

How to argue with a conservative*

B Klemens

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Here are a few notes on what I feel are the best arguments to use when debating with a conservative. It covers that narrow slice of argumentation that is both a valid counterargument to the average conservative's claims and is also comprehensible to a conservative. There are a multitude of other means of debate, but I feel that those discussed here are the most likely to succeed.

I self-identify as an economist, meaning that most of the discussion here will be economic [even including a few technical notes from basic economic theory in square brackets]. For the social issues, however, have a look at Section 1 on externalities; if I had to oversimplify and point to a single characteristic that distinguishes the liberal from the conservative, it would be that liberals are more able or willing to internalize externalities, which affects both economic and social issues.

As a final caveat, no two conservatives are the same, and it would be overblown to the point of silliness to claim that a 6,000 word essay covers everything every conservative believes. Having said that, I will spend the rest of the paper debating the imaginary conservative in my head and pretending he represents all conservatives, without plastering the essay with little 'some conservatives believe that...' warnings.

Uncle Milt It all began in the fifties or so, with a Mr. Milton Friedman, herein 'Uncle Milt', which is what U of Chicago professors really called him when I was a student there. Uncle Milt wrote this little book called Free to Choose, and the name basically describes everything there is to know about the theory. If you have to choose among a few options, an unconstrained choice is always better than a constrained choice. It's almost a tautology. Therefore, government restrictions on the choices available to people, be they consumers or managers of businesses, are bad.

[This is often called the Neoclassical school, since it's a reinvention of Adam Smith's work.

*This paper is currently available at <http://fluff.info/blog/argue.pdf>

You know Adam Smith: he wrote A Theory of Moral Sentiment, which explained how a market requires good will among its members in order to properly function. He also wrote something about an invisible hand moving the market to an optimal state.]

Free to Choose is basically the Republican position on all economic (but not social) issues. It's appealing because it's so simple: restrictions bad. But economics since the dominance of Uncle Milt and the Chicago School has been all about the exceptional situations where the simple logic of constrained vs unconstrained choice is too oversimplified to do reality justice. Generally, regarding any issue where we in the modern day consider government to be potentially relevant, one of these exceptional cases will come up. Pointing out the appropriate exception is often enough to get a free marketeer to stop smirking.

1 Externalities

The biggest problem with the neoclassical view espoused by so many conservatives is that it forgets about externalities. This is huge.

An externality is the effect you have on others that doesn't directly affect you. When you drive, every pedestrian has a little more trouble breathing. When you eat a hamburger, a cow had to be killed. When you wear a low-cut dress, the boys who pass you on the street feel a little bit better. [I swear, every econ class I've ever had used an example about cute girls.]

From the economist side of things, there is no real solution to the externality problem, in the sense that it's supremely difficult to work out what the optimal behavior is, and how you should go about getting people to engage in that behavior. Basically, if an agent can do something that benefits it but causes a negative externality on others, then you're guaranteed that the agent will do too much (a suboptimal amount) of that activity.

If we could find a way to have people internalize their externalities, so that they simultaneously feel both the benefit they experience and the displeasure that others experience, then the market mechanism would work just fine. Too bad that's impossible.

Which is where government comes in. As a first approximation, there are taxes on activities which produce negative externalities: gas consumption pollutes, and so is taxed; alcohol consumption leads to some number of annoying drunkards, and so is taxed; cigarette consumption makes other people's clothes stink and leads to a rise in public health expenditures.¹ All of these taxes proxy for the displeasure that the buyer is causing everybody

¹Taxes don't have a will, so ascribing a motivation to a tax is a fallacy, but notice how far we can go in justifying these taxes without describing any of them as 'sin taxes'. After all, if taxes really were a puritanical attempt to change people's behavior, the puritans would also be taxing condoms—but the externalities from condom usage are all positive, so you'll only find no taxes or occasional subsidies on them.

else.

Barring a tax, the other means of internalizing the externality is making the activity illegal—think of the fine from breaking the law as another form of tax. A good law curtails those activities which have negative externalities and thus makes the world a better place. Examples: don't litter because it's easy for you but makes other people's lives worse; don't drive drunk because it's easy for you but makes other people's lives worse; you can't buy a car with certain types of dirty engine because it's cheap for you but makes other people's lives worse, et cetera.

The problem comes in when working out how much curtailing to do. When people say that their lives are worse off because of somebody's actions, they have absolutely no incentive to tone down the whining. I think you've all been there—especially if you've ever had a roommate. Back when I was a bike messenger, my roommate borrowed my bike for a stroll along the lakeshore, and got a flat tire. He didn't quite patch it right, and it went flat a few more times over the course of the day. I lost work as a result, and by the time I got home, I had prepared an extensive bitchy commentary for him about how his actions had ruined my life. Yet he started yelling first, about how I'd left a nubbin of pasta at the bottom of a pot, and now it was really stuck, and how I had thus totally ruined *his* life. He made it very clear that losing business, patching an expanding hole, and walking part of the way home was *nothing* compared to what he'd suffered at the hands of that blob of pasta.

It wasn't the best roommate situation, but it mirrors legislative lobbying and debate pretty well. Imagine the whining when the problem is bigger than pasta stuck to the pot, like an issue of education and property taxes, or pollution. It basically becomes guesswork as to what damage one person suffers from somebody else's actions. The conservatives of the world often latch on to this, and conclude that everybody is just lying all the time, and there really are no externalities, or if there are, they aren't nearly as bad as everybody makes them out to be, so we should ignore them. 'Buck up and stop whining,' the conservative would politely explain.

Anyway, behind a huge number of government activity and restrictions upon behavior, there is an externality involved. It's a fun exercise to ask yourself, for any law that comes to mind, what harmful externalities that law is preventing; you'll find something for almost all of 'em. For example, laws curtailing pollution exist because pollution damages property which is either in the public trust or is intimately the property of a non-polluter (like the air in my lungs). When people don't get an education, studies show, they're more likely to wind up poor, annoying, and a criminal, which are all things that affect the other people that interact with the uneducated. On the positive side: when you take public transportation instead of driving, other people have clearer roads and lungs. When people tell you that government should get out of these fields and the market will provide the optimal levels of pollution, education, and public transport, tell them that they're entirely wrong, because the market can not accommodate the effects of the externalities.

Also, when the privatization people tell you that the bus system is losing money, and therefore needs to be severely cut and/or privatized, you should tell that that because of the externalities, the system isn't behaving optimally unless it is losing money. See also the section on cost minimization below.

Law is often a blunt instrument, so if the optimal amount of an activity is less than current, the law often simply makes it entirely illegal. But the optimum is probably not at zero activity either. People often latch on to this, pointing to cases where somebody *really* needed to do something which had a negative externality attached, and couldn't do it because of some law. But the question of degree is more subtle than that: zero is not optimal, but neither is the amount you'd get if everyone were free to do all they wanted; which is less suboptimal?

1.1 The choice of externalities

Both sides of the political fence complain about externalities, but different ones. For example, social conservatives have lately taken to griping about how their marriages will be less sanctimonious or something if gay marriages are allowed.

Externality arguments are usually made by social conservatives and economic liberals. Conversely, social liberals and economic conservatives (both of these categories include libertarians) tend to ignore or belittle externalities. The asymmetry here is that economic externalities, which the liberals gripe about and the conservatives ignore, are about the things that actually affect people's lives; the social externalities, which the conservatives are up in arms about, are typically aesthetic. In an ideal world, you could call a conservative on the relative triviality of the externalities s/he chooses to care about. E.g., why are you bothered about how your kids are harmed by gays, but aren't bothered by how many kids are killed by guns every year? Why do you think the market should be free to decide on whether to drill for oil in Alaska, but don't think the market can work out the optimal exposure of boobies on TV without government oversight?

Another asymmetry is the exaggeration issue: when people suffer externalities such as job loss, crime, disease or death (or even environmental damage), there's something physical that can be measured and compared to any hypothetical benefits, albeit imperfectly. But when somebody says that they suffer because gays are getting married or because they were subjected to the sight of female nipples, there is simply no way to measure the aesthetic damage that the person is internally suffering. I'm not exactly sure how you can use this for rebutting a fanatic conservative, but it gives some idea of how fanaticism can come about: there's nothing keeping anyone from the extreme position, because there are never facts that get in the way of the claims of endless damage.

1.2 How not to argue: equality and fairness arguments

Here are some things which are generally true and often important, but which are simply non-starters in debate with conservatives. They'll never get it, so don't waste your time trying. In some ways, this is the most important section. A bad argument is worse than no argument at all, and I've often been vicariously embarrassed by fellow liberals (Ralph Nader) who argue the points below as if they're persuasive.

Equality is, to many conservatives, just not important. There's nothing much in the Bible about it, and humankind got along just fine without it for centuries and centuries. Similarly, many conservatives define fairness endogenously, so any outcome is always tautologically fair: if you can grab more for yourself, then you deserve more and that's fair.

A desire for fairness requires internalizing all externalities, which many people either have trouble doing or explicitly don't want to do. As such, I don't think there's any way to convince somebody that equality in treatment or outcomes is a good thing. So don't argue that a certain rule or structure is fair; instead, consider the ways that it appeals to the principles that our conservative pals find appealing, like efficiency (everybody likes efficiency) or pro-U.S. nationalism.

For example, redistributive taxation. By keeping the poorer folks fed, the likelihood of crime is lower, and kids are better fed and are more likely to be healthy and smarter and more productive in the future. You could provide certain goods/services via inefficient social services, or via the market by undertaxing the poor who are most likely to use those social services. You can get pretty far without ever using the word 'fairness'.

To give another example, the Unified School Districts of various areas insist that all schools in a wide area (like LA) must get the same level of funding. Again, this improves efficiency: another dollar to a school which needs to buy textbooks will go a lot further than a dollar to a school which wants to fund one more field trip.² And why is it so easy to talk about optimality when we want to talk about fairness? Because *fairness is optimal*. Another dollar given to a wealthier person just isn't as useful as another dollar given to a starving person, so all else equal, the best allocation of a given dollar is to the starving guy. [Technical version: Although not universally true, people are generally risk averse, meaning that we can describe their preferences using a concave utility function. If everybody has equal weight in our objective function and has the same private utility function, then the optimal allocation is the perfectly equitable one.]

To summarize the section, fairness is an idea you learn as a kid, and if somebody doesn't get it by now, they never will. But you can argue for efficiency almost anywhere you'd prefer to

²So why do LA's schools suck so badly? Because property taxes in California are so low that they're effectively nil, so every school in LA is equally underfunded. It's a paragon of where the conservative drive for lower taxes at all costs will get you: the fastest drop in school quality you've ever seen.

discuss fairness, and you won't have to ask the person you're debating to make the mental leap of internalizing the situation of other people.

The more hard-core libertarians take it all a step further, though, and believe that not only is the empathetic desire for fairness a weakness (as Ayn Rand teaches), but the world would be better off if we all went out of our way to eliminate empathy (i.e., the internalization of externalities, which are assumed away in the free market model). By this point, it becomes a religious issue (sometimes literally), so debating is useless; cut your losses and just don't bother associating with the person.

2 Public goods

Another common divide along the liberal-conservative spectrum is that liberals want more goods provided by government and conservatives want fewer goods.

2.1 The fallacy of the self-made conservative

Many a conservative shoots for an individualistic character. Some take it to the extreme of insisting that they are entirely self-made: their family did all the work of raising them and sending them to a private school, then they paid for college themselves, never took a handout, et cetera. They conclude from these broad strokes that government was unnecessary in getting them to where they are today. Other conservatives don't go this far, but are still willfully blind to their reliance on public goods.

Direct benefits Part of the problem is that the government services that most people enjoy are so fundamental that they're invisible. If the water is clean, and you don't get sick when you go out to eat, and the gas lines under the street don't erupt in flames too often, then you don't notice the inspectors, engineers, and bureaucrats on the government payroll who made such a halcyon existence possible. The best government is one which is involved in dozens of fields and yet is entirely unnoticeable.

Indirect benefits Leaving aside the person's health and general well-being, there are also indirect benefits to government spending which our conservative friends enjoyed, whether by their choosing or not. They worked through school? There's a good chance that they were able to find a job because the federal Work Study program provides subsidies to make sure that every campus has a larger supply of jobs. Even if our conservative friend eschewed such handouts, the non-handout jobs had much less competition.

Our Conservative Hero doesn't have any diseases, and is healthy and fit thanks to 100% private health insurance? It's also because of massive public health campaigns, both direct (closing sewers and other basics that the U.S.A. worked out a century ago) and indirect, in the form of taking care of the impoverished ill and advising them on how to get better so they don't cough up an infected lung on any conservatives.

Our Conservative Hero isn't mugged every day? This is partly thanks to the fact that the poor in the neighboring communities have government support that lowers their need to get resources by illicit means.

The list goes on, but the gist is the same: by stabilizing and taking care of those parts of our surroundings that are most at risk, those parts stay invisible to those who can take care of themselves. But if those supports disappeared, then the at-risk may not remain so invisible.

2.2 Limited rationality and informational asymmetry

This is a bit of a digression, but it's a good place to mention regulations requiring labeling, full disclosure, and licensing.

Trademark laws are all about minimizing confusion in the marketplace: if your logo looks too much like the other guy's logo, then dumb people will get confused and buy the wrong thing. There are loads of other truth-in-advertising laws, such as how stock brokers can not guarantee that a plan will make money. And indeed, there are enough dumb people and enough slimy stock brokers that laws like this have to exist.

In LA county (among others), all restaurants are inspected and must post signs giving their inspection grade. Similarly, food manufacturers have to tell you basic nutritional info and what's in their food. Publicly traded companies have immense reporting requirements, which keep many a lawyer and accountant employed full time. Generally, any sort of licensing requirement is a requirement for full disclosure of important information.

All this seems fair enough to me: trade on equal grounds requires equal information. And yet, there are loads of conservatives (not all, but a few) who think these are invasive laws that condescend to the buyer. The *emptor* should *caveat* for his or her own darn self. Again, all of these rules are based on hope for a 'fair market', which differs from the concept of a 'free market'. As above, you can't argue fairness to a conservative who doesn't already believe it's worth striving for.

Part of this is the Lake Woebegone effect, that everybody thinks 'I'm smarter than average, so this law isn't protecting me; it's protecting the dumb people whom I don't know.' From my own experience, self-made conservatives are especially prone to this, which makes any argument about how information is not perfectly disseminated at all times supremely frustrating. I think your best bet is to either argue the extreme cases [should out-and-out

scams be legal? When does hiding information become substantively different from lying?] or use the grandmother argument [Would you want your grandma to have to sift through this?]³ However, my experience is that the Lake Wobegone effect combined with a refusal or inability to internalize the difficulties of others makes this class of issues almost impossible to debate.

The self-made conservative believes that he (and it is usually a boy) can fend for himself, so everyone else is obliged to as well. But the self-fending is a delusion, because he is already surrounded by a wealth of services which he directly and indirectly benefits. He doesn't get lied to not because he's so supremely savvy, but (at least in part) because those he deals with have laws they must comply with.

The question, then, is how these services which the self-made conservative takes for granted should be provided, and the conservative always prefers private provision over public.

2.3 The fallacy that a profit motive means efficiency

Conservatives often work from the premise that if an organization has no profit motive, then it will be inefficient. A business has a simple directive—maximize sales minus costs—and a business which fails in that directive will lose out to other businesses which do a better job of it. This logic is false in two ways.

Cost minimization The first part of the argument, that an organization which isn't maximizing profits has no motivation to be efficient, is simply false. The reason is that *profit maximization is equivalent to cost minimization*. We could cast the problem of the business as finding the cheapest way of producing its product; similarly, we could characterize the goal of the bureaucracy's manager as finding the cheapest way to achieve whatever its goals may be. If the manager isn't minimizing costs, then there's something s/he could do to save a few bucks and then apply that toward achieving the bureau's goals. Why would the manager of a government department pass up such a savings, while a business manager wouldn't?

Of course, there's still the problem of defining the goals of the organization, and here government excels in the provision of things where the goal is ambiguous. The goal of a public energy utility is to provide citizens with reliable and cheap power, while the goal of a private company is to maximize profit for the owners of the company by providing citizens with power. It'd be nice if these incentives aligned perfectly, but they clearly don't, which means that privatization often leads to disasters in the provision of public goods (e.g., everything

³I don't know why grandparents are always considered to be so dumb, but this debate is probably not the time to work on dispelling stereotypes.

associated with Enron). Externalities matter here too: the profit-maximizing fee schedule ignores externalities, and will therefore lead to a suboptimal level of service.

This may seem easy and obvious, but the privatization harpies forget all the time, and need reminding: profit maximization and cost minimization both encourage efficiency, and neither magically produces efficiency.

Zero profits The second part of the fallacy, the Darwinian part, assumes that if you're not perfectly optimal, you'll lose money and will go out of business. But anyone who has ever worked in a company's office will attest that abject, persistent inefficiencies happen every day throughout the business world, and yet these companies continue to keep their heads above water. Liberals and conservatives alike agree that 'big government' in the sense of 'over-bureaucratic' government is a bad thing, and if there's a more efficient way to achieve existing goals, then that's a good thing. But the same could be said of IBM.

Some folks used to tell me that zero-profits-plus-efficient-market means that racist hiring would eventually disappear, since a racist manager is imposing a restriction on his choices, which will therefore lead to suboptimal hiring on a regular basis, which will lead the company to go out of business. Maybe racist businesses go under more frequently than non-racist businesses, but a few centuries have shown us that no, having racist policies does not immediately condemn a company to bankruptcy. Similarly with any of a number of other mean, irrational, and destructive policies that the businesses of today engage in all the time. Conversely, laws that force people to not be racist also don't lead to businesses closing down all over.

Theoretical economists assume that all businesses are on the verge of bankruptcy at all times because they always assume that firms are all competing to produce widgets that are exactly alike in every way—and there are often an infinite number of firms. But the assumption of zero profits really doesn't work in real life, as you can see by the fact that businesses exist, and this means that any reasonably healthy business can afford to operate in a manner that society deems acceptable, and can conform with laws about accounting, treatment of workers, or environmental care.

Yet when a new regulation is put in place, the chorus of capitalists all shout out in unison, 'I'm barely making ends meet and will go out of business.' Sometimes the response is a bit more moderate: 'I'll have to lay a few people off and reduce production,' or 'If you pass regulations that I don't like, I'll just take my ball home and pout.' After all, they're right on the verge of bankruptcy, so any new costs will put them under.

The reality of the situation is much more complicated. For example, New Jersey raised its minimum wage one year, while Pennsylvania didn't. Card, Katz, and Krueger took this to be as good a natural experiment as you'll ever get in the social sciences: the economies are closely linked, the passage of the new law was quick and sort of a surprise, and C, K & K

managed to get a good picture of fast food joints on both sides before and after the law took effect. The end result: there were more jobs created in New Jersey after the law was passed than in Pennsylvania. It wasn't much (and I don't recall if it was statistically significant), but it was definitely not a loss of jobs.⁴

Why were there more jobs in NJ? Maybe people spent all their new minimum wage earnings on fast food, or maybe more people entered the labor market, or maybe all those truckers carting in goods which used to be produced in NJ factories needed a place to eat. Regardless, the moral is that a new rule can often change all sorts of things in the economy, some good some bad, so reducing it to a simplistic one-liner like 'a higher minimum wage means less jobs' is stating a falsehood. [For the theorists, here's the moral: never trust a partial equilibrium model.]

Regulations can be burdensome and annoying, just like not being able to pee in the street is often burdensome and annoying, but somehow, we all manage it. However, not all burdensome regulations are destructive regulations, and if a conservative forgets that there's a distinction, be sure to remind him/her/it.

3 Monopolies and market power

With monopolies, two mantras of conservative economics collide. One says 'competitive markets are good' and the other says 'government intervention is bad'. So what do you do when the only way to have a competitive market is through government intervention?

One of the main money-makers for the working economist are anti-trust proceedings, in which one set of well-paid economists proves that a merger will allow a company to 'unfairly' use its expanded market share, while another set of well-paid economist proves that this won't happen. Many a conservative I have met believes that this is all silly, and that if a monopolist can find a price at which people will buy their goods, then the monopolist is clearly still providing something valuable, so why is the government being all pissy about it? Leave the companies to merge to their hearts' content.

More generally, the idea of a monopoly gets to the concept of *market power*: the ability of a single player in the market to influence the market itself. Most of neoclassical economics assumes that every agent has zero market power, and is thus a price taker—they can't influence prices at all, just take them from the market.

⁴CK & K's arch-nemeses, Neumark & Wascher, wrote a reply in which they got another data set for the NJ/Pennsylvania experiment, from the NRA—the National Restaurant Association. Their data set conclusively found that the passage of the minimum wage law caused New Jersey to fall into the ocean. C K & K asked to see the data so they could verify the results, and N & W refused, citing a non-disclosure agreement with the NRA.

First, there aren't any theorems about the optimality and welfare-maximizing properties of monopolists (that I know of). If the company can set prices, instead of just take them, then all the Econ 101 proofs about optimality [not including Pareto optimality, which is not *really* optimality in any human sense] are out the window. You can have a government that doesn't try to prevent monopolies, but then all the arguments about the virtues and automatic optimality of the market are thrown out of the debate.

For example, say that there are only two or three media conglomerates, who offer cheap television, radio, and print to every person in the world. Since there are only a few, a documentary producer who wants his or her work to be seen has to get one or two of these conglomerates to distribute the documentary. If all three offer the producer too little money for the film, since they know the producer will have no one to make a lower bid, then the documentary will never be seen. With more competition among the buyers and distributors of media, there would be more variety in public debate, and content providers would make more money, instead of having to accept whatever sum the distributors see fit to offer. In short, the quantity and variety of content is larger in a competitive market than in a monopsonistic one.

Another example of the sorts of problems market power produces: products often interoperate with other products, meaning that a company which is doing wonderful market-pleasing things in one field can exert its power to sell crappy goods in another market where it's not necessarily the best. I am thinking, of course, of Microsoft. The company, at this point, is built entirely on the concept of lock-in, and spends most of its marketing budget trying to convince consumers of two things: you should upgrade your existing Microsoft product, and you shouldn't switch to something else. Not much in the way of innovation going on here.

This is not the place to go into the computer geek details, but there are a wealth of alternatives to the desktop-with-word-processor paradigm we all work in now. Sun Microsystems, for example, had the idea of letting users run their word processor via their web browser. But for this to work, everyone needed a web browser that would be technically compatible with such a setup.

When it was being investigated for monopolistic practices, Microsoft's argument to the Justice department was that anti-monopoly regulations hinder their ability to innovate by making incremental improvements and additions to Windows. But at the same time, Microsoft used its market power to ensure that innovation in the form of fundamental paradigm shifts wouldn't happen.

So what can you tell your conservative pals? That incremental innovation isn't necessarily a problem when there are monopolists involved, but innovation on a larger scale are blocked when there are monopolists who can use their influence on standards and the basic operation of the market to prevent that innovation.

With a few players, the market is no longer a clean, optimal environment, but a tangled

mess where customers are not free to choose (outside of the ‘my way or the highway’ option) and those with market power can use that lack of choice to their advantage.

Employers as monopsonists Large companies are clearly not price takers, and conservatives frequently need to be reminded of this. For example, Wal Mart negotiates the price it pays on most (maybe all) of the items it sells. There is one Wal Mart, and dozens of pretzel vendors, so Wal Mart can use this asymmetry to negotiate down the price it pays for pretzels. The most important price for Wal Mart is the price of labor, and the market is again clearly asymmetric: one Wal Mart, and millions of potential employees.

Setting a price is a negotiation over how surplus should be divided. If an hour of work is worth \$6 to Wal-Mart, and a person is willing to work for \$4, then any wage between the two would work, in the sense that the person would work the hour and Wal Mart would pay the person and both would walk away better off. Uncle Milt stops here, content in the belief that even if Wal Mart stands firm at \$4.01, the employee is still better off.

The main problem with this is that the lowest wage a person will accept depends on the conditions. Notably, because of what I will call the ‘food constraint’, any job is better than no job at all. Our conservative pals forget the food constraint all the time, since it’s hard to work in to a simple model of agents [discontinuity and/or nondifferentiable kink in the utility function at zero], and it’s easy to forget that ‘agents’ means ‘people’.

Also, the wage Wal Mart sets is interdependent with any of a number of other things, such as the wage the company next door sets. In the theory, there’s a menu of wages available, so if you don’t like Wal Mart’s wage, you go next door to Sam’s Club and take the wage they offer. But if Wal Mart and Sam’s Club set their wages in concert, and Sears and K-Mart follow Wal Mart’s lead in price-setting, then the model falls apart again, because it is impossible for people to negotiate the price of their labor by threatening to go next door. This is not necessarily overt collusion; it is simply the ease with which a small group of actors can imitate each other and wind up at a very stable equilibrium. The minimum wage, ironically, helps immensely with this by providing a focal point for all employers to set their wages against.

The solution to the asymmetry of the market, by the way, is unionization. One Wal Mart and one worker’s union is a symmetric market, which has some hope of working as it should. Conservatives often miss this, and only see that the union is a restriction on the behavior of its workers and the employer. That it is, but it is a restriction that allows negotiation of prices to work. Many conservatives have great difficulty wrapping their brains around the idea that restricting a market can cause it to work better, so be patient in explaining this.

3.1 How not to argue with conservatives: corporate conspiracies

Many liberals argue from the basic premise that small businesses are better than large corporations, and that companies which are big enough to be international are especially bad. The issue needs to be disaggregated into parts which can and can't be argued with a conservative:

Personalization and diversity Just as conservatives like smaller government which is more representative of the people, we want smaller businesses which don't force corporate HQ's worldview on its patrons. But conservatives will dismiss this by saying 'if they don't like the bigger store, they'll shop at the smaller, spunkier store next door' and will dismiss any further debate on this point. In other words, the cultural issue is a total non-starter.

Market imperfections As above, there is a natural asymmetry between labor and capital (many workers, few employers), and this distorts the market in favor of the few, the monopsonists. As corporations grow and consolidate, the problem only gets worse. Some conservatives get this, and will acknowledge that reduced competition is bad. The more libertarian conservatives will abjectly refuse to accept this, and will cling to the idea that a firm that abuses its market power will be deposed by a spunky startup.

The Spunky Startup argument is impossible to argue with, kind of like the 'tomorrow will be sunnier' argument: there are enough examples where it's been true that people can say it with a straight face and be happy ignoring the fact that there are so many cases where it was entirely not true. On the perfectly level imaginary playing field, the spunky startup can definitely win—but in the real world, the profit-per-unit only goes up as a company gets larger, network effects and lock-in make people more likely to buy the old thing instead of the new, and if all else fails, the big and lumbering corporation can keep serving Spunky the Startup with lawsuits for trespassing on Lumbering Corporation's trademarks and intellectual property until Spunky's supply of optimism is entirely depleted.

To summarize, your best replies to arguments about Spunky the Startup are about the market imperfections discussed above, most of which help companies which survived at the start keep new competition out of play. But my personal experience is that it's an uphill battle, and an irrational faith in Spunky the Startup's abilities is hard to dispel.

Competition with sovereigns A company which exists in multiple states will be able to find the state with the least restrictive laws and register there. When 'state' means portion of the U.S.A., this is Delaware; when 'state' means sovereign nation, this is any of a number of islands in the Caribbean. Whether this is a problem to the conservative you have before you depends on how much contempt the conservative has for the concept of a government.

Some enthuse at the idea of a lawless world; others are a bit concerned by the prospect. As with any issue involving sovereigns, there are enough thorny philosophical issues that you have no chance of selling somebody if they disagree with you. But if you find that they do believe some laws are worth having, then take advantage of that and ask how that law is going to be maintained in a world where corporations get to pick the set of laws they are beholden to.

In short, be sure to focus on the specific things that large firms can do that small firms can't. 'Bullying' is too vague—stick with the specific mechanisms by which firms with market power can unfairly use that power. There are abundant options to choose from.