



Are You Being Served?

BY DAVID R. HENDERSON

In the animal kingdom,” said psychiatrist Thomas Szasz, “the rule is, eat or be eaten; in the human kingdom, define or be defined.” It is important to use words carefully, to use words that have as exact a meaning as you can achieve. Those who manage to persuade others to use the words they wish used have enormous power; they define the debate. They can almost determine the outcome of a discussion before it begins. This is fine, as long as the words are used exactly and honestly. But often people use this power to smuggle in meanings and thus stack the debating deck.

Take the word “generous.” When I think of someone being generous, I think of the dictionary definition: magnanimous, kindly. But the term is often used to describe government programs that forcibly take money from some people and give it to others. Where is the generosity? Certainly not in the government’s treatment of those whose wealth it takes. Perhaps, then, the government is being generous in the size of these forcible transfers. But that’s not really generosity either. How can a government official be magnanimous with money that’s not his own?

Consider a debate between a proponent of forced transfers and an opponent. If the proponent can define the issue as one of whether the government should be generous to people, the opponent will likely lose before the debate begins. But if the opponent insists that the issue be stated without words that bias the discussion, as one of whether the government should forcibly transfer wealth from some to others, the opponent has a fighting chance. One reason I

have hope for rolling back the massive power of government is that the proponents of power seem to use misleading terms at key points in their argument. If they were so confident of preserving that power, they would not need to.

Another term that is often abused in discussion is the term “serve” and its derivative “service.” There are some straightforward uses. For example, you go to a

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restaurant and a waitress asks if she can serve you. In that context, the term means the same thing to both of you. But I take issue with another use, which has become common: “government service.” The use of this term has corrupted and confused much of the discussion of what government does, in both domestic and foreign policy.

Often when someone introduces me to an audience, he will say I served as a senior economist with Ronald Reagan’s Council of Economic Advisers. But how does he know I served? All he knows is that I *worked* in the Reagan administration. I *think* I served. On almost a daily basis I tried to fight off bad ideas for further restricting Americans’ freedom and reducing their wealth. Most of these ideas came from other people

within the executive branch, but occasionally I had time to fight off bad ideas from Congress. Like McGruff the crime dog, I tried to take a bite out of

David Henderson (davidrhenderson1950@gmail.com) is a research fellow with the Hoover Institution and an economics professor at the Graduate School of Business and Public Policy at the Naval Postgraduate School. He is the editor of The Concise Encyclopedia of Economics (Liberty Fund, 2008).

government. But the reason I don't say that I served in the Reagan administration is that I don't want to promote the idea that simply by working for the government, one serves the people.

In fact, the typical case is the opposite. The majority of government workers serve themselves and, unlike in the free market, there is no Adam Smithian invisible hand that causes them, by doing so, to serve others. Incentives in the political system are typically distorted, so that by serving themselves, most government officials work against the interests of those they claim to serve. Someone in government who wants to help the public often comes to think of "the public" as those who make the most noise. Thus, for example, when I worked in the Reagan administration's Department of Labor, most long-time government employees there referred to labor unions and unionized corporations as the public. What about non-union laborers and consumers? They never heard from these people and so in these government employees' minds they were not the public. In fact, they didn't seem to count at all.

Public Choice economists have pointed out that in the political system, the people with a disproportionate influence are members of concentrated interest groups that have a lot at stake in an existing or proposed government program. Take the U.S. government's quotas on sugar imports. Please. Because U.S. sugar producers have so much at stake per person, they have a large voice in the process; sugar consumers (virtually all of us), though we lose only a little each, lose more in total from the restriction than sugar producers gain. Multiply the sugar-quota program by about 1,000 and you have just accounted for a huge part of what the U.S. government does. The administrators of this program and the majority of congressmen who vote for it are not serving us.

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The late Aaron Director, a law professor at the University of Chicago who helped create the field of law and economics, said it well in talking about Franklin Roosevelt's New Deal: "These young men who come to Washington to serve the public interest find, as if by an invisible hand, that they end up serving their own." Indeed, incentives in government make the invisible hand into an invisible fist.

Whom does the IRS serve? One could make a case that it serves Congress, the president, and the federal bureaucracy because they take the money the IRS collects and spend it on causes they or their constituents want. In that sense, the IRS is a service. But what are we to make of the congressmen of both major parties who, when it was revealed in the late 1990s that the

IRS had been treating some taxpayers badly, called on the agency to treat its "customers" better. By "customers" they meant taxpayers. When I ship a package with UPS, I'm a customer buying a service. How do we know? Because I do it voluntarily. But the only reason I pay taxes, as is true of most people, is that I'm forced to. If I refuse, I'll lose my assets and might go

to prison. As I wrote in *The Joy of Freedom: An Economist's Odyssey*, calling taxpayers customers of the IRS is like calling chickens customers of the egg farmer.

It's possible that government workers serve us by doing something we value, delivering our mail, for example. But what the government produces is typically given away or forced on us, and we who pay for it through taxes have no choice in the matter. This means that even though, by our standards, government workers sometimes serve us, they often don't. Which makes it ironic that the term "service" is used so commonly to describe what government workers do and so rarely to describe what workers in the private (voluntary) sector do. The reality is the exact opposite. **FEE**