

HOW THE WORLD IS NOW ENCOURAGING THE SPREAD OF LIBERTARIAN IDEAS

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In *Rights and Consequences, Property and Politics: What Libertarians Agree About and Disagree About* (Libertarian Alliance Political Notes No. 134) I described libertarianism, and how we libertarians argue for it, about it, and about how to do it. I now turn to why libertarian and libertarian-inclined ideas — good or bad, true or untrue — have spread and are spreading among a lot of intelligent people, and hence are a force in the world to be reckoned with. My targets for the ideas in this piece are those whose response to that earlier one was, or would have been had they thought it worth reading: So what? Who cares what “libertarians” say or argue about, since it’s never going to matter?

Some critics of libertarian ideas consider them nice but impractical, and that they’ll consequently never spread beyond a few naive fools. Others believe them to be wicked nonsense, which consequently will never spread beyond a few malevolent freaks. Common to both criticisms is the claim that libertarian ideas won’t spread. This is the claim I now contest.

THE FAILURE OF THE STATE

The biggest reason for the recent spread of libertarian ideas is the failure of the twentieth century state to deliver all that it once promised. The more fervently the people of the world’s different countries once hoped to gain by subordinating themselves and their freely chosen associations and enterprises to the superior power of the state, the more cruelly have their hopes been dashed. The collapse of Soviet Communism in the late 1980s revealed to the entire thinking world the inability of the state successfully to control all the details of the economy, and well before then, politicians outside the Communist world had realised that their own nationalisation policies were failing, and had begun to throw them into reverse.

We intellectuals like consistency. If an idea or policy works in one area but somehow doesn’t apply anywhere else, we say: why not? State ownership of car making, steel manufacturing and ship building having failed, those of us who *want* to be libertarians, so to speak, now look — and to our own satisfaction find — similar blunders being made in activities usually regarded as *having* to be state run, like welfare, education, healthcare and the road system.

Here in Britain, our “welfare state” was intended as a springboard, of diminishing size as increasing affluence made it ever less necessary, from which those temporarily down on their luck would quickly bounce back into self-sufficiency. Instead we now have a large swamp, which does less good and more harm at greater cost than any but the grimmest welfare state pessimists predicted half a century ago, to the point where welfare spending now threatens the finances of the entire British state. Yet poverty — not just economic but spiritual and cultural — stalks the land as never before in our lifetimes. History tells us libertarians that non-state welfare used to do and could now do far better.

We go further. There is now a large and growing critical literature concerning the control by states of their national currencies, and consequently of national interest rates and national economic policies. Money, we say, should be denationalised. And so, some of us add, should law and order, and even defence. Private sector law and private sector policing have a long history, and a far more respectable one than enthusiasts for the state would have us all believe. Defence is considered by most to be the core activity of the state, its definition even. But if the market supplies better cars and steel and ships than the government can, might not the same apply to the service industry that consists of befriending, placating, frightening or fighting hostile strangers?

You can track the expansion of the world’s various state apparatuses and their current confusions with a graph, of public spending as a proportion of total national income. In Britain this graph went steadily upwards from the early nineteenth century onwards — with two big spikes for the two world wars. Then, some time around the mid to late 1970s the graph stopped rising. Politicians suddenly found that *taxing the country at a higher rate* than the forty five percent or so that tax rates had then reached *wouldn’t give them any more money to spend*. It would merely ruin the country to no creative purpose. We must, proclaimed Margaret Thatcher, the Conservative Prime Minister who came to power in 1979, “roll back the state”.

Mrs Thatcher never did manage this and her successors have pretty much stopped trying. She merely flattened the graph out, and in other ways, such as in its curbing of civil liberties and in its regulating of — as opposed to its nationalising of — economic life, the British state still grows and grows. Nevertheless, the *idea* that, instead of being the same project, expanding the state and bettering the lot of mankind are *opposite* projects is now part of mainstream political thought. The state is not now leading humanity’s advance. It is running along behind, trying to keep track, like the fussy, aging nanny that it is, watching the future happen, complaining about it and trying to pass laws and regulations to restrain or forbid it. It is the products and practices of that hitherto despised “capitalism”, whose end was only a few decades ago being so confidently prophecied, which are now making humanity’s future.

FREE MARKET TURMOIL IN THE PUBLIC SECTOR

The state as a whole is not yet rolling back, but bits of it now are, all the time. Public spending programmes tend to grow. If they work, they deserve more money; if they fail, they need more money. But because raising tax rates no longer gets it more money, any government wanting to go on doing certain things, let alone do more things, is now obliged to cut back or get more income from other things. We are now into the age of “cuts”.



Political Notes No. 150

ISSN 0267-7059 ISBN 1 85637 427 0

An occasional publication of the Libertarian Alliance,
25 Chapter Chambers, Esterbrooke Street, London SW1P 4NN
www.libertarian.co.uk email: admin@libertarian.co.uk

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FOR LIFE, LIBERTY AND PROPERTY

Numerous individual items of state activity are being either ended, or else pressurised into becoming more “commercial” and less devoted to “public service”, in other words cheaper for the state to do. Public officials who used simply to do what the law and the relevant regulations demanded of them are now urged to “prioritise”, to ponder who their “customers” are, and what extra “services” they can offer to them. In former decades, big business echoed and mimicked big government. It was said that businesses could ignore market pressures and instead “control” markets, just like the government. Now, even in the public sector, free market rhetoric booms forth.

For an ideology to catch on, there must be jobs that you can get *because of* rather than aside from or in spite of you being an enthusiast for the ideology in question. For the last two decades, there have been jobs galore for capable libertarians, not just in the free market, but especially — let the irony be savoured — working for the very states whose rolling back we urge. In-your-face libertarians like me argue publicly for the various reductions in state activity and spending that the politicians are now obliged to inflict upon their voters. Meanwhile more discreet and less “extreme” libertarians work behind the scenes, devising and implementing free market or market mimicking policies for the world’s various governments.

Perhaps you deny that these upheavals were necessary. Perhaps you think that “capitalism” is destroying state services just for the hell of it — to save itself money, perhaps — and that we libertarians are merely helping capitalism by fine-tuning the policies. Or maybe you reckon that the turmoil which the public sector has been suffering lately was unleashed by us libertarians out of a clear blue sky simply because we prefer libertarianism to common sense or common decency, and that capitalism merely went along with this and profited from it, just as it profits from all other mad political enthusiasms for as long as they last. So, if you are a state-employed teacher being driven crazy by “performance indicators”, or a privatised-out-of-a-job ex-water-worker, or a welfare claimant whose weekly cheque buys less and less, or a university professor whose department is spending all its spare time hustling for rich foreign students to balance its books, then don’t you perhaps want to understand the bastards who did this to you, if that’s what you think happened?

I absolutely do not agree that your miseries are simply the fault of me and my ideological comrades and cousins. Your arrangements weren’t working. If we hadn’t got involved in cutting them back and changing them around there would still have been cuts and changes, and you’d have been blaming someone else. These are not problems which can be switched off by voting for a different government, and “New Labour” only became the new British government because it finally accepted this fact.

COMPUTERS

One of the most potent of capitalism’s recent creations is the personal computer. Does anyone seriously believe that computers as we now know them would ever have been invented if we’d relied on governments to do the job? Big KGB-type mainframes, for codebreaking, for rocket guidance and for keeping tabs on people, maybe, eventually. PCs and Apple Macs, never. And where were the politicians while personal computers were being invented by the ragged-trousered hustlers of Silicon Valley? No-where. The politicians left the personal computer industry to run itself, with the result that it came to be run by people who tend to believe that all governments should stay out of all businesses, just as their government stayed out of theirs.

Did computers need regulating, co-ordinating, standardising, “planning”? Insofar as the new techno-entrepreneurs thought so, or found that their customers wanted it so, they went ahead and organised these things themselves, by creating or following the dominant standards that kept emerging — for central processors, operating systems, disc drives, modems, whatever — and by

spreading these standards around the world. Had national governments done more to “plan” computers, they would have slowed things down dreadfully, and would have created a Babel of incompatible national techno-ghettos. As it is, the personal computer capitalists have created a degree of worldwide unification and globalisation such as politicians have only talked of.

The most spectacular expression of this unification process is of course the Internet. Once again, and despite its origins in the academic bit of the military industrial complex, here we have an enterprise of immense importance and potential benefit to mankind whose determining feature is that no one is in charge of it. The Internet is the physical embodiment of capitalist anarchy.

The cultural globalisation sparked by the Internet can be exaggerated, but it is a fact nevertheless. The Internet causes people to identify less with their local or national geographical communities, and more with virtual communities. Not only libertarianism but all the world’s causes — all the isms, sacred or secular, that reach out beyond the confines of one nation — have been re-energised by the new technology. (Too bad for communism that it collapsed just when the workers of the world really were uniting.) But the Internet is profoundly libertarian in the sense that Internetters can send out any messages they like, and can ignore any messages they don’t like. This is libertarianism in action, pure and simple, and people like to believe in whatever rules they find themselves following. National politicians have so far found no way to censor the Internet that wouldn’t also cripple commerce, and even if they do they’ll never really stem the flood, any more than they did with the printing press.

METAL BASHERS AND KNOWLEDGE WORKERS

As far as the capitalists are concerned, that the Internet is good at spreading the mere idea of free market capitalism around the world is trivial beside the fact that it makes capitalism itself massively easier and cheaper to do. Computers can now transmit capital itself instantly, anywhere, in the form not just of money and credit but of knowledge about how and where to do things. And the potential of the Internet as a buying and selling machine is awesome.

I can just about remember pessimists predicting that computers — then called “electronic brains” — would make human intelligence and human education obsolete. Computers, it was said, would “do” everything. But it is the uneducated metal bashers and the unthinking number crunchers and wordsmiths who have been “downsized” hardest by the new machines, which are meanwhile keeping smart, educated, knowledgeable people busier and better paid than ever.

It is not enough, now, to work hard. You have to work smart. Operating in a computerised world means that you don’t just shovel your stuff from A to B, in accordance with orders supplied to you from above. You yourself must tune into the larger purposes of those around you and work in a much more flexible and subtle way than your grandad ever did, unless he was very grand. The actual work can often be done with a few strokes of the keyboard, so now much work consists of deciding what work to do. Silicon Valley keeps doubling the speed of everything, so you have to keep learning new programmes and techniques. Which ones? That too, you have to be intelligent about.

As the Austrian School of free market economists has explained, economic value depends on how much people appreciate something and are willing to pay for it. One of the key justifications of the free market is that it communicates this knowledge to you. Marx’s labour theory of value is just plain wrong. If you labour for a month to produce something that no one else wants, you have indeed laboured, but your labour has no bearing on the value — in this case the non-value — of what you’ve been doing. Nevertheless, in the old days, workers were paid according to how diligently they did what they were told by their bosses, not according to the value subsequently placed on their

efforts by the market. In such a world, the labour theory of value was still a mistake, but an easy one to make. “Markets” seemed to most workers like meteorites. Mostly they could be ignored. Occasionally markets blasted your livelihood half out of existence or worse. Experts supplied fancy reasons for why everyone should be grateful for what markets in general contributed to the bigger picture of the world in general, but meanwhile, for most, a better world would be one in which most markets didn’t exist.

When people become personally involved in a complex system they generally get to understand it and to see the point of it. The people who used to give the old-style blue-collar workers their orders, who were accordingly much closer than their workers to the free market and its valuations, were that much more likely to think that the market was a good way to coordinate economic activity, and a fine thing generally. If it wasn’t, how come they were so involved in it? Were they criminals? Their workers often thought so, of course. The social divide between the few giving the orders and the many acting on those orders also tended to be an ideological divide, and one which the few, being so severely outnumbered, tended to keep quiet about. It was only when shopping that workers acquired any positive and first hand experience of the free market and its workings. But to go shopping the workers had to have spare cash, and that took a while to materialise. Meanwhile, class warfare raged.

For millions, of course, the “free market” still feels like a mysterious and faraway menace. But many other millions — the new “knowledge workers” — now experience free markets as a daily working reality. How do you measure the value of knowledge work? Time spent? Number of gallons of sweat lost while doing it? Hardly. The knowledge worker, tapping away at the keyboard of his portable computer, inspiring his colleagues with a brief but brilliant speech at a sales conference, writing what he hopes will be that reputation-making academic article, spotting that portentous but as yet only faintly visible market trend, placing that one crucial but apparently far too large order, is valued both by himself and by others not according to his mere efforts but according to his results, not by what he puts into his work but by what the world around him gets from it. Knowledge workers are natural enthusiasts for the Austrian theory of value. Knowledge workers are natural free marketeers.

Knowledge workers also take their own thought processes very seriously. They want to make coherent sense of the world. Any determined appeal to the human intellect is going to attract their attention, as socialists have long known. One simple reason that there are now so many more libertarian and libertarian-inclined intellectuals is simply that there are now many more intellectuals. And whereas socialist intellectuals made a great fuss of blue-collar workers and apologised about themselves, we libertarians aren’t ashamed to place our own intellectual and scholarly activities at the heart of the libertarian enterprise.

TOLERANCE IN A WORLD OF ABUNDANT LIFESTYLE INFORMATION

Two hundred years ago, few people knew much about life beyond their immediate geographical area. For most, the way things ought to be was the way they were, in their town or their village. What we now call “social intolerance” wasn’t an attitude that people then chose to adopt; it was more like a fact of nature. Pity the isolated homosexual, unaware that anybody else in the world had the feelings he did, and not even having a word to describe them.

Modern communications technology has changed all that. First there were steam trains, then national newspapers full of news gathered through cables that spanned the world, and postal systems based on the railways. Then there were telephones, cars, the movies, radio. In our own time there are communications satellites, cheap air travel, and cheap international traffic in pictures for newspapers and magazines rather than just words.

Above all there is television, which has transformed the leisure patterns of every society into which it has been introduced.

In such a world, few any longer suppose that the way things must by their nature be done is the way your great-grandad told your dad that they had to be done. There are other countries, other races, other cultures, other religions, other ways of dressing and eating and drinking and smoking and singing and dancing and copulating, other accents, other languages, other political systems, other ways to drive, other kinds of sport, other recreational drugs, other lives. And modern contraception has changed sex for ever. If we see some other life that we would prefer, we can move to it with a fraction of the fuss that such a move used to involve.

That the new media have broken the monopoly of information administered by an earlier generation of bosses has been just as disruptive for the traditional father-dominated family as it has for the male-dominated, hierarchical, bureaucratic big business. Now, when we are teenagers, alternative role models and exotic excitements burst into our bedrooms, undermining the authority of our bewildered parents and teachers, new stars and styles and fashions — new ways to show off and to rebel — being constantly invented. Thus informed of life’s many possibilities, we can now “move” to another sort of life while hardly moving physically at all, from the sober-suited aspiring professional or anti-boss worker that our parents started us off as, to biker, to Hollywood wannabe, to commune member, to transvestite, to hippy-entrepreneur, to punk eco-warrior, to anything.

To say that not everyone likes this is putting it mildly. But those who don’t like it must lump it. Recognising that the way you do things is merely that, the way you do things, is a basic fact of modern manners. It is the intolerant ones, who still insist on the inherent superiority of their own lifestyles over all others, and who curse their children if they dare to live differently, who are now the deviants.

Politicians know that many of their more elderly, set-in-their-ways voters still shudder about gays and blacks and permissiveness, and that many younger people also like to defy what is now respectable opinion by being racist or anti-gay, so most politicians still hedge their bets in what they say and do about such matters. Nevertheless, the overall trend of public attitudes on “social” issues, at any rate in the western, TV-owning world, is in an unmistakably libertarian direction.

Which is pleasing, because once again, let us note the importance that intellectually inclined people attach to being consistent in how they think. Tolerance of the exotic life-styles of others goes well with being relaxed about how the various workers and entrepreneurs and lenders and borrowers who between them run the economy choose to go about *their* lives. If Steve Jobs is a fine fellow for having bet his youth on the designing and making of Apple Computers, then is not Madonna also to be admired for her fashion innovations, Boy George for daring to wear lipstick, and British Arts Minister Chris Smith for having told the world that, yes, he is a homosexual? If the do-what-you-want-with-what’s-yours principle applies to business, then does it not also apply to pleasure? If it applies to pleasure, why not to business?

REGULATION

Modern communications are having other more malign — by which of course I mean anti-libertarian — effects. In the paragraphs above I have been presenting libertarianism as a state of mind encouraged by new technological realities. The new machines make us think of our work in a more free market way, and tell us of new lives for us to live and that we must relax about the lives that others choose to live. But the new machines are also making possible a new level of interference by the state which in former decades was impossible.

The European Union is about to ban the use of the old pounds-and-ounces measurements that until recently we British used, and

which British shopkeepers who don't want to confuse their more elderly customers want to go on using, in parallel with the new metric measurements that our politicians want us to switch to. In former centuries, the idea that politicians should tell every shopkeeper in the land what measurements to use would have been regarded as absurd. Whether such rules were desirable didn't matter, for without government measurement inspectors and telephones to connect them with each other and with their superiors in London, and a large state apparatus to punish you if you dared to ignore the government's preferred measurement system, such rules simply could not be imposed.

In Britain, it took a long time for the idea that such rules *should* be imposed to win. Libertarianism in such matters — just like “social tolerance” now — was part of the air people breathed. I daresay that whenever tradesmen in 1900 or 1800 did confusing or annoying or frightening things, a few malcontents were heard to say that the government should “do something about it” — forbid noisy market traders, replace feet-and-inches with something less complicated, impose a national system of colour coding for hot and cold water taps, forbid the import of foreign and faster racehorses, regularise the use of the word “grapefruit”, you name it. But most were used to deciding such things for themselves, and to regard it as natural that others would likewise make potentially confusing decisions of their own, like calling some fruit they were selling a “grapefruit” when it appeared not to be. All of trade was like the personal computer trade now: free, constantly changing and improving and developing, taxed but otherwise unmeddled with by the politicians, but potentially full of confusion and cost to the unwary. As people used to say: *caveat emptor!* Buyer beware!

The same things apply to current government attempts to regulate people's choices which affect their own health. Yet if you are allowed to have gay sex at sixteen — with whatever potential health hazards you think that might involve — should you not also be allowed a smoke afterwards?

Partly because of Britain's membership of the European Union and partly because of the collapse of popular enthusiasm for earlier versions of libertarianism in Britain, but mostly for the simple reason that our government *can now meddle* in millions of tiny decisions formerly beyond its reach, it does. The politicians have grasped that they cannot tax the country into an economic nosedive and carry on winning their elections. But the graph of state regulation still moves upwards. There is a growing audience for any ideology that opposes this still rising regulatory tide.

LIBERTARIAN IDEAS WON'T DOMINATE — BUT ARE NOW A FIXTURE

In this piece I've been switching back and forth between Britain and the wider world. This has been deliberate. Britain is the country I know best, but it is not the only one where state spending has hit its ceiling, where the Internet has exploded, or where government regulations are resented. I've concentrated on the things that have been changing. Taxes were lower. State regulations used to be less burdensome. Television, computers and the Internet used not to exist. Many libertarians explain why their kind of ideas are now spreading by talking of how people love liberty. But do they love it more now than they used to? Soon you're back to taxes and computers.

There are plenty more reasons why libertarian ideas are now spreading, but I want to use this last bit of space to emphasise what I am *not* saying. I am *not* saying that libertarian ideas, still less libertarian political policies, are about to sweep unchallenged across the world, that all our ism competitors are about to fall prostrate at our feet, and that all the world's states are going to be shut down in their entirety next Monday morning.

Many thoughtful people react quite differently to the intellectual influences I have here described. If financing state welfare is getting harder, many now say, all the more reason to insist on its

importance. If modern technology somehow encourages individualistic and free market ways of thinking, all the more reason to emphasise the value of collective and state-funded activities. If regulating has now got easier, let's regulate more.

Others are consistent only in defending both the freedoms and the unfreedoms of the past. They curse against new government regulations, but curse also that such things as gay sex are now *less* regulated. They favour free trade of the old fashioned sort, in such things as food or machine tools, but rage against the new electronic media which trade freely in news and entertainment. One of the major purposes of the libertarian movement is to wrestle the case for freedom out of the hands of such people.

Others defend only those freedoms that are now fashionable, and laugh at the freedoms of former times that are now being lost.

All of which will inflame still more the arguments for and against libertarian ideas, that being my more modest point. These arguments will rage on.

A successful ideology must be both modern and ancient. It must make sense both of what is now going right with the world, and of what is going wrong. It must appeal to our nostalgia about the past and to our understanding of its defects and horrors. And it must tell an equally compelling story about the future, utopian and dystopian. I have heard libertarians tell me that libertarianism is *all* about restoring our ancient liberties, and I have heard others tell me that it is *all* about “modernity” and that restoring ancient liberties is old-fashioned tosh for old-fashioned idiots in tweed jackets. Luckily for libertarianism, both claims are false.

Libertarian ideas are now a fixture in the world. They are having and will go on having consequences. From now on in these pieces, I'm going to take this for granted.

WHO ELSE IS SAYING THIS?

I could have machine-gunned this piece with footnotes, but I will content myself with mentioning a few writings from outside the liberarian world. Among those who have done the most in recent years to explain the rise, if not of libertarianism itself, then of a world in which libertarian ideas flourish, are, ironically, the more intelligent of the Marxists. Used as Marxists are to explanations based on the economic infrastructure, they have been acutely aware of how modern technology has undermined mass support for collectivist policies and encouraged more individualistic attitudes. For a short reading list, see Note 7 of Tim Evans, *The Globalisation of Capitalism: A Celebration of the Triumph of Free Market Sophistication*, Sociological Notes No. 16, Libertarian Alliance, London, 1992. Evans references a number of articles from *Marxism Today*, and see especially Stuart Hall and Martin Jacques, eds., *New Times, The Changing Face of Politics in the 1990s*, Lawrence and Wishart, London, 1989.

But the Marxists weren't the first to foresee disaster for the blue-collar worker and the rise of the knowledge worker. Alvin Toffler's *The Third Wave* was published in 1980 (my edition, Collins paperback, London, 1982). The management writer Peter Drucker's *The Age of Discontinuity*, full of future good news for the knowledge worker and bad news for the other sort, was published as long ago as 1968. (My edition is a disintegrating Pan paperback, London, 1969, avidly read then, dipped into regularly ever since.) For the importance of results over mere effort in knowledge work, see also Drucker's *The Effective Executive*, Pan, London, 1966.

Echoing Toffler and Drucker, management pulpioneer Tom Peters is one of many who has recently emphasised the need for autonomous, knowledge-using workers throughout the organisation. The title of *Liberation Management* (first published in the USA by Alfred A. Knopf, New York, 1992, and in the UK by Macmillan, London, in the same year) speaks for itself.