

# AGAINST CHARITY:

## CHARITY, FAVOURS, TRADE AND THE WELFARE STATE

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**FOR LIFE, LIBERTY AND PROPERTY**

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BRIAN MICKLETHWAIT

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Libertarians favour the abolition of the welfare state, and its replacement by voluntary methods of achieving human happiness.

The commonest objection from people who hear this idea for the first time is that although such a transformation will probably be splendid for the fit and the strong, it will be hell on earth for the lame, the halt and the poor. There must be a safety net, a longstop, a back-up system, or some other such metaphorical contrivance, to look after the losers in the great race of life, when the free-for-all of liberty has trampled them into the freezing mud and left them to die. The devil must somehow be prevented from taking the hindmost. That is why we have taxes, and that is why we ought to pay them.

I don't agree with this objection to libertarianism, but I entirely agree that the question of what happens to the people at the bottom of whatever heap is being argued about is a very important one. I'm a libertarian not because I disagree with these critics of libertarianism about the importance of this question, but because I disagree about their answer.

Many libertarians, having denounced compulsory benevolence administered with other people's money, and faced with this objection about the plight of the very poor and very defenceless in an untaxed society, often then resort with exaggerated optimism to "charity". Having trashed compulsory altruism, they attach particular value to the voluntary sort. Organised but voluntary benevolence, say such libertarians, can deal with all of those otherwise hopeless cases that the welfare state is now said to take care of. Charity *will* be enough.<sup>1</sup>

But I expect little good to come from charity. I prefer unfettered, unrestrained capitalism, which I consider to be the absolute best "welfare state" there is. Historically, it is capitalism which has rescued the poor and unfortunate from their plight, insofar as anything ever has, not charity. If the poor, the unhappy and the incapable ever do have much success looking after themselves, it tends to be through their own efforts, and through the fact that they were lucky enough to live in a society where they were entitled to sell the results of their own efforts, however meagre the efforts and however miserable the price. The only important contribution made by the mere benevolence of richer people is that these richer persons have occasionally had the sense and the decency to understand this truth about poverty and how to relieve it, instead of merely salving their unthinking consciences by chucking gold coins out of their carriages.

I assert that those libertarians who do argue for "charity" in this optimistic way are overestimating its value. We should instead, when arguing for voluntary rather than compulsory arrangements, emphasise the enormously liberating possibilities of trade, of peaceful exchange between free people. We should not rely on "charity" to fill the gaps in our proposed welfare-stateless world. Even for the most unwealthy, unhappy, unlucky and untalented, I contend, "charity" is a dubious deal to accept, and trade a much better one.

### THE PERCEIVED VALUE OF CHARITY

The reason for the ineffectiveness - and often downright harmfulness - of much charitable endeavour is rooted in its economic nature.

If I cook meals at a cost to me of £10 per meal and sell one of these meals to you at my regular price of, say, £15, then for you to have accepted this arrangement, you have to believe that the meal is going to be worth £15 to you. You could sometimes be mis-

taken, but on the whole, if I am going to get a regular supply of customers for such meals, I am going to have to make those meals worth £15.

But suppose instead that I am cooking meals on a charitable basis. Suppose now that I simply give the meals away. Now the situation is quite different. Now, all that is required for me to get a steady flow of "customers" is that my meals, which still cost £10 to make, should be worth *more than nothing* to those who eat them.

Just the same point about error applies to those who accept charitable gifts as to those who accept business deals. The receivers of charity can also be wrong about the value of what they are being given, just as paying customers often fail to predict their degree of satisfaction accurately. So the effect of error, when we compare these two different arrangements, can be discounted. What remains is that potential gap of £15 in perceived value.

What the above contrast demonstrates is that whereas business is an inherently efficient activity, charity is inherently wasteful. I'm not saying that all business endeavour is efficient, nor that all charitable endeavour is worthless. What I am saying is that the contrasting pressures of business and charity are arranged to encourage such a contrast. Tradesmen must sell their products to customers whose payments must more than cover the cost of the service. Therefore tradesmen are all the time being pressurised into using their raw materials and efforts in a way that is more than compensated for by the satisfaction produced by the outcome. But charitable producers need only start to worry seriously if they produce services that are literally so worthless to their "customers" that those customers consider the products in question to be overpriced at zero.

Despite - and also because of - this gulf that is fixed between trade and charity, charities tend to measure their effectiveness by measuring the amount of money that they spend, rather than by trying independently to measure the value of what they have done. One routinely hears charities announcing that they have distributed X million pounds "worth" of aid in this or that worthy and catastrophic circumstance, when all they are really reporting is that they have spent X million pounds.

This is understandable. The people who donate all the money do not like to think about their money being routinely squandered. They too, just like the charities they give money to, like to think that in spending ten pounds they have automatically done ten pounds worth of good. Yet it simply is not so. There is simply no regular pressure pushing in that direction, and an inexorably regular pressure pushing in a quite different direction.

A ten pound donation *may* do ten pounds worth of good. It may, come to that, do a hundred pounds worth of good, in this or that particular circumstance. But once again, the same can be said of businesses which sell goods which their customers would happily pay far more for, which happens constantly.

I repeat, it is in the very nature of charity that the thing should tend towards wastefulness, just as it is inherently in the nature of business that it must tend towards not being wasteful if it is to stay in business. This is no mere incidental problem that charities are grappling with, which can be solved by replacing this charity worker by that one, this technique of distribution by that one, or by putting some worthier people than before on the writing paper. "Charity" is an inherently dodgy way of getting things done.

The steel magnate Andrew Carnegie made a vast fortune in nineteenth century America, and this fortune was then spent on what Carnegie hoped would be good works in the twentieth century

world. There is no doubt at all in my mind that Andrew Carnegie did far more good for humanity making his money than he ever did spending it.<sup>2</sup> One of the great disasters of the twentieth century has been that honestly and creatively earned nineteenth century fortunes have been posthumously spent denouncing capitalism and promoting every sort of tyranny and stupidity.

### TRADE IS VERY HELPFUL BUT VERY SPECIALISED

What is it about charity that makes it seem so helpful, and why does trade, which actually *is* so helpful, seem so unhelpful by comparison?

Part of the answer, I suspect, is that trade is typically very specialised. A firm which makes toilet rolls by the million is plainly being helpful to a vast number of people, but it isn't being *all that* helpful to any one of that vast number. Although the *total quantity* of help being spread around is huge, no one person who uses the toilet paper is having his life utterly transformed for the better, especially when you consider that each toilet roll customer could get toilet rolls almost as good and perhaps better from someone else.

Success is dull. Success is the churning out of small answers to small problems on a colossal scale. You bite off what you can chew, and then you chew. Being genuinely helpful in a big way is basically machine minding. You set up a system that does the job, and then you see to it that it keeps on doing it. How much more glamorous and elevating than such humble effectiveness is the process of merely grappling ineffectively with large dollops of misery. How much more morally uplifting it is to fail to cure someone of cancer, than to succeed in making and selling crate after crate of well designed toilet rolls. Yet in the matter of which does more good, there is no doubt that the toilet rolls win by a knockout.

### HELL HATH NO FURY LIKE A DOGODDER SCORNED

People who work for charities like to suppose that the explanation of their frequently very drab and unbusinesslike surroundings is they are "avoiding waste". But just as likely is that they are simply avoiding work. They don't have to be efficient, to run a tight ship, to chase costs, to communicate very effectively with their "customers" or even with each other, and all too often they don't. Above all, there is no automatic pressure upon charity workers to use their time efficiently, especially if they are donating that time free of charge. Just as is the case with the recipients of charity who pay nothing for what they get, those who get paid nothing for their "work" merely have to be better than completely useless.

Hell hath no fury like a voluntary worker accused of laziness or incompetence. Dare to make such accusations and you will be assailed with great gobs of information concerning how much time and effort the worker in question is consuming. To reply in such circumstances that the time and the effort is not in doubt, merely whether it is achieving anything, is to be greeted by sulks and tantrums of all kinds. The wise charity manager takes whatever he or she is offered without complaint, and seeks to improve upon it only with extreme tactfulness.

This tendency of charity workers to be extremely polite to one another, until the black moment arrives when charity worker A considers charity worker B to be *worse than useless*, might account for the truly spectacular rows that so often erupt in the world of charity. Tradesmen argue with each other about whether they are worth their salaries. Such argument is frequent, but on the whole relatively low key. Charity workers say nothing, until they consider each other to be doing an actual minus quantity, at which point the proverbial waste matter can really hit the fan. Charity worker B thought he was doing X hours of colossal good, but suddenly it emerges - with no warning - that charity worker A reckons charity worker B to have been doing X hours of harm! Without doubt, the most vicious public row that I have ever personally witnessed in my entire life occurred at the annual general meeting, some years back, of that model of saintly beneficence, Amnesty International.

### CHARITY AND CRIME

Charity and crime are not the same thing. Morally they are absolutely distinct. But what they both have in common is that the receivers on the one hand of charity and on the other of loot are in neither case giving much thought to what they might give to the world in exchange for what the world is giving them. Criminals after easy pickings naturally gravitate towards charity, as and when it is about. Charity, in other words, and just like crime, feeds the non-productive and lowers the relative status and strength of the productive. It empowers - to use that very nineties word - the criminal poor in their battles *against* their most typical victims, the productive poor. This pattern is acted out on the streets of London, where criminals have moved in on London's thriving beggary business in recent years. It is acted out on a bigger and more tragic scale in the Third World where entire countries have become the possessions of criminal gangs, who live off "aid" from richer countries. A great deal more thought would go into the question of productive enterprise in such places, if preying upon that was the main source of income for the gangs in charge. As it is, potentially very profitable industries are wrecked without a second thought, either by direct thieving, or else by the local state setting up rival enterprises paid for by foreign donors, which derange local markets and divert scarce local resources into fatuous fantasy projects.<sup>3</sup>

Libertarians routinely denounce the foreign aid racket in just these terms, but often fail to realise that the most important part of their argument - the bit that describes the harm that aid does at the far end - applies just as forcefully to "charity" as it does to the enforced charity that is foreign aid.

### CHARITY WORK AS A FREE SAMPLE

Why then does "charity" persist?

The answer is that charity is not all stupidity. It is something much more difficult to restrain, and for that reason much more harmful, namely a sensible way of behaving that has got out of hand. Just as charity and crime have a way of merging into each other, so, in a morally opposite setting, do charity and *trade*.

Anyone who waits for the world to do him favours before doing any in exchange is liable to face a long wait.

Take my case. The desktop publishing I do for the Libertarian Alliance is on the face of it a classic case of a charity worker giving it away, but as with many other charity workers, my motives are by no means so sordidly altruistic as they might appear. I am giving the world a *free sample*. I now have several real customers who first learned of my prowess as a DTP person by learning that I do the LA's publications.

If you are unemployed and getting desperate, you could do a lot worse than scrounge a non-paying job in your local Oxfam shop. True, you will be contributing to a deeply flawed enterprise, but you will at least have the chance to demonstrate that you are a capable worker, assuming that this is what you are. Work well and you might then get a proper job, doing something of genuine benefit to your fellow earth dwellers. The boss of the shop may be a bearded idiot who is wasting his life, but perhaps he has a sister with shoulder pads who is doing something valuable like working on the Stock Exchange and who is seeking capable menials to assist her, and the bearded idiot can at least do the world one favour by making that connection for you. Also, if you work in an Oxfam shop you will learn things, about stock control, about shoplifters, about the appallingness of Oxfam, and about life generally.<sup>4</sup>

The same principle is followed by aging rock stars, who remind us that they haven't yet died and still have something to offer by donating their performances free of charge at charity concerts. Other performances are donated by artists who are just starting out in show business. This is one of the few unreservedly helpful things achieved by these events.

### FAVOURS

Closely related to the matter of free samples is the process of doing favours. Whereas samples are scattered about like seeds, favours are targeted precisely at the favoured individual.

All successful and effective people understand the art of doing favours, and of receiving them. The rules are simple. For a favour to be make sense it has to be (a) *very easy to give* while at the same time being (b) *very helpful to receive*. For a relationship involving favours to last, the favoured person must understand that a favour is what is being done, and be ready at some future point to do a return favour which is similarly easy for him to do and similarly useful to his original benefactor.

A typical favour is for you to lend or give to someone very poor what is to you a trivial sum of money but is to him an enormous convenience. Poverty being a relative matter most of us constantly both receive and bestow this particular favour. A fractionally more creative favour might be - I don't know - that I do some free desktop publishing for someone who is skint but - it later emerges - an excellent conversationalist, and she later agrees to attend one of my last-Friday-of-the-month intellectual soirées for which I fear a thin turnout (with me perhaps even paying for her tube ticket). You might, via your sister-in-law the production assistant, arrange for me to do my libertarian mouthing-off act on television, and I might in exchange put you in touch with someone who can fix you a fascinating job in an exotic foreign country. Your father who edits *The Times* might be persuaded to take me out to dinner and to commission half a dozen articles on libertarian themes from me, and I might in exchange agree to take your wearisome (to you but not to me) girlfriend off your hands and to a succession of Promenade Concerts.

I do the Libertarian Alliance the favour of publishing its products, and the Libertarian Alliance in return allows me to advertise my various other projects and preoccupations.

Effective and happy people are always on the lookout for favours like this, that they can do for others and that others can do for them, and they understand the meaning of the statement "I owe you one", both when they say it and when it is said to them.

Owing someone a favour does *not* mean that you then have to lend them thirty thousand pounds that you don't have, or donate to them one of your scarce bodily organs that you would far rather hang on to. As I say, favours must not be a *big* minus for the giver; that isn't how it works. When someone demands a big sacrifice from you, merely because you owe them a small one, tell them: no. If it will help, quote this.

Best of all, and in complete contrast to any notion of you making a big sacrifice, is when what you do for someone else in exchange for the favour he's done you is actually *good* for you, as well as being excellent for him. (My definition of "compromise": in exchange for you doing something I want, I do something else I want.)

For example if I fix you a job via my friend with the foreign connections and you do the job well, that is good for me as well as for you, because I've done my friend a favour, which is to my advantage (because then he owes me one). The free desktopping I do for you might double up as a free sample of my prowess which you can show to your colleagues at work, which might well be you doing them a favour as well as me. The lady who is badgered into attending my soirée may thoroughly enjoy it. (If she isn't likely to enjoy it, then it wouldn't be much of a favour to me for her to come to it and I wouldn't ask her to.)<sup>5</sup>

### TRADE, FAVOURS AND FRIENDSHIP

Giving and receiving favours is closely connected with telling people clearly what you are good at and are easily able and happy to do for them, and what you value and are eager to receive from them in exchange. The trouble with "altruists" is that they never tell you what they want, because they consider it immoral even to think about this. And they never listen when you tell them what you want because, because they consider themselves so morally elevated compared to you that they know better. Altruists give you only what they decide you "need". Selfish people make far better associates. In the ancient and time honoured phrase, you know where you are with them.<sup>6</sup>

The connection between the favours system and trade is pretty clear. The difference is merely that trade means favours paid for in cash, either straight away or soon afterwards via a legally binding contract. The usual anti-capitalist sneer against trade is that it has nothing to do with generosity. Trade is all grab, grab, grab. Not so. Trade and the favours system merge into each other. Both are exercises in rational egoism. Value in exchange for value. Both involve careful thought about what will be truly helpful to others.<sup>7</sup>

The proof of the benevolence embodied in trade is how often trade mutates into friendship. What happens is that to begin with everything is carefully calculated, and all favours this way and that are carefully paired together. But eventually you each do so well out of the relationship that you both say: to hell with all these calculations, we're friends. We'll each do whatever is needed by the other, and to hell with the prices. Let's cut out all further calculation costs by simply ceasing to calculate. (And that, of course, is where the trouble can start, because central to the art of keeping your friends is the habit of continuing to calculate, that is, of continuing to tell them what you will and won't do for them, and what they can and needn't do for you.)

### CHARITY AS A CHAIN OF FAVOURS

So, generosity - albeit of a somewhat egoistic and calculating sort - is a fact of a life and a sensible one. What does this mean for "charity"?

First, it means that you aren't ever going to get rid of charity entirely, and that you shouldn't even want to, because some charities are only very slightly developed versions of the favours system I have just described. The connection between the favours system and charity is, I think, clear. Each involves giving something of value to another with no definite promise of anything in exchange.

The point where the favours system mutates most definitely into charity is when more than two people are involved in trading the favours. If B owes A (or is willing to owe A) a favour, and if C owes B (or is willing to owe B) a favour, then all is ready for C to do A a favour, *even if C and A have never met*. From this to rattling a tin in the high street is but a very short step. One of the best ways of giving charity is to give it not to some victim of "underdevelopment" five thousand miles away, but to give it as a tangible favour to the actual person - with whom you are personally acquainted - who is rattling the tin under your nose. And then next month she can sell pantomime tickets for you, or whatever. If everybody followed this rule charity would still flourish, and of course lots of charity does flourish on exactly this sensible and civilised basis. If everyone involved in such a charity is being properly selfish and calculating, then it follows that someone somewhere is looking at all those "victims" of whatever the hell it is, in the same calculating, canny and above all *knowledgeable* way that I look at you when I'm sizing you up as a potential associate. And that is how it should be. This decade's flood victim could be the next decade's business partner, and if that is how things turn out then you really will have done him a favour.

The thing that people generally moan about when they speak of "aid" is that it is all mixed up with "trade", and that most "aid" seems to have "strings" attached to it. Often these strings are indeed appalling. In exchange for the stupidity of "aid", the victims of the aid must in addition involve themselves in something else that is equally stupid, like adopting daft statist economic policies. But if it really is trade, and the "victims" in question really do end up making a contribution to whatever gets going - that is, if they cease to be victims - and are not merely standing around while foreigners erect meaningless concrete structures all over them and screw up their water supplies, then that's fine.

A classic case of a well timed favour is local disaster relief. This is when a basically sensible bunch of people, usually quite able to look after themselves, find themselves temporarily flooded out or bombed or otherwise deranged and their neighbours chip in with the necessary help, just until the people with the problem find their feet again, and on the clear understanding that they would and will do the same for their rescuers if that need ever arises. A couple of nights' free board and lodging, one journey in a well stocked car,

or just a strategically timed shoulder to cry on, these are the kinds of favours that all sane and sensible people are ready to do in such circumstances, and thus it will always be. Quite a lot of charity is only a slightly blown-up version of this, and as such it is sensible.

But let me be pedantic about it and say *why* it is sensible. It is sensible because, in the case of temporary disasters to people like ourselves, we have a very exact idea of what help will actually be truly helpful, and because most of us are sensible enough not to go overboard and give more than is convenient to us. We donate spare blankets if we've got them, but we don't make fools of ourselves by going out and actually buying blankets. We take in four temporary lodgers for two nights, but not forty for a month.

But, when you consider the predicaments being suffered by far away people of whom we know little, the arithmetic is far less likely to work out. For example, the difficulties of the people of Ethiopia are a very complex matter, so far as I am concerned, and I am reluctant to part with anything on their behalf. What if the people collecting the money know no more about the Ethiopians than I do? What if they know less? What if they give their "aid" not to the starving folk of Ethiopia, but instead to one of Ethiopia's not quite so starving armies, and what if this invigorated army then goes on another murdering spree?

Insofar as Ethiopian disaster relief does still involve the rational exchange of favours, these are likely to spread out along a very long chain. There'll be an awful lot of room for miscalculation.

I am not alone in thinking like this. As any tabloid editor knows, their readers need to be able to "relate" to whoever is being collected for, and quite right too. To recycle another piece of ancient wisdom, charity begins at home. And judging from recent charitable excesses it would be a good thing if most of it ended at home as well.

#### **CHARITY, GUILT AND THE FIXED QUANTITY OF WEALTH FALLACY**

A common answer to anti-charitable sentiments like mine is that I am a selfish middle class bastard and am merely excusing my extreme selfishness. I disagree. I am being selfish, and I see no need to excuse this, but I also think I'm being sensible. It is commonly said of the middle classes that their relative lack of generosity to good causes is evidence of their moral inferiority compared to the lower classes, who are said by some to be much more generous with good causes than are their economic superiors. Again I dissent. Partly, the willingness of the poor to give money to help other poor people is sensible, because they presumably understand the problems of poor people elsewhere better than richer people do. But mostly I consider the charitable reflexes of so many poor people to be evidence not of their generosity but of their stupidity, which might also account for why they are poor.

When I read out the above paragraph at a discussion evening based upon this piece, it was greeted with vehement disagreement. The middle classes, said one particular objector, give just as much in percentage terms to charity as the poor, and this, he said, was because of middle class guilt.

I'm not concerned here with the question of which particular class is - in empirical fact - being silliest about giving money to charity. If richer people give money to charity because they feel bad about being rich, that's a different matter from poor people giving money away and consequently staying poor. Without wanting to worry about how widespread it is, I'd say that guilt about being rich is rooted in the fixed quantity of wealth fallacy. The fixed quantity of wealth fallacy asserts that the only way for any person to get rich is for some other person or persons to get less rich. So if you persist in remaining rich, you are *causing* poverty, and chucking that gold sovereign out of your carriage window is the logical way to lessen your guilt. Poorer people who give excessively to charity - to help those even poorer than they are - are probably also in the grip of this same assumption.

The only thing I really want to say here about the fixed quantity of wealth fallacy is that it is indeed a fallacy. Helping others does not necessarily involve harming yourself. Wealth is creatable. To ac-

quire it, you do not have to steal or beg it from others. If others are to get it, they need not steal or beg it from you. We can make wealth, and swap the wealth we've made with each other, in exchange for the other kinds of wealth others have made.

And we can destroy wealth. A good example of which is a thoughtless and wasteful charitable donation, as a result of which the giver deprives him or herself of more than the receiver receives.

#### **COULD OXFAM BECOME A RESPECTABLE BUSINESS?**

I said some harsh words about Oxfam in an earlier paragraph. But let me now say something nice about this enterprise.

Obviously, the most admirable thing about Oxfam so far as I am concerned is that it sells me cheap clothing. Despite my fears about where the money will go and the misery it will cause, I am happy recently to have parted with £16 for a suit, when I compare that with what I would have had to pay for the same thing at Burton's. An obvious improvement would be for Oxfam to pay something for the items that are given to them, instead of expecting people just to donate unwanted items. I have another suit that is now too small for me, but I'll be damned if I'll give it to Oxfam for nothing, for them to sell it to some emaciated leftist and for the resulting money to be spent deranging Third World agricultural markets. On the other hand, if they offered me a fiver for my suit, or merely five pounds' worth of other purchases, I'd accept. I'd also shop at Oxfam a lot more, because there'd be lots more produce to choose from if this was how they did things.

But the really good news about Oxfam is that there is starting to be a thoroughly healthy air of neo-colonialism about the enterprise. I browse around my local Oxfam shop, and - although I could be imagining this - I think I smell actual money being made - being earned - by former victims. I detect the definite aroma of cheap Third World labour being shamelessly exploited to create trinkets for the Volvo driving segment of the British middle classes.<sup>8</sup> There are ethnic garments, and ethnic carvings, and ethnic musical instruments, and ethnic rugs, ethnic boxes and containers, ethnic dolls and ethnic christmas cards, all for outrageously ethnic prices. Soon it will be ethnic sparking plugs and ethnic CD players. Although I do not favour ethnic produce myself, I entirely approve of this trend. Ten years ago it used to be nothing but puzzles with bits missing, dead standard lamps, clapped out gramophones and so forth, and a generally drab, dusty and dilapidated air to match. But now the place is much smarter, like a real shop. Eventually the ethnic exploitation department will start to realise that all the bolshevik propaganda Oxfam also emits is silly next to this exuberant capitalist exploitation, and - or so I like to fantasise - they'll sling the bolshevism out. In a hundred years time the Oxfam shops may have improved to the point where they will be a genuine one-hundred-per-cent exploit-the-hell-out-of- everyone-especially-ethnics *business*, and they'll be bounced around the City for thousands of millions of pounds, just like a real business. If so Oxfam won't be the first scumbag charity that finally got its act together and started doing nothing but good, because history is full of them. You start by doing some people some favours, and then you get the thing properly organised and you *really* start doing people favours.<sup>9</sup>

I don't of course know if this is the way Oxfam will move, but I'm sure there are at least some people within it who would fully understand what I am saying, and justify their present activities in my terms rather than their own usual ones. They are setting Third World farmers up in self supporting business, not running them out of it, and so forth. Some of them may even be prepared to argue, against what I take to be the prevailing prejudices of the bulk of the Oxfam workforce, that if the rich countries really wanted to help the poor countries then rich countries would scrap the tariff barriers and quota restrictions they now erect against poor countries, such as the infamous "multifibre agreement", and such as the appalling barriers the Common Market places in the path of cheap foreign food. Piling "aid" on top of a country while simultaneously refusing to do honest business with it is a spectacularly evil combination of policies.

In general, everyone involved in a charity should be trying to work out how the enterprise could function as a serious business. After all, if someone is truly being helped, two things ought to follow. One, they ought to be genuinely grateful, through having been done genuine favours. Two, thus favoured, and by the definition of a favour, they should have become people who are better able to return favours. If not you haven't been doing them much of a favour, merely attaching them to your drip-feed system and making them dependent upon it. Many of my pro-free-market friends write pamphlets about how charities shouldn't be involved in politics. But the problem is not the fact of charities being active in politics; it is the sort of politics they are active in. Arguing that charities should merely do less harm is surely to miss the point.<sup>10</sup>

### IN PRAISE OF CASUAL LABOUR

But if "charity" is not the answer for the massed ranks of the world's poorest and most unfortunate, what is?

As I say, the answer is *trade*. But not trade as it is usually spoken of. Above all, not merely "jobs", if by a job is meant the person doing the job promising to stick at it for the next several months, and the employer agreeing to pay out several thousand pounds on the off chance that the person doing the "job" will actually be contributing something. This is a far too rigid way to talk.

But suppose that by a "job" you mean something like: "Hey, kid, there's a fiver for you if you deliver this letter, now, to my mate twenty minutes walk from here, and if you bring back what he gives you that I've just asked him for on my portable. And there's another fiver if you are back here for more in twenty minutes, i.e. kid, if you *run*. GO!!!" That's the sort of risk a person might be willing to take on a dubious looking teenager he's never seen before, because if it goes wrong it's no big disaster, but if he finds himself a useful servant then it's a big plus. Once you see work as something that is continuously negotiated, continuously done in small gobs, and continuously paid for - once you see it, in other words - and to use a disastrously misleading and impoverishing word - as "casual" - then you are in the proper frame of mind to start getting it and to start doing it. One of the saddest aspects of the Struggle for the Rights of the Working Man in recent decades is that "casual" work has been rubbished. Instead, proletarians have been encouraged to stand around announcing that they have a "right" to work - to a "job", that is - to which the inevitable response from the fiver-flaunting classes has been to say that *they* have a right to ignore these useless parasites.

Now your average bearded Oxfam helper might well say at this point that "people ought not to have to live like that". But the best way for people to get themselves real jobs complete with Volvos and suits is in the meantime for there to be an abundance of the kind of jobs I have just described. How else can the lowest of the lower classes prove their worth to their fellow men. How else can they prove their ability to keep their promises, repay favours, and generally behave like straight-up people. Making casual work illegal, by such devices as minimum wage laws and ludicrously restrictive safety regulations, is a complete disaster for the poor, because it destroys the first few rungs of the economic ladder. It guarantees that millions will be permanently left off that ladder, with nothing left but to seek out welfare, to beg for charity or to become thieves.

Once you see a "job" as something you do now, in the next half an hour, you also realise that all of those allegedly useless and hopeless people who will supposedly die without the welfare state have almost all of them got *something* to offer. "Hey, granny, watch the barrow while I go see Billy, I'll see you right, don't attack any robbers, just try to get a look at their faces." "Jason, you educationally subnormal wanker, get in here and sweep this floor, or no supper tonight." "Kylie, keep an eye on Jason, would you, and while you're about it, see if you can mend that sign." Jobs. Even the lowliest of us can usually manage something along these lines. Those formerly poor countries which have got rich in recent decades, and given everyone suits to wear and regular years-at-a-time jobs to do, have been the ones where this sort of "casual" economic activity has been allowed rather than forbidden. The disaster areas have been where anti-capitalistic despots have tried to abolish

poverty by making illegal the jobs that poor people are actually able to get and to do.<sup>11</sup>

### TECHNOLOGY EXPLOITS THE POOR AND INCOMPETENT BETTER

The other great boon bestowed upon the poor and the unfortunate by rip-roaring unrestrained capitalism has been technology, which has created a hurricane of casual jobs for all populations of upwardly mobile paupers who are not forbidden to do them. Surveillance cameras require middle aged farts, who have ruled themselves out of more lucrative military service by eating too much junk food, to gawp at TV screens - this at least they do know how to do - and to alert their younger and more vigorous colleagues, who love fighting but are unreliable at merely keeping an eye on things. Portable phones and calculators and computers enable sedentary and cerebral idlers like me to sit at a desk and churn out paperwork of all kinds, which creates further activity for low-IQ drudges who are needed to shift all the piles of paper this way and that. If half the street criminals of the western world's inner cities were simply hired for a pittance and given cheap Japanese video cameras to spy on the other half, that would slash the crime rate instantaneously.

This can't happen properly until crime prevention is denationalised, which is another pamphlet. From this point of view, the privatisation of "public" space is probably the best thing that could happen to very low IQ people, because they would then get badly paid - but paid - jobs, pounding the beat, seeing fair play, and generally showing the flag on behalf of the owners of the public spaces in question.

But none of this can happen if the reward for hiring someone for twenty minutes is to be had up in front of a tribunal of hyper-educated idiots and punished for not having any more work immediately available at the end of the twenty minutes in question.

### THE DISASTER OF THE WELFARE STATE

Ironically, I find myself in agreement with welfare statist when they say that "charity is not enough". However their objection to charity is that it tends towards the favours system, and that at a certain moment the donors start calling in their favours. Welfare statist prefer the welfare state to charity, because that way the paupers have a *right* to what they get, and no obligations of any sort in return. Given that welfare statist may accordingly be attracted to an attack on charity, and that they may now have read this far even though they don't like what I'm saying, because the money has now been spent, I will now briefly summarise the libertarian case against the welfare state. This is now fairly familiar stuff, I'm glad to say, but it is so important and so true that it will bear endless repetition.<sup>12</sup>

The case for the welfare state would be a lot less far beneath contempt if welfare states actually *did* look after all the useless and miserable people they are *supposed* to look after. As with so many arguments, what we usually get in this one is a comparison between an imaginary welfare state and real capitalism - of the sort that has been utterly deranged by pro-welfare-state fanatics - instead of a fair contest. The reality of welfare states is that they hire an ever growing hoard of potentially quite self-supporting people to be useless and pathetic, and then the taxpayers eventually decide that this is silly (as it most certainly is) and the flow of money (instead of increasing exponentially, as it must if the ever increasing numbers of the useless and the pathetic are to continue being looked after) ceases and the now multitudinous useless and pathetic proceed literally to starve to death (given that the laws against poor people doing anything useful tend to remain on the books). And since this abomination can only occur in a country rich enough to afford such idiocies in the first place (poor countries are spared welfare states, unless interfering foreigners insist on creating them), welfare states end up creating extremes of poverty and wealth such as used only to be fantasised about in rabidly anti-capitalist pamphlets. Charming. Absolutely charming. Seriously, this horror is happening in my own country, right now.<sup>13</sup>

## CAN THE LIBERTARIAN PARADIGM ANSWER ALL QUESTIONS?

At that discussion evening I referred to above, when someone objected about how the middle classes are even sillier than poor people about giving to charity, someone else got even more heated about question of the terminally ill. Terminally ill people, he said, can't run errands.

True, I replied, but would it not be valuable if rather more thought was given to the question of what they *can* do than is customary nowadays. Just because someone is doomed to die quite soon does not mean that he is completely useless in the meantime. How can we exploit the terminally ill? That is the question. Technology can surely contribute something, in the form of cheap communications devices that oldies stretched out on their death beds can still use. Baby minding? Moral instruction of the not quite infantile? Watching all those video cameras set up in privately owned streets (the hi-tech equivalent of spying through lace curtains)? My point is not so much that I have any very specific answers to this question of how to make better use of really ill people, but that so few people even bother to ask the question.

I absolutely deny, by the way, that this is a callous and cruel way to think. On the contrary, the thing that oldies complain about most ferociously is precisely that they are treated as useless, even when they clearly aren't. Asking how to exploit the very unexploitably old will at least heave this particular pendulum in the right direction.

The proof of my rightness in this argument will come when the baby boomers all become very old, a moment that is rapidly approaching. As usual the baby boomers will have disproportionate power. But they won't demand bigger state pensions, because the money won't be there. Instead they will demand the right to go on earning into their old age, while still collecting their smaller pensions. Both economy and dignity will converge upon the idea of the exploitation of the old, even of the dying. But I agree, probably not by delivering messages on rollerskates.

## YES

The other point being made by my critic who was worried about the plight of the very old was that we libertarians mustn't "fall into the trap of saying we have all the answers". Well, maybe we don't have all the answers, but we have a hell of a lot more answers than anyone else does. Charity and the welfare state are both a disaster by comparison with total economic liberty. And, insofar as *some* brain-dead, comatose, cancer-ridden, HIV positive, deaf, dumb, blind, limbless and uninsured unfortunates will indeed be utterly dependent upon the uncalculating generosity of others, then just as important as whether anyone *wants* to help such persons is whether those who do want to help *can*. The very enthusiasm with which the welfare state idea is persisted with by millions of otherwise sane and humane people is evidence of their concern for the helpless, which in a libertarian world would have to be expressed differently. The big difference between now and the alternative libertarian utopia is that in the latter there would be far more wealth spread around for people to give away to this hapless minority. I am completely confident that such extreme unfortunates would, in a libertarian world, (a) be rarer (e.g. because they'd been encouraged to save and insure for a rainy day - and also not to get so damaged in the first place) and (b) be *much better* looked after than they are now, at the very bottom of the welfare heap and at the very end of the welfare queue. In short, insofar as anyone has "all the answers", then we do.

## THE BURNING LIFT

In the end, this argument about what happens to the very, very unfortunate ends up as a variant of what I refer to as the "burning lift question". The burning lift question is asked by somebody at every meeting I ever address about the virtues of libertarianism and the horrors of welfare states, and it goes like this. Supposing you are stuck in a lift on the eighteenth floor of a burning skyscraper, and the local fire brigade is busy with a bomb scare on the other side of town, and in any case only has ladders that will reach up to

the twelfth floor of your tower, and supposing in addition that three or four other disasters are simultaneously occurring each bad enough to kill you even without a fire ... *What then???????* *What will libertarianism do to save you then question mark question mark??* Always, worded one way or another, someone asks this.

The answer is nothing. You will die.

If you are deaf, dumb, blind, etc., and lacking in any concerned friends or relatives or welfare states to take care of you, then I'm afraid your prospects are indeed severely constrained. You have problems, and you almost certainly won't solve them.

In a libertarian world, your friends and relatives will be richer, the welfare state won't exist and will therefore be spreading no havoc and telling no lies, and there may be new and splendid Japanese gadgets for correcting your damaged brain and impaired senses, but the principle remains. If you have completely insoluble and totally fatal problems, then by definition you've had it.

Libertarianism does not mean that in a libertarian world people will have no problems. It merely asserts that a libertarian world is the best setting which reality offers (as opposed to the fantasies of welfare statists) within which people can attempt - perhaps successfully and perhaps not - to solve their problems. After all, in a libertarian world, many projects will be attempted that in a non libertarian world would be unimaginable, and that means that a libertarian world will, among many other happier things, contain newer and bigger disasters. You cannot, after all, have aeroplane disasters if there are no aeroplanes.

## SUMMARY

To summarise my argument:

1. Charity has a built-in tendency to be downright harmful.
2. But you can't entirely eradicate it, because sometimes it resembles trade, and can thus be a fine thing, or at any rate become a fine thing ...
3. ... because trade *is* a fine thing, especially when the very poor and very miserable are also allowed to do it in the exhausting and demeaning ways that they must.
4. Although trade doesn't solve all problems, the defects of trade pale into insignificance besides the defects of the welfare state method of tending to human catastrophe. Welfare states are started to stop catastrophes and end up *being* catastrophes on a far bigger scale.

## HELPING PEOPLE IS DIFFICULT

To put the above summary even more simply, I think that what this argument is about is the question of *what stops people helping each other*.

The protagonists both of charity and of the welfare state, it seems to me, are saying that *helping people is easy*. What you have to do is simply do it. What is scarce is the *willingness* to do it. If people don't now help each other enough, this is because *they are not being nice enough*. The answer is to sermonise at them until such time as they see the wickedness of their selfish and grasping ways and part with the necessary cash, either in the form of voluntary donations or by voting for more taxes, to take care of all the human disasters they now so cruelly ignore.<sup>14</sup>

I say that *helping people is difficult*. To help even a very small number of people - really to help them and not just spray money or gifts at them - is a full-time activity, and demands huge commitments of time and intelligence. Also, given the complexities of human society, it requires great learning in the ways of that society merely to avoid making matters far worse, with projects which only seem helpful but which are in fact enormously harmful. That despite all of our best efforts huge human problems remain does not prove that we are wicked. It merely proves how hard human problems are to solve.<sup>15</sup>

I see that the TV journalist who sparked off all the frenzied charitable activity a few years ago that was aimed at Ethiopia, Michael Buerk of the BBC, is now (early in 1992) cranking up another

compassion orgy for Somalia. That he means desperately well is beyond any shadow of a doubt. Just what combination of good and evil will result from his activities is impossible to predict. Not a huge amount of either is my guess. The bitter pill that is so hard to swallow in the unprecedentedly rich but no longer all-powerful West is that these kinds of catastrophes (this one is the result of civil war) are now beyond our capacity to prevent. When we ruled Africa we could stop this kind of thing, if we wanted to, and when not preoccupied with our own wars. Now, if we seriously wanted to stop such horrors, we'd have to reconquer Africa. Maybe it will come to that. But it is putting it very mildly indeed to say that such a revival of imperialism would not guarantee an end to the sufferings of people such as the hapless Somalians. *Helping people is difficult.*

The best things I can do about the sufferings of my fellow humans are, probably in this order: (a) to do what favours I can for my friends and business associates, as best I can, while simultaneously gathering in favours, so that I continue to flourish (and to do favours) in the future; and (b) to spread libertarian ideas to all who can be persuaded to attend to them.

### THE LIBERTARIAN ALLIANCE IS A CHARITY

A final post-conclusion comment is worth adding. I am uncomfortably aware that many of my strictures about charity apply to the Libertarian Alliance itself, that is, to project (b) above. In general, many of my remarks about the unvirtuousness of charity are based upon critical introspection. I am a somewhat lazy person. All my life I have tended to prefer charitable work to the real thing, and I know all about the temptation to describe this moral failure as evidence of moral excellence.

Perhaps one of the reasons you read so little about the idiocy of charity is that the kind of organisations that publish pieces like this one tend to be semi or completely charitable organisations themselves. Very probably the flier advertising this piece of writing to the LA's subscribers will be accompanied by begging messages of various sorts, on other bits of paper. I am, in other words, still swimming languidly in the warm waters of charity and of charitable self-congratulation. All I can say in my defence is that I have given a lot of thought during recent years to the economics of libertarianism. I have pondered how I and my associates can run the libertarian enterprise profitably instead of charitably, who wants it, why, and why it makes sense for them to pay for it, and how, and how I can find my way to fame and riches through being and having been a libertarian, and so forth and so on. In other words the advice I give to other charities, that they should try to work themselves out of the charity business and into real business, is advice I am trying to follow myself.<sup>16</sup>

### NOTES

1. We who preside over the LA spend our lives nagging our writers to supply accurate and complete footnotes. "Somebody once said" isn't good enough, we keep telling them. Who? So who are these libertarians, with their exaggeratedly pro-charity notions? Murray Rothbard makes much of charity in *For A New Liberty*, 2nd. edn., Collier Macmillan, New York, 1973 (there, that's how you do it people: author, title, publisher, place of publication, date). However, I'm thinking more of novice libertarians of my personal acquaintance, in conversation, and I suppose you could say that these people are my target readership for this.
2. I wrote this piece without referring to any particular books, but I am aware that several books in particular, and several writers in general hovered over it, so to speak. I didn't look again at these books before writing this, only to get information about publishers for these footnotes. That giving money away is less valuable in terms of its benefits to others than doing business with it is an idea I recall as having been most forcefully explained to me in Henry Hazlitt's *Economics in One Lesson*, second revised edition, Arlington House, New Rochelle, NY, 1979. For a brief account of Andrew Carnegie's steel making achievements see Jonathan Hughes, *The Vital Few: American Economic Progress and Its Protagonists*, which I recall being entertained by when I read it some years ago. My edition is the Oxford University Press paperback of 1973. It was first published by Houghton Mifflin in 1966.
3. For a searing and bitter attack on "aid", see Graham Hancock, *The Lords of Poverty*, Macmillan, London, 1989. My edition is the Mandarin paperback of 1991. The subtitle/publisher's blurb on the front reads: "The free-wheeling lifestyles, power, prestige and corruption of the multibillion dollar aid business." I had long known (e.g. by reading the works of P. T. Bauer) that aid is a silly and

bad thing. See in particular Peter Bauer and Basil Yamey, *Against Foreign Aid*, Economic Notes No. 23, Libertarian Alliance, London, 1989. But until I read Hancock's remarkable book I had no idea just how colossal and collasally disgusting it is, and what complete shits many aid "experts" are. Hancock is adamant that aid cannot be reformed. This would be like "reforming" the slave trade. Aid is evil and must be abolished.

4. Charity work has taught me plenty about how to be truly useful. Doing LA graphics doesn't just advertise my desktop publishing skills, for it was by doing the LA graphics that I learned these skills in the first place. That no one was paying me, and that I consequently only had at first to be better than nothing at it was, to begin with, a great help.
5. For a "game theory" - i.e. mathematically simplified but very illuminating - discussion of the favours system see Robert Axelrod, *The Evolution of Cooperation*, Basic Books, New York, 1984.
6. The characteristically libertarian argument about "selfishness" (is Ayn Rand right in proposing selfishness as a virtue - see *The Virtue of Selfishness*, New American Library, New York, 1961 - or is the general public right to regard it as a vice?) is nicely illuminated by consideration of the favours system. Rational or Randian selfishness means understanding the favours system, spraying favours around, and as a result receiving lots of favours in exchange. The more common usage of the word "selfish" is to describe people who receive or who expect to receive favours but who don't reciprocate, to their short term advantage but to their long term disadvantage.
7. For an anthropologically angled discussion of the way that giving is transmuted into "trade", see George Gilder, *Wealth and Poverty*, Basic Books, New York, 1981, chapter 3, "The Returns of Giving", especially pp. 23-30. Says Gilder (p. 34): "Capitalism transforms the gift impulse into a disciplined process of creative investment based on a continuing analysis of the needs of others." Gilder is, of course, a fierce opponent of Rand's view of selfishness, and critical also of Adam Smith.
8. "Exploitation", like "selfishness" is another of those words with a double meaning. Its wicked connotations are regularly used by libertarian tractmongers like me to illuminate the fact that using people is a fine thing if they consent to being used. The question is not: is X being exploited? The question is: does X mind? "Exploitation" suggests that X *does* mind, and the word is then used to rubbish all forms of use of X by others, i.e. civilisation itself.
9. Lest all of this seems too optimistic, never forget that the recent convulsions in the USSR began as an old fashioned exercise in KGB sponsored bullshit. And then the window-dressing took over the shop. The impression people are trying to give is at least as important as any machinations they are trying to conceal. See also my *Why I Call Myself a Free Market Anarchist and Why I Am One*, Political Notes No. 67, Libertarian Alliance, London, 1992.
10. See *Freedom Bulletin* No. 6, March 1989, "A Multitude of Sins: A Report on Left-Wing Abuse of Charities and Charitable Status". I have ignored the matter of "charitable status" in this piece, i.e. the British arrangement which encourages taxpayers to spend on "charities" rather than on more sensible things. Briefly, I think that every organisation should have charitable status. Taxes on everything should be lower, and in due course non-existent.
11. I've not read Hernando de Soto's *The Other Path: The Invisible Revolution in the Third World*, Harper & Row, New York, 1989, but I'm told it contains opinions such as these, about casual labour in the Third World, the idiocy of Big Solutions to people's individual problems, and so forth.
12. See Charles Murray, *The Emerging British Underclass*, Institute of Economic Affairs Health and Welfare Unit, London, 1990; and Simon McIlwaine, *The Disaster of the Welfare State*, Economic Notes No. 20, Libertarian Alliance, London, 1989.
13. See my *Another Attack on the Rent Acts*, Political Notes No. 60, Libertarian Alliance, London, 1992, for a slightly more optimistic version of the same scenario. But will the British electorate care enough about letting the paupers whom they will soon have deprived of welfare switch to honest work, given that the work will have to be done in amongst the British electorate, and that the electorate will have to vote in a government willing to relax the laws against poor people's work that now exist? Maybe not.
14. Charles Murray's *Losing Ground: American Social Policy 1950-1980*, Basic Books, New York, 1984, is of course one of the books which I read that made me think and write as I do about "welfare". Murray ends this book by saying: "When reforms finally do occur, they will happen not because stingy people have won, but because generous people have stopped kidding themselves." In other words welfare is not a battle between good and bad people, but an argument about how to do good. Murray's critics have, inevitably, accused him of being stingy.
15. This time the writing that "hovers" over my thoughts is that by Thomas Sowell. See most especially *Knowledge and Decisions*, Basic Books, New York, 1980, for a discussion of, for example, why getting rid of poverty is harder than landing a man on the moon, a fact that puzzles many but ought not to. And see also, if you can get hold of it, Sowell's *A Conflict of Visions*, my copy of which has been terminally borrowed, for the contrast between the "constrained" and the "unconstrained" views of things. Believing that problems are tough to solve and that therefore people shouldn't necessarily feel too bad about failing to solve them and should not routinely be denounced as evil, is my way of endorsing the "constrained" vision. And if everybody could only understand all this, what a wonderfully improved world it would be!! ("Unconstrained"!)
- Also, before I'd ever heard of Sowell, I read Karl Popper, or those bits of him that I understood. I recall his voice also, insisting that people are generally well-meaning, but often confused by the intractability of the world and of society. Those wanting to hit that trail could start by looking at two "bluffer's guides" on Popper published by the Libertarian Alliance, John Gray's *The Liberalism of Karl Popper*, Philosophical Notes No. 9, 1988, and Kevin McFarlane's *The Critical Rationalism of Karl Popper*, Philosophical Notes No. 16, 1990.
16. None of which means that the usual answers I am generally faced with about how to run libertarianism as a "business" are worth much. Most such schemes consist only of the observation that "business" always runs up huge printing bills for glossy brochures whenever it does anything, and therefore so should the LA. See my *Publishing Without Perishing*, Tactical Notes No. 9, Libertarian Alliance, London, 1990.