New American

Written by **Sheldon Richman** on November 2, 2012

Life without FEMA?

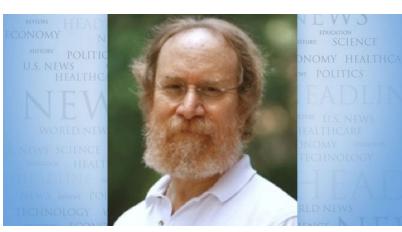
Advocates of big government never miss a chance to capitalize on a natural disaster. Even before the storm has passed, they will boast that without activist government, recovery would be impossible. Peddlers of this line ask us to imagine what life would be like today — in the aftermath of Hurricane Sandy — without FEMA and the state and local emergency agencies. This, they say, is the condition to which opponents of big government would reduce the country.

But the statists lack imagination.

If you wonder what life would be like without a particular government agency, it is not enough simply to subtract the agency from a picture of our current world. That would imply a rather disparaging view of the human race. If there were no FEMA, would people just sit around in the rubble for the rest of their lives? Or would they do something, learn from their experience, and take precautions to minimize damage in the future?

To think people would not or could not do these things unless enlightened politicians were there to help them is to misconstrue the nature of government. What exactly does it bring to the table? Wealth? No, wealth is produced by people in the marketplace. Whatever wealth government has was extracted from producers. Competence and ingenuity? No again. These are attributes of people who would be working in the private economy if they weren't lured into government employment.

The only thing government has that no one else has is the legal power to use force against peaceful people — the power to tax, to regulate, and to grant special privileges.





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That's it. Anything creative and useful for recovery from a disaster already exists in civil society. No bully is needed.

Because government relies on force, there's a big difference between activity in the marketplace and activity in the political realm. The free market's price signals (when undistorted by government privilege) guide producers toward satisfying consumers, who can't be compelled to buy. In contrast, government officials face no market test and so get no feedback on success or failure at producing needed services. (This assumes, unrealistically, that politicians primarily have the general population's welfare in mind, rather than the welfare of special interests.)

You might think elections provide marketlike feedback, but for a host of reasons voting is nothing like decision making in a market. No voter faces the full cost of her decision (most of the cost of a winning vote is imposed on everyone else), and one vote is not likely to be decisive anyway. Moreover, candidates hold bundles of disparate and often vague positions, requiring voters to accept policies they don't like along with those they do. And that assumes candidates keep their promises, which they frequently fail to do. On the other hand, in a freed market, consumers' choices would be specific and decisive, consumers would quickly learn if they made good decisions or not. Even today, if they are defrauded, they have recourse in the courts. (Try suing a politician for fraud.)

All of this explains why the market is a better place than the political realm for decision making. Without a market test, government "services" tend to be inappropriate, inadequate, or extravagant. Payment and service are unlinked.





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Politicians are judged by theatrics, not real performance.

Thus, we may conclude that if government were not providing a service people wanted, entrepreneurs in a free market would provide it. Insurance and related services were offered before government got into that business. Mutual-aid associations thrived before the rise of the comprehensive welfare state. And don't think government was pressed into service because of the inadequacies of civil society. On the contrary, ambitious politicians and bureaucrats crowded out private solutions in quest of votes and power.

Had there been no FEMA, elaborate networks of for-profit and nonprofit entities would have planned ahead of disasters, mitigated damage, and provided postdisaster assistance. This approach would have been superior to what the government does, because freed markets have entrepreneurs risking their own resources to serve people; gauging success and failure, while governments have grasping bureaucrats and politicians, who get their money by force. That makes all the difference in the world.

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