of case that I want to second here. His argument is not that us rich people should feel conscience-stricken about how little we have done for, or how awfully we have treated, the poor of the earth. It is, rather, that the

¹¹ Thomas Pogge, *World Poverty and Human Rights* (Cambridge, U.K.: Blackwell: Polity Press, 2002)

poor of the earth have been prevented, by various aspects of the “global economic order,” from realizing the gains available from trade with those rich people. These blockages occur at various levels, but surely overshadowing all others are the governments of those poor people, governments which do indeed proceed by outright robbery - by “kleptocracy” as Diamond so charmingly terms it. In an artificial African country, whose borders are drawn by assorted Europeans who know nothing and care little about the people whose lives they so severely affect by drawing them as they do, the phenomenon of nominally democratic dictatorship is pretty much the order of the day. The governments there see government as an opportunity to maximize the number or size of palaces, Mercedes Benzes, armies, and torture chambers in the hands of the governors, and thought of the welfare of their citizens is entirely at the level of the rhetoric employed in the speeches they occasionally make at solemn international gatherings in which they make a plea for still more handouts from the wealthy countries. When Zimbabwe - which once upon a time was prosperous Rhodesia - proceeds to expropriate the well-run farms owned by “wealthy” white men and turn them into incompetently run or totally neglected agriculture in the hands of political henchmen of the dictator, the general result is as one might expect: a country which could have been and once was the breadbasket of Africa has become instead one more of Africa’s basket-cases. (Or compare North Korea, whose mindlessly regimented collectivist agriculture has led people to the brink, and in an increasing number of cases over the brink, into outright starvation at the same time that it has assembled the largest and best armed military establishment per capita of population in the world - and all for the apparently sole purpose of pandering to the egomania of its ruler. A similar story in somewhat less degree applies to Communist Cuba.) Again, we do not need to look very long for causes of poverty or worse when politics at that level stalks so much of the globe.

3.7 Some Examples

Professor Pogge¹² worries - and rightly so - about the world economy and various institutional aspects

¹² There are estimates that the European Union’s policies are indirectly responsible for many deaths in Africa due to this cause. According to one group of investigators, “6,600 people die every day in the world because of the trading rules of the EU. That is 275 people every hour. ... one ... every 13 seconds somewhere in the world - mainly in Africa - because the European Union does not act on trade as it talks ... If Africa could increase its share of world trade by just one per cent, it would ... be enough to lift 128 million people out of extreme poverty. The EU’s trade barriers are directly responsible for Africa’s inability to increase its trade and thus for keeping Africa in poverty.” <<http://www.libertarian.to/NewsDta/templates/news1.php?art=art369>>

of it that work against the enrichment of many poor countries. An interesting indirect example is the policies, rampant in many countries and the EU, which subsidize agriculture internally and discriminate against imports from other countries, thus making it very difficult for third-world countries to export foods, though they are one of the most likely exports from such places. But one needs to keep such things in perspective. Compared to having Kim Il Jong the Second for a government, being under the thumb of the World Bank is a picnic. (In more reasonable terms, though, it is quite bad enough.) Here are a couple of examples, just to give you the idea.

John Powelson tells us of an example In Kenya, 1984, a year of major drought in Africa. One farmer reported that his crops had totally failed the preceding year owing to the drought, and now he had no seed grain to start anew. But the government controlled all the seed grain, and also the chemical fertilizer that might have made a good crop possible. In addition, the same government controlled sales through a marketing board, which underpaid the farmer, overcharged the consumer, and pocketed the difference in order to pay its numerous military officers.¹³

Here’s Powelson’s formula for state exploitation of the peasantry, a formula followed very widely in the third world:

1. Prices of farm products are held low (by the government)
2. Prices of farm inputs (fertilizer, see, etc.) are kept high (by the government)
3. Peasants are required to sell their outputs to government monopolies
4. Peasants are required to buy their inputs from government monopolies.
5. Peasants are required to obtain credit from government agencies.¹⁴

When all this is in place, the state has the peasant over the proverbial barrel, and it’s lined with pork. Powelson outlines, in many chapters for many countries (including Mexico) how the state visits “reforms” upon its hapless peasantry. We needn’t dwell on the details here . All we need to do is to understand that peasant *prosperity* goes hand in hand with peasant *freedom*. That’s an important lesson - one that will be resisted by governments everywhere, and has not been learned by most contemporary academic social thinkers.¹⁵

¹³ John T. Powelson and Richard Stock, *The Peasant Betrayed* (Washington: CATO Institute, 1990), p. 2-3

¹⁴ *Peasant Betrayed*, 7-8.

¹⁵ The paragraphs containing this example and discussion are borrowed from my address to the International Society for Individual Liberty, Puerto Villarta, Mexico, July 30, 2002, “The World’s Poor: How to Go Forward by Not Going Backward” The text is at <http://www.forolibre.org/NarVISIL02.html>

Here's another example: "In Guatemala, a manufacturer of raw material urgently needs a spare part worth fifty dollars in the U.S. To save time, he calls on the phone, explains his predicament to his supplier, who accommodates him in spite of the fact that due to exchange controls, he is delinquent in his account. Due to the urgency, the part is shipped by the most modern and fastest means available by modern science, the jet. The part arrives in Guatemala the next day and there it sits in customs while papers are shuffled. Is his import quota exhausted? Is there an import license? Is the importer solvent regarding prior imports or exports? Two weeks later, the part arrives at the plant, after he has satisfied the various authorities that he is innocent of economic crimes. Just in management and bureaucratic effort, this fifty-dollar part can end up costing more than one thousand dollars."¹⁶

4. Trade and Advantage

At this point, we must take a short excursus into economics, by way of public service to the "economically challenged" in the philosophical community. I refer especially here to a theorem, familiar to all economists and established definitively in the literature well over a century ago, known as the "Law of Comparative Advantage" as applied to international (and intranational) trade.¹⁷ Let one area, A, be ever so rich. Let another, B, be ever so poor. And let all of the citizens of both areas be ordinary people just trying to do the best they can for themselves - no Marxists, Georgists, Laborites, Social Democrats, etc. among them. Is there any possibility of mutually profitable trade between the citizens of A and B? The answer is: Yes. *Even if the most efficient industry in B is less efficient than the least efficient industry in A, there will still be benefits for both A's and B's to be had from free trade between A and B.*

This modest theorem, which is readily demonstrable on the basis of simple commonsense - no high-powered equations are necessary - is *the basis of trade both among individuals and among nations*, whether rich or poor and whether they trade with other rich people or nations, or with poor people or nations, or whatever. Provided that sellers are permitted to sell to whoever is willing to buy, and buyers permitted to buy from whoever is ready to sell something, there will be mutually satisfactory exchanges among members of any two different nations as well as any two members of the same nation or even the same county.

Just to provide some intuitive plausibility for the theorem, consider the case where an author who is also an expert typist hires a secretary to help type his

¹⁶ Manuel Ayau, "Give Freedom Its Turn in Latin America" (*Imprimis*, November 1984, Vol. 13, No. 11).

¹⁷ It is due originally, I believe, to Ricardo; see *On The Principles of Political Economy and Taxation* (1817)

manuscripts. (Alas, this is outdated now, but analogues are easy enough to come by.) He can type better than she can, but it is not worth his while to spend his time typing when he could be composing new material; it is worth her while, though, at the price he can afford to pay for her services. The result is that he gets more done and she has a higher income. Multiply the example by billions, and you get the point.

5. Fallacies of "Foreign Aid"

The Law of Comparative Advantage considerably explains why the proposal that is, I guess, by far most popular among critics of the economically advanced countries in today's world for "helping" poorer countries is so mistaken. "Foreign Aid," as it is usually called, is the mistake I refer to. It has three fatal problems.

5.1. Government to Government

Foreign Aid goes from one government to another. This puts the money at the mercy of the recipient *government* - not the intended recipient *people*. Since that government is the cause of the problem in the first place, this is not a very good idea: supplying dictators with the means to increase yet more their iron grip on their impoverished people is not a formula for helping the latter.

Here's an example from the bottom end of the spectrum - North Korea:

"Ultimately, though, the reason people starved is that the government didn't care enough to do what it would take to allow food to get to them. Allowing foreign food into the country, on the condition that it would actually get to the people rather than to the Army or the Party loyalists, would have required them to allow aid workers freedom of movement and control over distribution and so forth. They preferred to preside over the deaths of millions of their people."¹⁸

5.2. Free Lunches

Foreign Aid comes masked as a Free Lunch. But, as we all know, there are no free lunches. Moreover, it is the "donor" who decides who gets the lunch, and the donor's judgment is certain to be bad. The right place for capital investment is where it will do the most good, which is where it will cater to the greatest amount of effective demand, and that can only be assessed on a free market, with each participant free to make his own decisions.

5.3. Side Effects

And finally, of course, the side effects of "free lunches" tend to be evil. When some industries in a given place are subsidized, others are put at a disadvantage. Foreign aid is very likely to kill or damage those local industries which might be thriving

¹⁸ Philip Gourevitch, in *the New Yorker*, Sept. 8, 2003

if allowed to compete on fair terms.¹⁹

5.4 One Theft leads to Another

All this, of course, is in addition to a basic complaint which tends to fall on deaf ears nowadays: that the money supplied in this way is extracted from taxpayers, *independently* of their interests as economic agents. That is objectionable on the face of it; it's especially objectionable when it's wasted or counterproductive. It makes *aid* into *compulsory assistance*, and denies the liberty of the people so compelled.

5.5 The Free Market

The sensible, and only really satisfactory alternative to schemes of "foreign aid" is the free market. This encourages each participant to engage in the line of work at which he or she can do best, and it produces the maximum reward for each participant who benefits from that work. Item X will be imported from country B by people in country A because they can thus get X at a lower price, or they otherwise couldn't get it at all. For example, tourists visiting country B will either see what they think are nicer mountains or more interesting architecture, etc., or they will see ones that they simply can't see anywhere else. Importers of manufactured items will import them because the people who make those things in country B will do so for a lower wage than the workers back in country A, whose skills can accordingly be put to better use there. And so on.

5.5 Whose Side are we on?

It is worth adding a note at this point, because this matter of wage differentials is pointed to by the loudest, if not the most thoughtful, of the critics of world free trade, as alleged injustice - which is to say, we are right back where we started in this talk. The counter to those who make this supposed criticism is: *Why do you hate the people in country B?* With free international trade, they are employed. Without it, they are not, or are scarcely employed, or employed in far worse-paying activities. Those who want to close the borders between A and B, then, evidently have no interest in the welfare of the Bs, nor of course in the well-being of the many people in A who can now afford to purchase the goods made by the Bs when they could not have done so before.

5.6 Environmentalist Luxuries

The same comment applies in response to those who complain, again very loudly, that the "environmental standards" in country B are lower - as if this were either evil or unfair. But it is probably neither. Environmental standards are *expensive*, and it is perfectly possible that a given standard in a given

¹⁹ The downsides of foreign aid are admirably discussed in P. T. Bauer, *Equality, the Third World, and Economic Delusion* (Cambridge, Mass.: Harvard University Press, 1981). See especially chs. 3-5.

country is *too* expensive. Applying it in that country will, again, make many people there unemployable, given the costs of meeting those standards. And the chances of dying earlier if you are unemployed may well be higher than if you are employed in an area with lower environmental standards. That is perfectly possible, and the enthusiast for environmentalism, if he has his way, is likely to occasion the deaths as well as the continued impoverishment of many people in the country that is the victim of politically powerful people who succumb to his arguments.

In short, the wealthy can afford squeaky-clean environments, perhaps, but for most others, they are *not worth having*. A pollution that will cause your death when you get to be 80 is not worth paying to reduce at the cost of the money that will only enable you to live to 60 anyway. Environmentalism is a luxury that only the very rich can afford. Again, to impose the tastes or even the requirements of the rich on everyone else is arbitrary and harmful.

6. Disasters vs. Poverty

Finally, a word may be said on the subject of disasters, tragedies at the hands of nature or one's fellow man. To be sure, no disaster in the 20th century has been even remotely comparable to the ravages of Communism and its twin nemesis, Nazism. But on occasion, nature being what it is, there will be floods, earthquakes, forest fires, sudden and virulent new diseases, and so on. With regard to such things, we should all be ready to help if we can - and most of us do, I should note. Natural disasters can happen to anyone, regardless of politics, culture, religion, and the like. At such times, the need for help from others can be desperate, and sometimes the help needed can be supplied more readily, or perhaps only, by the comparatively well off.

6.2 The Virtue of Charity

It is, of course, a mark of civic virtue that one be disposed to help in such cases, if useful help is possible and affordable. And, as I say, the track record of the wealthy countries - most especially, I believe, the Americans - in providing such help is impressive. But there is a temptation to turn this kind of help, which is *charity* in the strictest and literal sense of the term, into something else - to bureaucratize it, to turn to the compulsions of taxation rather than the market freedom of independent aid agencies. This temptation is very strong, and it should be resisted. When disaster strikes, it is between ourselves and our hearts and consciences how much, if at all, we will respond. Rich people do more than middle-class or poor ones, no doubt, but they do not have by any means a monopoly on such aid. Everyone, rich or poor, can sometimes be of use to his fellows in desperate circumstances, and when needed, characteristically does. The neighbors of an impoverished villager will extricate someone who has

fallen into a well, or help to accommodate for awhile someone whose house has been struck by lightning, and so on. Mutual aid is for everyone, but it is not routine.

6.3 A Misplaced Model

But the sort of handouts that we might make in an emergency are *not*, contrary to many people's impressions, the "solution to the world poverty problem." Look, for example, at Peter Singer's proposal:²⁰ each of us who can afford it, says he, should forego a couple of nice dinners at fine restaurants and pick up the phone and contribute \$200 to Oxfam, this being enough, we'll suppose, to save the life of one child. ("\$200 in donations would help a sickly 2-year-old transform into a healthy 6-year-old - offering safe passage through childhood's most dangerous years.") But if a thousand people instead invested \$200 each in a company that could set up a successful factory or other business in that area, the sick child's parents might have employment for many years to come, the child itself could now be supplied with better medical treatment, and so on. Charity, as usually understood, does not accomplish that.

6.4 The Right to Luxuries

And in any case, the nice dinners at the restaurant do add value to your life, as well as providing employment for the people who run the restaurant. It is characteristic of thinkers like Singer to suppose that we can just convert Mercedes Benzes and fine houses overlooking the Riviera into thatched hospitals in the Congo. If you do think that, you might first have a word or two with the millions of people in this world who make their living by assembling Mercedes Benzes or high-class condos, or who wait tables in the fine restaurants Singer wants us all to shun. And above all, you might just have a few more philosophical words with the wealthy individual who can at last afford his Jaguar or his trip to Tahiti and persuade *him* that he should instead be trying to turn the world into a uniform landscape of plain gray houses full of people living on beans and rice. You should have a word or two with the woman who can now attend a party in a smashing new gown with a diamond necklace around her elegantly cared-for neck. This woman too is pursuing a good life as she sees it, and the proposal that she should instead be decked out in the latest peasant wear in the interests of turning the world's poor into welfare-cases will probably not sit very well with her, in the end. Nor should it. We each have our lives to live, and frankly it is nice that they are so varied, and in particular nice that so many people can live in a style to which I, for example, could never aspire.

²⁰ The New York Times Sunday Magazine, September 5, 1999, pp. 60-63 -- www.PeterSingerLinks.com

7 A Note on Nannyism

Before we conclude we must insert a note of caution on a matter of extreme importance in social philosophy. Much earlier, I talked of the difference between *well-being* and *wealth*, with the caution that what we would be talking about in this address is the latter rather than the former, insofar as we have to choose between them. Now, wealth, insofar as we equate it with *money*, as has so often and well been pointed out, is not an end in itself. It is not an *intrinsic good*. It is the means to acquire what is intrinsically good. But philosophers from time immemorial have supposed that what really matters, then, is identifying this mecca, this golden fleece, *the good*. The dangers of supposing that we have actually found it, and found it in such a sense that we also know what's good for *everybody else* are extreme and well documented. They are especially extreme when accompanied by policemen who will compel us all to promote what the philosopher in his wisdom has discovered to be *so good* that we errant bourgeoisie who have not seen the light can be carted off to prison if we don't get in there and promote it for the philosopher's favored recipients.

7.2 The Otherness of Other People

There is fundamental error in this. The error lies in failure to appreciate that we are dealing with *other people* here, and that people have a way of having their *own* views about what's good or bad, nice or awful, fun or torture, and that people understandably use their minds to promote those good lives *as they see them* - rather than promoting the good lives plumped for by the philosopher-turned-King. This is the lesson of liberalism, a lesson we all are supposed to have learned by now. But we haven't. We still insist that we can look at so-and-so's life and see that if we subtract five units of value from his, we can then go and promote fifty units of value for individuals x, y, z, and so on, over there somewhere, in some far corner of the world (or right across the tracks for that matter.) To look at things that way is to take the world-view of the Nanny, the all-knowing mother-figure who is in charge of The Good, and devotes her energies to "maximizing" this good out there in the world that the rest of us somehow had failed to notice that we live in.

7.3 Respecting (all) Persons

Well, Forget it - I say. *Everybody* is a person, everybody is owed the respect due to our fellow rational beings who have their own lives to live: the respect, namely, that consists in *letting them live it*. Morality is not a nanny-code, it is an agreement, an understanding among independent, intelligent beings with things of their own to do. That agreement does not consist in absorbing everybody else's goods into our own, feeding all into a giant philosophical food-processor, and churning out equal daubs for all. It

consists, rather, in keeping off each other's backs, insofar as possible, of helping those who want our help if we are of a mind, but especially of seeking out like-minded others to pursue projects of mutual interest, and adjusting our actions in relation to each other in such a way that things go better for all parties. The Ungers, Singers, and Honderichs do not seem to see things that way. But real people, of whom the world contains a great many, do.

8. Poverty - the Cure

We must not equate such things as floods and earthquakes with the sort of fundamental, long-term economic situations that I have been meaning to address in the main part of this essay. *Lack of capital* is not a natural disaster; indeed, it is not a "disaster" at all, though its effects are profound and far-reaching. The world has its quota of handicapped or of persons stricken by long-term degenerative diseases, but the situation of the world's poor is *nothing like that*. The poor are not disabled, they are not incompetent, they are not stupid. They are, in part, *unfortunate*, in being born into a part of the world that is much less economically developed than others. But this is a remediable misfortune, the remedy for which is the usual one for the problems of human life: namely, *intelligent work*, work well applied to one's situation.

8.2 The Business of the World is Business

There is no other way, and to work effectively, what is needed is *capital and markets*: the wherewithal to make one's work efficient, and contact with the people out there who are interested in one's results. If the capital is supplied by others, including others from advanced nations, well, *so be it*. *Inside* those very same advanced nations from which so much capital flows to distant places, after all, capital is *virtually always supplied by others*. It is lent by some, as an investment, and others put it to use. The situation here is *absolutely the same as it is between rich and poor nations*. Being blind to this, and making the assumption that the poor need "help" of some other kind, is taking the fork in the road that will lead to permanent and irremediable poverty instead of the remediable sort that is the situation of most of mankind.

8.3 Profits - Better than Virtue

So those who do the most in the way of help for such things are not philanthropists but business people, and their immediate motive is profit, not moral virtue. For all that, what they do is, *by far, more important* than what we bleeding-hearts contribute on this or that occasion, and insofar as we can speak of a "problem" of poverty in the world, its solution certainly lies with the business community.

8.4 The Parable of the Hungry Fisherman

Truly it has been said that if you give a hungry

man a fish, he will eat for a day; but if you supply him with rods, hooks, and a net, you will enable him and his family to eat indefinitely. The supplying, if it is to be effective, should be done by someone who is *also* in it for profit, in it to *make a living* - just as will be the fisherman whose employment of that capital will enable him to exert himself to such good effect as a result. That is how it should be, and in the larger perspective, how it *must* be. In the sweat of our brows we shall eat bread; but as we proceed, the sweat becomes instead the furrow of brows devoted to wise planning and intelligent work, and the bread becomes 12-grain, vitamin-enriched, and delicious.

A Concluding Moral

A wise philosopher of economics I encountered last year offered the slogan, "The road to poverty is paved with bad economics."²¹ The unlearning of the bad economics that has led to so much bad philosophy in our time is, I think, the most important task for the social philosopher at present, and I hope to have contributed a bit toward that goal.

Jan Narveson

Waterloo, Canada - September 2003

²¹ The speaker is Manuel Ayau; quoted from his address to the International Society for Individual Liberty congress at Puerto Vallarta, Mexico, July 29, 2002.