

The “Who Pays?” Test

Economists often emphasize the lesson of scarcity—that is, how to meet unlimited human wants with a world of limited resources. If our resources weren't scarce—if they were also unlimited—we would never have to worry about how to pay for the fulfillment of every want and need.

One of the major differences between a political and a civil society is the question of who pays the bills. In a political society, politicians often ignore scarcity when they tell voters how it is good, just, and fair for government to try to meet

every citizen's wants and needs. What they seldom mention is *who pays* for meeting those needs.

Everyone agrees that it's good to have adequate food, clothing, shelter, a good education, quality medical treatment, and so on. In a civil society, individuals work to provide these things for themselves through voluntary exchange (or charity) with their neighbors. In a political society, government assumes responsibility for meeting all or many of these needs.

When someone claims, “Best of all, program X is free



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because it is provided by government,” they are in effect saying that it will be paid for by you and other taxpayers. Government has

no resources to give to some that it does not first take from others.

Let's take education as an example. Senator Benevolent promises that everyone who has the desire and aptitude can have a college education whether or not he or she can afford it. Sounds great, but if the collegiate aspirant can't afford it, who pays?

Voters should apply the three-question “Who Pays?” test to determine if politicians are proposing coercive (political) or voluntary (civil) solutions to society's problems. 1) What does the program cost? 2) Who will pay for it? and 3) How will they pay for it?

If the senator's answers to the “Who Pays?” test's three questions are, 1) \$9,000 per year at a Michigan public university; 2) the government (i.e., taxpayers); and 3) through coercion in the form of taxes, the “free” education no longer sounds very free.

There are no free lunches! Your voluntary support of the Mackinac Center for Public Policy helps us to provide Michigan citizens with the economic education they need to promote civil society and ask politicians the tough questions, including, “Who pays?” †

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