There is never any shortage of policy ideas that, on the surface, seem to be good but that lead to stupid consequences. These are the types of policies that inevitably end up causing unintended consequences. At the bottom of this perverse cause-and-effect relationship are a set of twisted incentives. Sometimes these incentives are accidentally put in place by people who feel more than they reason and, so, don’t think about how people will respond to the new policy all the way through. Sometimes the policy enactors know exactly what they are doing and use a veneer of ‘caring emotion’ to cover what is really a coldly calculated set of incentives that are meant to benefit nobody but them. Regardless of which type of motive the policy maker may have (and, yes, there can be both types supporting) society suffers. It’s no wonder that economists focus on incentives.

Reason TV has made a set of delightful videos documenting what they call [*Great Moments in Unintended Consequences*](https://www.youtube.com/results?search_query=reason+tv+unintended+consequences) that are worth watching. One case that stood out is the Oakland, California gun buyback program of 2008.

\*\*video\*\*

One hopes that this ridiculous escapade, which is also documented by Alexander T. Tabarrok in his article [*Oakland’s Gun Buyback Misfires*](https://www.independent.org/news/article.asp?id=2128), was really done with good intentions but it is a close call. According to the [City of Oakland’s own website](https://www.oaklandca.gov/news/2022/guns-to-gardens-gun-buyback), the stated intent of June 2022’s Guns to Gardens event is to provide “a unique and innovative gun buyback”. A poster accompanying the website list the biblical verse “And they shall beat their swords into plowshares” Isaiah 2:24. These types of evidence suggests that the organizers are sincerely trying to help stem gun violence in Oakland but, if so, they clearly understand biblical ethics better than economics. Although they seem to have learned a few things from the 2008 fiasco.

The original 2008 buyback incentivized a variety of actions that did nothing to stem gun violence in Oakland.

First, with a fixed price of $250, gun owners with property valued far less than that had ample reason to participate. Anyone owning say 4 guns, each valued at $10, would make nearly a thousand dollars for simply dumping their junk onto the city’s lap. This was, no doubt, particularly attractive for gun dealers with useless, unmoving stock. However, for criminals who use guns for various enterprises $250 was likely too low. For example, a Glock 9 purchase, at the time, would have been closer to $350-$400. In addition, a firearm is working capital for the criminal robber. Why would he trade in for an one-time payment an instrument that allows him net hundreds or thousands per stick up or mugging.

Second, with no restriction to local residents (either Oakland proper or the city plus delineated surrounding locales) there was ample incentive for people to come far and wide for the buyback, thereby crowding out, either literally or by exhausting the fund, locals who wished to participate. Oakland basically transferred wealth from their already impoverished neighborhoods to what are likely affluent municipalities elsewhere.

Third and finally, by bringing a host of guns into close proximity, Oakland had organized a large, unregulated, open-air gun show. Just the territory where an enterprising criminal might go to buy a new weapon, with no questions asked and no background check.

Thankfully, the city has seemed to learn from some of its mistakes. The Guns to Gardens event adjusts the buyback amount from a fixed price to gift cards in the range $100-$300 “depending on type of gun” (their words). This fig-leaf of a correction only partially addresses the first issues. They may think that providing gift cards addresses all the other issues but gift cards, even if they are only for local merchants, have market value that makes them as good as cash. No doubt secondary markets will arise to move/launder them. Whether the was any thought given to bringing guns and gun buyers together in one setting is unknown. The website mentions no restrictions along these lines but maybe Oakland had something in mind.

But maybe all these objections about twisted incentives really don’t matter. The City of Oakland has what seems like a good idea. They seem to have good intentions. What could possibly go wrong?