Mutualist, at the livejournal blog of the same name, writes on “Building Consensus with Egalitarian Liberals in Healthcare Reform.”

His argument is that libertarians and egalitarian liberals are likely to disagree on demand-side issues like single-payer insurance vs. medical savings accounts, because they’re so closely tied up with differences in purchasing power. But liberals are more likely to be sympathetic to proposals to open up the supply of healthcare to competition. Breaking the power of the license cartels and the patent system, and eliminating barriers to a fully functioning market (i.e., permitting price competition through advertising) would drastically reduce the price of healthcare and greatly empower the consumer.

And, I’d add, if we did that, discussion of demand-side reforms might be a lot more politically feasible.

Liberal welfare-statism is a pretty natural—if misguided—reaction to a society in which the state, through privilege, creates great disparities in income. Privilege creates massive distortions, made cu-
cumulative through the process of feedback, that must be dealt with somehow. One way of dealing with the consequences is through a Rube Goldberg device like redistributive welfare policy, another layer of policy to counteract the first layer, to prevent underconsumption from becoming too destabilizing and the underclass from becoming too radicalized. The other way is to eliminate the privilege itself—a lot simpler.

But make no mistake. If the privilege remains, statist “corrective” action will be the inevitable result. That’s why I don’t get too bent out of shape about the statism of the minimum wage or overtime laws—in my list of statist evils, the guys who are breaking legs rank considerably higher than the ones handing out government crutches. All too many libertarians could care less about the statism that causes the problems of income disparity, but go ballistic over the statism intended to alleviate it. It’s another example of the general rule that statism that helps the rich is kinda sorta bad, maybe, I guess, but statism that helps the poor is flaming red ruin on wheels.

Libertarians need to stop admiring the emperor’s clothes and pretending that disparities in income reflect the triumph of industrious ants over lazy grasshoppers. Liberals might be a lot easier to talk to them. That Galt’s Gulch bullshit can be kind of hard to listen to sometimes.

I’ve argued elsewhere myself, by the way, that we need to go beyond cooperative solutions to healthcare finance, and get into cooperatively organizing delivery of service, as well.