



Self-Interest, Part 1

Asked on camera by John Stossel “Who has done more good for humanity, Michael Milken or Mother Teresa?” philosopher David Kelley unhesitatingly answered, “Michael Milken.”

Kelley is surely correct. But I’ve spoken to many people who are horrified by this answer. Mother Teresa’s name is synonymous with good deeds and humanitarian concern. In contrast, Michael Milken was a businessman, a financier. To comfort others, Mother Teresa sacrificed herself. Michael Milken did what he did only to make money for himself.

Self-interested motives are so frowned on—and other-regarding motives so admired—that the typical pundit, politician, and pedestrian believes that motives are *all* that matter. Mother Teresa is admired because of her motives, not because of her results. Michael Milken and other business people are famous—or, in many circles, infamous—largely because of the personal fortunes they’ve accumulated rather than because of the huge benefits their goods and services bestow on millions of people around the world.

One response to those who judge a person exclusively by his motives was made famous by Adam Smith. It says: Look, almost everyone is naturally self-interested. Whether or not this fact is regrettable, it is unalterably true. So let’s deal with reality. As it happens, a free market encourages self-interested peo-

ple to act in ways that benefit others. So we need not spend much time lamenting people’s self-interest.

Being a great admirer of Adam Smith, I find this line of argument compelling. But having now taught for 20 years, I’ve learned that it leaves a sour taste in the mouths of many students. “But wouldn’t it be great if we all were like Mother Teresa?” students earnestly ask.

No, it would not be great. It would be catastrophically bad.

Self-interest is not merely an unchanging fact of reality that, as regrettable as it might be in the abstract, turns out to be okay in a free-market society. Instead, self-interest is *necessary* to make a large economy work. If each of us cared as much for strangers as we care for ourselves and our loved ones, our lives would certainly be poor and short, and possibly also solitary, nasty, and brutish.

At least two reasons justify my claim that self-interest is a benefit to humankind—that our world would be worse, not better, if self-interest were not part of our mental makeup. This month I’ll address the first reason. I’ll address the second reason next month.

While it’s difficult to imagine the supposed ideal of universal love—a world in which no one distinguishes the welfare of strangers from that of himself and his loved ones—try to conjure in your mind this imaginary scenario.

One thing to notice is that, with everyone caring deeply about everyone else, our world would be a tyranny of busybodies. I often scold myself for caving into my weak-

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nesses—for sleeping too late, for spending too little time with my young son, for eating too many potato chips, for buying that new necktie that I don't really need, and so on. I then try to govern myself by leveling self-imposed penalties for these failures. In other words, because I care deeply about myself, I “interfere” in my own life in order to improve my life's prospects.

Caring for Strangers

If I cared equally as much about some stranger in Santa Fe or Santiago, would I resist interfering in his life to govern his choices in ways that, to me, seem best? “Sir, you shouldn't watch so much TV; your time would be better spent reading Tolstoy” or “Mr. Jones, you should put that extra \$100 into your savings rather than spend it on tickets for a football game.” Remember, we're imagining that I care as much about this stranger as I care about myself; he means the world to me. I truly yearn for him to have a happy and good life; I desire this outcome every bit as much as I desire to have such a life for myself and every bit as much as I desire that my son enjoy such a life. It would pain me terribly to see this beloved stranger make choices that seem to me to be unwise for him.

The problem is, while I might care as much about this stranger as I care about myself, I do not know this stranger as well as I know myself. I don't know his abilities, his history, his likes, his dislikes, his fears, his pleasures, his circumstances. After all, he's a stranger. Because he knows his situation better than anyone else, he is best positioned to

make decisions for himself. My trying to do so, even if I care passionately about his well-being, would substitute the judgment and discretion of an ignorant party (me) for that of an informed party (him).

One happy consequence of self-interest is that it aligns concern with knowledge. Each of us knows most about himself, and each of us is concerned mostly about himself. That person to whom each of us directs the bulk of his life's energy and interest is that person whom each of us knows most about. In short, it's good that I care mostly about myself because I'm the person who knows most about myself. Likewise, it's good that I don't care as much about you as you care about you because I don't know as much about you as you know about you. And you surely don't want me to disturb you with my well-meaning but ill-informed attempts to govern your life. That would be harassment, not helpfulness.

Self-interest doesn't strip people of their concern for others, but it does confine that concern to appropriate realms. I care not only about myself; I care also, very deeply, about my family. This concern is appropriate because I know a great deal about my son, my wife, my parents, and my siblings. I care also about my friends, although not with the same intensity that I care about my family. I know my friends pretty well—much better than I know strangers, but not as well as I know my family.

Self-interest not only prompts each of us to care for himself and his loved ones, but also—and importantly—it helps to keep each of us from attempting to meddle in the affairs of those whom we know too little. □