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Further Reflections on Humanitarian Action

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Introduction

The most that an author can hope for is that others will read their work. An even greater honor is when readers take the time to provide thoughtful comments on the content of that work. I truly appreciate that the contributors to this symposium have not only taken the time to read *Doing Bad by Doing Good* (*DBDG*), but have also provided thoughtful observations on a variety of themes discussed in, or related to, the book. In what follows I offer my reflections on each of the articles in the volume. I separate my thoughts into several categories which align with the themes of the papers in this issue. Where multiple papers fall into a single category I provide sub-section by the last name of the author(s).

What Can Humanitarian Aid Accomplish?

The papers by Barry Barnett & Benjamin Collier and by Lindsey Peterson both focus on what humanitarian aid can, or is intended to, accomplish. Each paper takes issue with certain aspects of my argument in *DBDG* and I will focus my response on engaging the points raised by each.

Barnett and Collier. Barnett and Collier provide an excellent summary of the core themes of *DBDG* and I thank them for taking the time to carefully read and think about my main arguments. They raise three areas of disagreement. The first is that the public choice perspective, by itself, cannot completely discredit the ability of state-led humanitarian action to deliver on its stated ends. While they agree that some inefficiencies exist, they argue that bureaucratic structures offer benefits as well. When discussing the abilities of bureaucratic agencies, it is important to take into account these benefits as well as the cost.

I agree with this completely and I actually do not believe that my analysis in *DBDG* is at odds with this point. In general, public choice analysis raises an empirical question. Markets may fail, but so too might government. Which of these failures is greater on net? I readily admit in *DBDG* that we cannot conclude that state-led humanitarian action fails in *all* cases. Of course we can find instances of success, just as we can find instances of failure. The relevant question is not whether we can identify one-off instances of success or failure. Rather, the appropriate question is whether we expect state-led humanitarian efforts to deliver on their stated goals in a consistent manner across cases of (real or potential) suffering. I conclude that they cannot.

As I write in *DBDG*, "While one can find individual instances of success in which humanitarian goods effectively alleviated suffering, state-led humanitarian efforts have been unable to replicate these successes consistently across cases of human suffering. My pessimism in this regard is based on a careful consideration of the political institutions within which state-led humanitarian action takes place" (p. 24). My argument is not that simply because there are bureaucratic inefficiencies that, *ex ante*, we can conclude that state-led humanitarian action cannot work. Rather, it is the prevalence of political inefficiencies in general (bureaucratic and non-bureaucratic), combined with epistemic constraints, that lead to my conclusion that we should not expect systematic success across instances of state-led humanitarian action.

The second point raised by Barnett and Collier is that *DBDG* is primarily theoretical as compared to empirical. I would argue, in contrast, that *DBDG* is empirical at its very core. Indeed, the entire analytical exercise is grounded in the most broadly empirical observation of all: the fact that people (both in market and non-market settings) act purposefully to accomplish their desired ends given the knowledge and information they possess, and the incentives they face at the time of action. *DBDG* can be read as an attempt to trace the implications of this broadly empirical claim. This is not, of course, what Barnett and Collier have in mind when they refer to empiricism. What they seem to have in mind is likely some notion of positivism where one collects quantitative data and tests various theories related to humanitarian action. Based on their comments, I would assume that Barnett and Collier believe that such a quantitative exercise would insulate them from "cherry picking" cases of success or failure. They write, "Yet his book contains many anecdotes regarding the failures of humanitarian interventions but one could find similar anecdotes regarding success." I agree completely and made this exact point in *DBDG*:

> Overall, there is no single, definitive answer concerning how well state-led humanitarian action has performed as a whole…For every study or individual case showing that state-provided assistance or military intervention has reached its goals, there is another indicating that it has performed poorly. For every government report or independent evaluation highlighting successes, another report reviews the lessons learned from failures. Indeed, if one were to survey a sample of humanitarian practitioners, policymakers, development economists, or political scientists regarding the performance of state-led humanitarian action, dramatically different answers would likely be received. Where does the lack of a definitive conclusion leave us for understanding the limits of state-led humanitarian action? (p. 57)

It is precisely because of a lack of clear consensus in one direction or another that I argue that we need an economic theory of humanitarian action. Such a theory can help us sort through the empirical claims which are at best mixed, where they exist at all. The reality is that, for a variety of reasons that I discuss in *DBDG* (see Chapter 2), accurately quantifying both short-term humanitarian and long-term development efforts are extremely difficult, if not impossible. Even where some quantification is possible, efforts at empirical analysis are plagued with other issues. The problems with cross-country regressions are well known (Mankiw 1995) and efforts at "rigorous" empirical analysis of the causes of growth have identified over 140 statistically significant variables (see Durlauf, Johnson, and Temple 2005).

Even if we put those issues aside, empirical studies have yet to generate a clear consensus regarding the effectiveness of aid for generating growth and development. To illustrate this point, consider the following. The authors of a 2008 meta-study of 68 empirical papers exploring the relationship between development aid and economic growth note that, "[o]ur conclusions are depressing: Taking all available evidence accumulated over 40 years of research into consideration, we have to conclude that the AEL [aid effectiveness literature] has failed to prove that the effect of development aid on growth is statistically significantly larger than zero. We are forced to conclude that aid has not, on average, achieved its stated aims of generating development" (Doucouliagos and Paldam 2008: 18). However, a more recent meta-study of the same exact 68 empirical papers concludes just the opposite (see Mekasha and Tarp 2013). The authors of that study write that, "[w]e re-examine key hypotheses, and find that the effect of aid on growth is positive and statistically significant" (564). It seems that quantitative studies cannot overcome the issue raised by Barnett and Collier since one can point to empirical studies showing that aid succeeds and fails.

Finally, there is an issue with the quality of data. Development-related statistics are notoriously poor and inaccurate for the poorest countries in the world—the exact places where humanitarian action is typically most relevant (see, for instance, Jerven 2013). Taken together, there is reason to believe that attempts at greater quantification and measurement seem to cause more confusion than clarity. Such confusion is quite dangerous given that nothing less than human well-being is at stake when discussing issues of humanitarian action. And even *if* we were to put these significant problems aside, what do we actually learn from the various correlations that the data might suggest? I would contend that in order to answer this question we need a theoretical framework to interpret the patterns that may appear in the data.

One of my key points in *DBDG* is that the economic way of thinking can provide just such a theoretical framework. Moreover, in the face of conflicting empirical findings, the economics of humanitarianism can provide important insights regarding the constraints on humanitarian action while making some general pattern predictions about what we should expect from state-led efforts to alleviate human suffering. My position on large-n empirical work on humanitarian-related matters largely mirrors the point made by Easterly (2007: 1476) in his review of Paul Collier's (2007) *The Bottom Billion*. He notes that, "With such a statistical muddle, to remake other societies on the basis of what numbers flicker across Oxford computer screens is at best hubris, and at worst irresponsibility…Economists should not be allowed to play games with statistics, much less with guns." This is sound advice in general for those yearning for more scientism in the study of humanitarian action.

The final point raised by Barnett and Collier deals with my claim that governments cannot promote economic development through foreign assistance and aid. They note that "While there is truth to these assertions, they don't necessarily imply that all economic development efforts are bound to fail." To illustrate this point, they provide an interesting case study of their efforts to address the risks of El Niño in Peru through the creation of new markets and financial products. They argue that appropriate incentives are absent for bottom-up entrepreneurship to address these issues and that outside intervention was necessary to address this market failure. I don't see this case study as being at odds with the analysis in *DBDG*. I do not deny that people outside of a society can create an insurance market (or many other types of markets for that matter). Where I would differ is in the claim that this is akin to development. Following P.T. Bauer (2000), I define development in *DBDG* as the link between production and consumption. In other words, development requires the discovery how to reallocate scarce resources to new and more highly-valued uses. This can take place, I argue, only in the context of markets where prices and profit and loss allow entrepreneurs to engage in economic calculation. This, of course, requires certain institutional prerequisites for markets in the first place. I see the Peruvian case study provided by Barnett and Collier as one of institutional reform rather than the actual allocation of resources themselves. But note that there is no clear way to know if the market they helped create is the "right" type of institutional arrangement. As they readily admit, "This financial market for natural disaster risks in Peru is in a nascent state and its development, shape, and growth are now the responsibility of the people of Peru." Ultimately, whether this effort counts as "development" really depends on how one defines the term and even then it remains to be seen how the specific case in Peru plays out.

Peterson. Lindsey Peterson raises a number of important and interesting issues related to state-led humanitarian action. Perhaps the most important is that she models foreign aid as a mutual set of relational ties between donors and recipients. From this standpoint, aid is more like a gift instead of something that is intended to achieve a specific narrow outcome, such as development or the alleviation of suffering. A second argument made by Peterson is that it is not clear that aid is doing more harm than good.

Peterson begins her analysis by differentiating between two theories—the "World Polity" theory and the "International Relations" theory. As she offers descriptions of each in her paper here, I won't summarize them here. I will say that my approach is somewhat different in that it is grounded in the economic way of thinking. This approach is grounded in methodological individualism meaning it focuses on the individual as the unit of analysis. From this standpoint, "governments" or "states" don't act independent of the individuals that constitute those units. Further, the economic approach assumes that people have ends that they pursue to the best of their abilities and that they respond to incentives. These incentives are the result of the rules within which people act. Based on her summary of the two theories she presents, I do not believe the economic way of thinking aligns perfectly with either. But nonetheless, I view the economic way of thinking as a powerful tool for understanding many aspects of humanitarian action.

Regarding the view of assistance and aid as a gift, I am not sure that this point is at odds with my analysis in *DBDG*. Among other works, my analysis draws on Bruce Bueno de Mesquita and Alastair Smith's (2007, 2009) "selectorate theory" for understanding relations between political elite in different countries. At the core of their model is the (economic) assumption that the political elite in developed and developing countries both respond to the incentive to retain political office. They accomplish this goal by providing benefits to the "selectorate," which refers to the group of supporters with the ability to influence the survival of the current elites. Given this, their model predicts that politicians in developed countries use foreign assistance to purchase policy concessions on crucial issues in developing countries, which satisfy their selectorates at home. At the same time, the political elites in developing countries supply these concessions because they receive foreign assistance, which they can then use to provide benefits to their selectorates, a crucial strategy for remaining in power. This logic seems to be in line with Peterson's notion of aid as gift giving which creates a mutual relationship and set of expectations on both sides.

I view this as having important implications for aid and assistance. Most proponents of humanitarian aid, whether intended for short-term or long-term projects, argue that the end is to help people. But de Mesquita and Smith (and I would include Peterson as well) highlight that aid has another purpose—to buy friends and concessions. I do not disagree with this reality. This explains why aid is often given to brutal dictators that actually perpetuated harms against citizens (see Coyne and Ryan 2009). So perhaps we should stop calling aid "development aid" or "humanitarian aid" and call it what it is—a bribe by those in developed governments who use their taxpayer's money to secure benefits from the political elite in other countries. Overall, this aligns nicely with my analysis which intends to demonstrate why state-led humanitarian action fails. One reason is that what is often rhetorically referred to as humanitarian action is really nothing of the sort. Instead, it is a transfer of wealth from those in relatively wealthy countries to the, already wealthy, political elite in other countries to secure certain benefits now and in the future.

Regarding whether aid is causing more harm than good, I never address this question directly in *DBDG*. I do conclude that state-led humanitarian action is more likely to fail than to succeed given my analysis of the epistemic and political constraints at work. This is different than saying it is a net harm which requires some type of aggregate welfare judgment which I am not capable of making. I do think that foreign aid causes great harm. But it also generates great benefits to recipients. As noted above, these recipients are often the political elite in other countries rather than ordinary citizens who suffer precisely because of bad policies and actions undertaken by their political leaders. In such cases aid given to the political elite to build relationships or seek concessions are likely to contribute to the already existing harms against innocent citizens.

Who cares? Not citizens of wealthy countries.

Peter Leeson offers a straightforward, yet clever argument for why state-led humanitarian action fails—the average taxpayer in wealthy countries does not care much about the plight of the suffering abroad. As he points out, total foreign aid is a miniscule portion of the average American's annual income (about .26%). The same holds for the citizens of other wealthy countries. Leeson argues that citizens in wealthy countries engage in cheap talk whereby they are unwilling to make actual monetary investments to match their rhetoric of wanting to help those suffering.

Leeson's analysis has important implications for our understanding of humanitarian action. Citizens in wealthy countries have very little incentive to spend time worrying about how their small humanitarian "donation" is spent abroad precisely because it is so miniscule. This incentive is further weakened because the citizens of wealthy countries do not directly incur the cost of misallocated assistance. Because of this, these citizens will not seek better allocation mechanisms, even if those improved mechanisms would benefit those abroad, because the benefit they receive is so small. The presence of weak, or altogether nonexistent, feedback loops combined with the absence of appropriate incentives means that it isn't much of a surprise that humanitarian aid fails. In stark contrast, as Leeson notes, "What is puzzling is not that humanitarian aid so often fails…but rather that it does not fail more often still."

Leeson is correct to point out that citizens in developed countries have little incentive to monitor how the (small) portion of their taxes allocated to foreign aid are spent. This is simply the logic of rational ignorance that is well-known in the public choice literature. And he is right to point out that this is further reason to be skeptical of the overall effectiveness of foreign aid. From this standpoint I see Leeson's analysis and my own in *DBDG* to be complements.

To answer his question of why there are not even more failures, one has to focus on how foreign assistance is actually provided. Leeson writes that "It should not be surprising that citizens…do not care enough about humanitarian assistance to learn about how to provide assistance effectively." But the reality is that citizens do not provide assistance at all. They are taxed by legislators who then allocate a portion of that tax pool to bureaucrats who then allocate (part of) that money to foreign aid. This is precisely why I focus in *DBDG* on the perverse political incentives facing legislators and the multiple layers of bureaucracy involved in foreign aid. This, of course, just pushes the issues raised by Leeson up a level from citizens to their political representatives. This reality aligns nicely with my discussion in *DBDG* of the multiple principle-agent problems in the humanitarian chain—from the taxpayer through the final recipient—that plague state-led humanitarian efforts. Even though these issues exist, money is still spent and outputs are generated; in some cases these outputs will meet the predetermined ends set by bureaucrats overseeing humanitarian budgets. The standard public choice logic of rationally ignorant voters and self-interested bureaucrats and elected officials does not mean that nothing gets done through political channels, but rather that these channels are, more often than not, an extremely inefficient way of accomplishing the desired ends. This, I believe, partially explains why we observe at least some cases of success in state-led humanitarian action and not complete failure.

There are two final points that I would like to make related to Leeson's insightful paper. First, one might conclude from his analysis that what matters is discovering better ways of aligning the incentives of citizens (and/or their political representatives) with the needs of those abroad. If such incentive alignment was possible, and I am far from certain that it is, it is still important to appreciate the epistemic constraints that I discuss in *DBDG*. Even if citizens had the incentive to either give more aid or assure that aid was used more effectively, they would still face the problem of *how* to best allocate assistance to help those in need. Even with different incentives the best that citizens would be able to do would be to increase certain predetermined humanitarian outputs rather than promote development itself (see *DBDG*, Chapter 3 and Skarbek and Leeson 2009). What this means is that even if the problem identified by Leeson could be overcome, it would mean that humanitarian action would, at best, be more effective over a narrow range of relief-oriented activities which are solely focused on increasing humanitarian outputs.

Second, a central part of Leeson's discussion is that the amount of foreign aid that is allocated in practice is minuscule and, therefore, is a cheap way for citizens and policymakers in developed countries to feel good about themselves by pretending to help others. Relative to other government expenditures Leeson is certainly correct that aid expenditures are of a small magnitude. But I see one of the main takeaways of *DBDG* to be that while it may be cheap for those in developed countries to fund humanitarian action, what appear to be meager efforts can in fact be very costly to the people abroad who end up being harmed by such efforts. As I tried to demonstrate, it turns out that a small amount of spending can go a long way in causing significant harm to people who are already suffering.

Humanitarian Action by NGOs and For-Profit Firms

Jayme Lemke and Claudia Williamson focus on the lessons and implications of *DBDG* for both non-governmental organizations (NGOs) and for-profit activity. In *DBDG* my main focus was on state-led humanitarian action. In this context my discussion of NGOs was largely limited to those organizations that receive part of their budget from governments with my point being that this relationship weakened, if not altogether severed, the independence of NGOs. Given my focus in *DBDG*, these two papers are important precisely because they offer deeper insights into the limits of NGOs in the realm of humanitarian action.

Both authors recognize that NGOs operate outside of the context of markets and, therefore, are unable to employ economic calculation in deciding how to allocate resources. Like state-led efforts, which also exist in non-market settings, this places a hard constraint on what NGOs can, or cannot, achieve. Specifically, absent economic calculation to serve as a guide NGOs cannot promote development which requires continually reallocating resources to new, and higher valued, uses.

Lemke. Lemke's analysis generates three implications for private, philanthropic organizations. The first is to view private philanthropy without romance. In other words, Lemke calls on philanthropists to recognize and appreciate the constraints they face in their actions. This is important if philanthropists are to avoid doing more harm than good. Second, there is no single formula for philanthropic success. All philanthropists face hard constraints, but the way these constraints manifest themselves is context specific. This is especially important given the diversity of ends that philanthropists pursue and the growing movement of "scientific philanthropy" which attempts to develop a common means of valuing philanthropic outputs to generate a return on investment across activities. Finally, Lemke notes that duplication of efforts is not always wasteful. What appears to the outsider to be duplication may very well be providers offering a differentiated service given the specific local context in which they operate. This is an important point given the call among humanitarians to eliminate waste and overlap through centralization.

More broadly, there is much more to be done research-wise regarding the limits and potential of private philanthropic activity. Lemke's paper can be seen as providing a foundation for this research program. Among other things, we need to understand the robustness of NGOs in addressing and responding to a variety of humanitarian crises. We also need to understand how the relationship between governments and NGOs can contribute to success or failure in addressing humanitarian issues. The answer to these questions has important implications for the scale and scope of government humanitarian action.

Williamson. Claudia Williamson provides a two-pronged argument. First, she emphasizes that there is good reason to believe that NGOs will suffer from the same problems that governments face in providing effective humanitarian assistance. The reasoning behind this claim is that NGOs face the same epistemic and incentive constraints that governments do. Williamson notes that donor oversight might provide some accountability, but she correctly concludes that this feedback is often weak or nonexistent. Second, in contrast to NGOs and governments, for-profit firms can engage in effective humanitarian action. Importantly, Williamson notes that such efforts are not opposed, and in stark contrast are often aligned, with the profit motive. This second argument developed by Williamson is extremely important. For-profit activity is often viewed as being the antithesis of humanitarian action. But as Williamson notes in her paper, for-profit firms can play a crucial role where other means of insulating at-risk citizens from humanitarian crises are dysfunctional or altogether absent. Similar to Lemke's paper, Williamson's analysis offers the foundation of what could be an entire research program on the ability of for-profit organizations to address potential and actual humanitarian crises. This research would entail studying the effectiveness, and potential limits, of for-profit firms in addressing humanitarian issues. It also would involve presenting a convincing case to humanitarian practitioners and scholars of why they should not neglect the important role of for-profit firms in alleviating human suffering.

Domestic and International Applications and Extensions

The papers by Thomas Duncan and Abigail Hall both employ the framework developed in *DBDG* and extend it to new and novel cases of state-led humanitarian action.

Duncan. Duncan focuses on the city of Goma located in the eastern part of the Democratic Republic of the Congo. As he notes, Goma became the center of the refugee crises following the Rwandan Genocide of 1994. Thousands of Hutu refugees crossed into Goma causing a significant humanitarian crisis. Duncan's analysis illustrates how good intentions can lead to a host of unintended consequences as NGOs and government agencies scramble to deliver relief in an observable fashion that will garner them attention and resources. Duncan's paper raises a number of important questions (some of these relate to the discussion of the two papers in the previous section) including: (1) are there alternatives to NGOs and government agencies for addressing the types of humanitarian crises that emerged in Goma? (2) if the answer to the first question is "yes", what are the alternatives? (3) if the answer to the first question is "no", is there any way to avoid the host of negative unintended consequences that might emerge (e.g., dependency effects, intertwining of the humanitarian sector with political, economic, and social institutions, corruption, etc.)? While the answers to these questions are up for debate, Duncan's analysis serves as a valuable reminder that the net benefits of humanitarian action are far from evident even in the wake of severe crises, such as genocide, where the justification for such action appears obvious.

Hall. While Duncan's paper provides an international case study, Hall's paper focuses on a domestic case of state-led development planning in Appalachia. As she points out in a clear and concise manner, the efforts of the Appalachian Regional Commission suffer from both epistemic and incentive issues in attempting to achieve their desired end of promoting development. Her analysis is especially powerful because it is an instance of domestic state-led humanitarian action, meaning that the issues that plague many international efforts—ongoing conflict, different languages and identities, and coordination with international organizations—are largely, if not altogether, absent. In the case of Appalachia, these issues are absent and there is one agency—the Appalachian Regional Commission—that is tasked with achieving the desired end. After reading Hall's paper one must wonder: if the U.S. government and its agencies struggle to achieve humanitarian goals domestically, why should we have any confidence that they will be any more successful in international humanitarian efforts where issues are typically much more complex? I would argue that we should have very little confidence precisely because of these realities.

Government vs. Governance

Brian Shoup and Ellen Davis offer an insightful analysis of the constitutional-level order structuring of the community of states. Their core argument is that in the post-World War II period the maintenance of state-hood has become cheap due to treating juridical and empirical sovereignty as the same thing. Juridical sovereignty occurs when there is international recognition of a defined territory and the government that exists within that territory. Empirical sovereignty, in contrast, refers to those situations where there are shared norms and rules that sustain political relationships between those in government and citizens. The problem is that juridical sovereignty recognizes governments which are predatory, illegitimate, and often dysfunctional. To make their point clear, Shoup and Davis provide the comparison of Japan and Somalia to illustrate that under a juridical notion of sovereignty both would be treated as being states. But there is a stark difference. Japan is typically considered a functional state where Somalia, to the extent that it even has a government, it is typically considered to be a weak and failed state.

Their analysis has important implications for the understanding of humanitarian action. For one, the post-World War II emphasis on juridical sovereignty leads to a confusion between government and governance. The former refers to the use, or threat of use, of coercive force to achieve outcomes where the latter refers to shared rules and norms which are legitimate and which generate order and cooperation. The existence of a government is not enough for development unless those formal institutions align with informal governance institutions. The reality is that in many of the poorest societies, where humanitarian crises are the most likely to impose suffering on citizens, there is a significant disjoint between government and governance. Given these implications, Shoup and Davis conclude that humanitarian aid is bound to fail in attempts to solve chronic underdevelopment. They do recognize that humanitarian aid may be able to address short-term suffering but as they note, poverty is not the root problem, but rather a symptom of the current structure of the international system. So without broader changes to the system, efforts aimed at long-term development will fail.

In my view the paper by Shoup and Davis dovetails nicely with my analysis in *DBDG*. In the concluding chapter I emphasized the importance of endogenous rules because, "If our goal is to understand how societies operate, then focus must be on endogenous rules precisely because these existing rules play a central role in all societies. Even in relatively developed countries, emergent, unplanned rules play a central role in daily interactions" (p. 183). Appreciating existing rules and governance mechanisms is important for two reasons. First, it is important in discussions of institutional reform (and therefore has implications for the discussion of institutional reform in the Barnett and Collier essay in this volume as well). Where attempted reforms of formal institutions are at odds with existing governance rules, those reforms will fail to operate in the desired manner absent the threat or use of force and coercion. Further, endogenous rules are central to the feasibility of delivering short-term aid and assistance precisely because existing governance mechanisms will either help facilitate or stymie the delivery of effective assistance (see *DBDG*, p. 185-6).

While recognizing the complementarity between *DBDG* and the Shoup and Davis paper, I should note that their paper takes the important distinction between government and governance in a new and novel direction beyond what I had considered. I hope that they, and others, will continue to develop their analysis in the hopes of better understanding why weak and failed states exist and persist over time. Such an understanding is crucial given that these states are a major cause—both directly and indirectly—of human suffering.

Conclusion: Policy in a Second-Best World

Peter Lewin's reflections focus on the types of disagreements that exist in public policy and the implications for humanitarian action. He differentiates between disagreements grounded in a "conflict of visions" and those which are "pragmatic," which refers to disagreements over what may happen. I am in full agreement with Lewin on both types of disagreements and I don't have much to add beyond what he says. He raises the important issue of making policy decisions in a second-best world where specific one-off decisions have to be made about particular cases of human suffering. What is to be done in such instances?

My position is that economics, by itself, can only offer a partial answer to this question. There are important ethical aspects to these issues and of course there is an array of political factors which will influence the policy taken in any particular case (consider, for instance, the intervention by the "international community" in Libya but not in Syria). That said, economics can provide valuable insights into the question of what should be done. In my view the role of the economist qua economist is to continually emphasize the constraints facing policymakers and the unseen consequences that may emerge from their actions. Of course, like most policy discussions, politicians may very well choose to ignore this input, an idea that was captured eloquently by Thomas Sowell (1993: 131) who notes that: "The first lesson of economics is scarcity: There is never enough of anything to satisfy all those who want it. The first lesson of politics is to disregard the first lesson of economics."

That said, as I note in the concluding chapter of *DBDG*, I remain an optimist. Despite the continuation of government policies which are counteractive to the end of alleviating human suffering, there is also a robust private sector whose activities improve the well-being of people around the world. This sector consists of private non-profits, philanthropists and, more importantly from my perspective, for-profit entrepreneurs who quietly work to improve the world on a daily basis (see the essay by Williamson in this volume). Although most of these individuals do not consider themselves to be humanitarians, as a whole for-profit entrepreneurship has done more to improve standards of living than any well-intended policymaker or self-proclaimed humanitarian could ever hope to accomplish. Given this, perhaps the central role of the economist is to continually make clear the benefits of private property, voluntary exchange, and productive entrepreneurship for the advancement of civilization and human well-being.

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