

<https://henryoehrich.xyz/unintended-consequences.mp3>

1 Introduction

Imagine you are part of an alien species tasked with studying human life. Your job is to determine to what extent humans can foresee the consequences of their own decisions. What follows are the highlights of your research.

1.1 Case One: Taxing Light and Air

Year: 1696 Location: Great Britain Confidence in human foresight: undetermined

The problem: Britain needs money

The solution: Introduce a property tax based on the number of windows in a house. This tax aimed to be a non-intrusive way to tax wealthier people more.

Adam Smith even approved of the Window Tax saying that it was "inoffensive because its assessment did not require the assessor to enter the residence".

Sounds like a great, well intentioned idea! What could possibly go wrong?

While wealthier individuals tended to have more windows, the tax actually had more impact on the poorest people living in tenements with numerous windows. To evade the tax, tenement landlords bricked up windows in their buildings. This led to a drastic reduction in the already poor safety, hygiene, and quality of living in tenements.

1.2 Case Two: Prohibition

Year: 1919 Location: The United States of America Confidence in human foresight: moderately low

The problem: alcohol is ruining the moral fiber of America and is the fundamental reason behind problems like poverty and domestic violence.

The solution: pass the 18th Amendment to the Constitution banning the manufacture, sale, and transfer of all alcoholic beverages.

Sounds like a great, well intentioned idea! What could possibly go wrong?

It turns out, everybody still wanted alcohol. Instead of rolling over and staying sober, Americans found new ways to get booze.

Organized crime groups established a lucrative black market in producing, smuggling, and selling illicit liquor. These crime groups worked side-by-side with corrupt policemen and government officials. Thousands of illegal bars, known as speakeasies began serving alcohol.

Some people tried to make alcohol at home for their own consumption. This had the disastrous consequence of poorly made, home-brewed alcohol that contained the poison methanol. Thousands of Americans died during prohibition from methanol poisoning alone.

1.3 Case Three: The CAFE Standards Oopsie

Year: 1975 Location: The United States of America Confidence in human foresight: poor

The problem: cars are using too much fossil fuels and the resulting carbon emissions are probably killing the planet

The solution: Enact fleet-wide energy consumption average requirements called the CAFE Standards.

These standards award fines to manufacturers who fail to meet the efficiency requirements. The standards are categorized by vehicle size with stricter requirements for cars than for trucks.

Sounds like a great, well intentioned idea! What could possibly go wrong?

It turns out, manufacturers don't like paying fines.

Instead of designing and manufacturing more expensive and fuel efficient cars, manufacturers simply switched to producing larger fuel-guzzling SUV's that meet the legal definition for a "light truck". These "light trucks" suffered from far lower fuel requirements than cars. Now, instead of a more efficient fleet, the average fuel efficiency of vehicles on the road actually decreased.

1.4 Case Three: Hurricane Havoc Hospitality

Year: 2005 Location: Gulf Coast, United States Confidence in human foresight: vanishingly small

The problem: Hurricane Katrina has devastated the Gulf Coast, displacing countless residents in need of shelter

The solution: Enact price gouging laws to protect consumers from exorbitant hotel rates during times of crisis

Sounds like a great, well intentioned idea! What could possibly go wrong?

This regulation posed unforeseen challenges for hotels. Faced with the surge in demand for accommodations, establishments struggled to cover their increased operational costs. The cap on room rates, coupled with the increased expenses due to emergency preparations and potential property damage created a financial dilemma for hotels.

The reduced incentive for hotels to operate during the crisis led to closures and reduction of services. As a result, the shortage of available shelter for displaced people grew even larger.

1.5 Case Four: Covid Ghost Planes

Year: 2020 Location: Most developed nations Confidence in human foresight: near zero

Airports use a slotting system to determine how many flights airlines are allowed to fly.

The problem: There are not enough slots in major airports and some airlines are holding slots they don't need to prevent other airlines from competing with them.

The solution: Enact a "use them or lose them" policy that requires airlines to utilize their slots at 80% capacity. If airlines don't, the FAA will require them to relinquish their slots (most likely to their direct competitors).

Sounds like a great, well intentioned idea! What could possibly go wrong?

It turns out, airlines don't like losing their slots. During Covid, air travel was at an all time low. Despite this, airlines still flew at the required 80% capacity in order to keep their slots. This resulted in countless "ghost flights" where planes would take off, fly, and land at their destination carrying few or zero passengers.

1.6 Case Five: Sesame Seed Shenanigans

Year: 2021 Location: The United States of America Confidence in human foresight: non-existent

The problem: People are allergic to sesame seeds and need to know what products contain them

The solution: Add sesame seeds to the Food and Drug Administration's list of items that are required to be declared in food. Then, slam companies who don't follow the rules with massive fines.

Sounds like a great, well intentioned idea! What could possibly go wrong?

It turns out companies don't like to pay fines. Instead of spending millions of dollars in order to test their products for sesame seeds, companies simply sprinkled in a few sesame seeds to products that previously contained none and

then marked "contains sesame seeds" on the box. Over the next few months, the number of sesame-seed-free products plummeted.

"I don't think anyone envisioned there being a decrease in the availability of products that are safe choices for sesame allergic consumers" said the FDA head. Except perhaps the many food companies that responded to the FDA's new policy by doing exactly this. What he means, of course, is that nobody within the FDA could have predicted this outcome.

1.7 Conclusion

In unraveling the mysteries of human decisions, a constant thread is the good intention behind each action. Yet, these case studies show the vulnerability of good intentions to the impossibly complicated nature of human behavior. Unintended consequences challenge the purity of initial motives. As we, alien observers, reflect on the journey, it becomes clear that understanding the relationship between intentions and outcomes is a crucial aspect of comprehending the complex tapestry of human existence.

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