

Libertarianism and Liberalism

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Libertarianism and Liberalism: What Went Wrong

Since the general theme of this blog is an anti-authoritarian entente – or even coalition – of diverse liberal and libertarian elements, one question that comes to mind is: “What are the most objectionable features of both establishment libertarianism, and establishment liberalism, from the standpoint of achieving such a coalition?”

1. Mainstream libertarianism

The problem with mainstream libertarianism is its almost total departure from its radical roots. Early classical liberalism was a revolutionary doctrine, which declared war on the most entrenched class interests of its day. Even the most mainstream of classical liberals (like Adam Smith, James Mill and David Ricardo) displayed considerable hostility to the landed oligarchy and the politically connected mercantilists who dominated Britain in the early nineteenth century. And the classical liberal movement included, as well, a large radical wing represented by thinkers like Thomas Hodgskin, who saw the new capitalist system as a bastard fusion of partially free markets and industrialism with the old feudal class system. For Hodgskin, the new industrial capitalists were amalgamating with the old landed aristocracy to form a new ruling class. The capitalist system that was coming into existence was not a free market, but a new class system in which capitalists controlled the state and used it to enforce special privileges for themselves, in exactly the same way that the landed interests had controlled the state for their own interests under the Old Regime.

The significance of this radicalism increases when you bear in mind that Hodgskin’s radical wing of classical liberalism overlapped heavily with the early socialist movement, back when a major part of the workers’ movement still aimed simply at abolishing the special privileges of landlords and capitalists and building a market economy based on workers’ cooperatives.

The radical wing of the classical liberal movement did not by any means disappear, even when classical liberalism as a whole shifted rightward. It survived in the American individualist anarchism of Warren, Tucker and Spooner, and in the various offshoots of Henry George (e.g. Albert Nock and Ralph Borsodi), among other places. Nevertheless, it was relegated to the margin of the larger classical liberal movement.

For the overall movement, the transition came toward the middle of the nineteenth century, when the industrial capitalists had supplanted the landed elites as the dominant class in Britain. At this point, the main body of classical liberalism shifted its emphasis from an attack on entrenched privilege of the great land-owning classes and mercantilists, to a defense of the interests of industrial capitalists.

With the political triumph of the Third Estate, the mainstream of classical political economy—the generation after Ricardo and Mill—made the switch to what Marx called “vulgar political economy,” and took up the role of hired ideological prizefighters for capitalist interests.

From a revolutionary ideology aimed at breaking down the powers of feudal and mercantilist ruling classes, mainstream libertarianism has evolved into a reflexive apology for the institutions today most nearly resembling a feudal ruling class: the giant corporations.

A useful illustration of the shift is the contrasting positions of the early and late Herbert Spencer. The early Spencer was a disciple of Thomas Hodgskin, who attacked the artificial property rights of the landed elites and regarded the rents collected by the great landowners as a

species of taxation. The later Spencer (although still a more complex thinker than these remarks might suggest) was described by Benjamin Tucker:

It seems as if he had forgotten the teachings of his earlier writings, and had become a champion of the capitalistic class. It will be noticed that in these later articles, amid his multitudinous illustrations (of which he is as prodigal as ever) of the evils of legislation, he in every instance cites some law passed, ostensibly at least, to protect labor, alleviate suffering, or promote the people's welfare. He demonstrates beyond dispute the lamentable failure in this direction. But never once does he call attention to the far more deadly and deep-seated evils growing out of the innumerable laws creating privilege and sustaining monopoly. You must not protect the weak against the strong, he seems to say, but freely supply all the weapons needed by the strong to oppress the weak. He is greatly shocked that the rich should be directly taxed to support the poor, but that the poor should be indirectly taxed and bled to make the rich richer does not outrage his delicate sensibilities in the least. Poverty is increased by the poor laws, says Mr. Spencer. Granted; but what about the rich laws that caused and still cause the poverty to which the poor laws add? That is by far the more important question; yet Mr. Spencer tries to blink it out of sight.

In other words, as *Cool Hand Luke* would say, "Them pore ole bosses need all the help they can get."

2. Establishment liberalism,

Establishment liberalism, on the other hand, is all too true to its roots. Its origins lie at the turn of the twentieth century.

After the Civil War, American society was transformed by giant, centralized, hierarchical organizations: the large corporation and the large government agency. To these was eventually added the large charitable foundation and the university. All these large organizations shared a common organizational style, and a common managerial culture. Progressivism, which was the direct ancestor of twentieth century liberalism, was the ideology of the professional and managerial New Middle Classes that ran these large organizations. Especially as exemplified by Herbert Croly and his associates in the New Republic circle and the National Civic Federation, Progressivism sought to organize and manage society as a whole by the same principles that governed the large organization. The managerial revolution carried out by the New Middle Class, in the large corporation, was in its essence an attempt to apply the engineer's approach (standardizing and rationalizing tools, processes, and systems) to the organization of society as a whole. And these Weberian/Taylorist ideas of scientific management and bureaucratic rationality, first applied in the large corporation, quickly spread not only to all large organizations, but to the dominant political culture. The tendency in all aspects of life was to treat policy as a matter of expertise rather than politics: to remove as many questions as possible from the realm of public debate to the realm of administration by "properly qualified authorities." As a New Republic editorial put it, "the business of politics has become too complex to be left to the pretentious misunderstandings of the benevolent amateur." At the same time, the individual was transformed from the independent and self-governing yeoman of the Jeffersonian ideal, to the client of professional

bureaucracies. He became a “human resource” who took orders from the Taylorist managers at work to whom he had alienated his craft skills, went hat in hand to the “helping professionals” to whom he had alienated his common sense, and expressed his “individuality” entirely in the realm of private consumption.

Conclusion.

So what do we need? Libertarianism needs to move back to its radical roots. The elements of the libertarian movement that favor genuinely free markets as a matter of principle, as opposed to defending corporate interests under the guise of phony “free market” rhetoric, need to separate the sheep from the goats.

Liberalism, on the other hand, needs to move away from its managerialist roots (“The body of Leviathan and the head of a social worker,” in Joseph Stromberg’s memorable phrase) and become more genuinely left-wing. It needs to embrace direct democracy, self-management, and decentralism.

I think there is a huge, unmet demand in this country for a third alternative in politics. Right now, mainstream American politics consists of a Daddy Party and a Mommy Party. The Daddy Party, the Banana Republicans, want to turn this country into one giant dioxin-soaked corporate sweatshop, while acting as Pecker Police and making sure nobody catches a glimpse of Janet Jackson’s tit. The Mommy Party, personified by a 900-foot-tall nanny in kevlar vest and gas mask, has as its slogan “Momma don’t allow! Momma don’t allow!”

We need an alternative that appeals to everyone who finds both of the above distasteful. The third agenda would be something along the lines of the “Common Sense II” pamphlet put out by the *People’s Bicentennial Commission* thirty years ago, which promoted local self-government and cooperative economics. Its centerpiece would be reducing the power of both big government and big business, and devolving power to human scale political and economic organizations subject to direct democratic control. The overriding principle would be to eliminate privilege, and to eliminate all the ways that government currently stacks the deck in favor of the rich and big business, and then get out of the way as much as possible. Let workers keep the share of our product that’s currently consumed by useless eaters (landlords, usurers, bureaucrats, and licensed monopolists), and then do with it as we will.

Liberalism: What’s Going Right

In “Libertarianism and Liberalism: What Went Wrong,” I tried to describe some of the features of conventional libertarianism and conventional liberalism that inhibit an anti-authoritarian coalition between them. In this post, I’d like to mention some promising trends within liberalism that offer hope for common ground with libertarians.

At the most modest level, I’ve been encouraged in some ways by Obama’s insurgency against Clinton, who personifies the most objectionable features of establishment liberalism. Obama’s preference for working with the market mechanism instead of through the administrative state (purportedly resulting from the influence of Austan Goolsbee on his economics staff), seems on the whole to be a positive sign.

Of course Obama and Goolsbee are a mixed bag. The positive note is tempered somewhat by Goolsbee’s part in the NAFTA flap. Assuming there’s some fire behind that smoke, his fondness

for NAFTA suggests he conflates “markets” way too much with the existing corporate system. His idea of “democratizing markets,” as Daniel Koffler describes it in the link above, relies heavily on subsidies to higher education, which sounds too much like both the New Labour and New Democratic approach: Accepting corporate domination and meritocracy as given, and using education as a social engineering tool to turn everyone into managers. The danger is that Goolsbee’s affinity for “markets” will translate, not into taking big business off the government teat, but into simply splitting the difference with the Reagan/Thatcher version of banana republicanism – in other words, the DLC model of kinder and gentler neoliberalism.

I also confess to being a bit sick of Obama’s whole Oprah/New Age/”Law of Success” shtik about everybody just getting along, and transcending partisan differences, and all that happy crappy. I might be in a bit more conciliatory mood after the bleeding heads of every billionaire and Fortune 500 CEO in America are mounted on pikes along Wall Street. We’ll just have to wait and see. As for Oprah’s recycled version of the old “name it and claim it” gospel, I care a lot less about whether the board rooms “look like the rest of America,” than about the power those boardrooms exercise in the first place.

Still, there’s the possibility that with Obama’s more genuinely left-wing (as opposed to liberal) voting record, and the influence of Goolsbee’s market-friendliness, he might just manage to combine them in a novel way that promotes egalitarian goals outside the conventional liberal box. The combination of pro-market and left-leaning rhetoric, taken at face value, offers at least a hope of the kind of thing Jesse Walker mentioned (“How to be a Half-Decent Democrat”) as a way for Democrats to attract libertarian votes,

Don’t be a slave to the bureaucracy. Look, I don’t expect you to turn into a libertarian. But there are ways to achieve progressive goals without expanding the federal government, and if you’re willing to entertain enough of those ideas, you’ll be more appealing than a “free-market” president who makes LBJ look thrifty. You could talk about the harm done by agriculture subsidies, by occupational licensing, by eminent domain, by the insane tangle of patent law. And no, I don’t expect you to call for abolishing the welfare state – but maybe you’d like to replace those top-heavy bureaucracies with a negative income tax?

Consistently applied, what this suggests is essentially the geolibertarian approach of replacing the administrative and regulatory state with Pigovian taxation of negative externalities and economic rents, and replacing the welfare state bureaucracy with a basic income funded by taxation of rents and externalities.

Although Obama’s departures from establishment liberalism are modest at best, the same tendencies show themselves much more strongly elsewhere within the traditional liberal camp.

RFK, Jr. is a good example. He refers to markets in a positive way, but (unlike Obama and Goolsbee) sharply distinguishes the free market from corporate capitalism. In fact he *demonizes* the corporate economy in terms of free market principles,

You show me a polluter and I’ll show you a subsidy. I’ll show you a fat cat using political clout to escape the discipline of the free market and load his production costs onto the backs of the public.

... Free markets, when allowed to function, properly value raw materials and encourage producers to eliminate waste – pollution – by reducing, reusing, and recycling...

The truth is, I don't even think of myself as an environmentalist anymore. I consider myself a free-marketeer.

Corporate capitalists don't want free markets, they want dependable profits, and their surest route is to crush the competition by controlling the government.

Let's not forget that we taxpayers give away \$65 billion every year in subsidies to big oil, and more than \$35 billion a year in subsidies to western welfare cowboys. Those subsidies helped create the billionaires who financed the right-wing revolution on Capitol Hill and put George W. Bush in the White House.

Even better, Dean Baker has explained how the conventional "liberal" vs. "conservative" scripting on economic issues gets everything exactly backward:

Political debates in the United States are routinely framed as a battle between conservatives who favor market outcomes, whatever they may be, against liberals who prefer government intervention to ensure that families have decent standards-of-living. This description of the two poles is inaccurate...

It is not surprising that conservatives would fashion their agenda in a way that makes it more palatable to the bulk of the population, most of whom are not wealthy and therefore do not benefit from policies that distribute income upward. However, it is surprising that so many liberals and progressives, who oppose conservative policies, eagerly accept the conservatives' framing of the national debate over economic and social policy. This is comparable to playing a football game where one side gets to determine the defense that the other side will play. This would be a huge advantage in a football game, and it is a huge advantage in politics. As long as liberals allow conservatives to write the script from which liberals argue, they will be at a major disadvantage in policy debates and politics. The conservative framing of issues is so deeply embedded that it has been widely accepted by ostensibly neutral actors, such as policy professionals or the news media that report on national politics. For example, news reports routinely refer to bilateral trade agreements, such as NAFTA or CAFTA, as "free trade" agreements. This is in spite of the fact that one of the main purposes of these agreements is to increase patent protection in developing countries, effectively increasing the length and force of government-imposed monopolies. Whether or not increasing patent protection is desirable policy, it clearly is not "free trade." It is clever policy for proponents of these agreements to label them as "free trade" agreements..., but that is not an excuse for neutral commentators to accept this definition...

Unfortunately, the state of the current debate on economic policy is even worse from the standpoint of progressives. Not only have the conservatives been successful in getting the media and the experts to accept their framing and language, they have been largely successful in getting their liberal opponents to accept this framing and language, as well. In the case of trade policy, opponents of NAFTA-type trade deals usually have to explain how they would ordinarily support "free trade," but not this particular deal. Virtually no one in the public debate stands up and says that these trade deals have nothing to do with free trade....

Testify!

Libertarianism: What's Going Right

In “Libertarianism and Liberalism: What Went Wrong,” I gave my opinion of what was wrong with both mainstream libertarianism and mainstream liberalism (“wrong” in the sense to presenting an obstacle to an anti-authoritarian coalition of liberals and libertarians). In my last post, “Liberalism: What’s Going Right,” I discussed some reasons for hope within movement liberalism: some individuals who show signs of thinking outside the box when it comes to abandoning the worst features of the liberal establishment and finding common ground with free market libertarians. Now I’d like to do the same thing on the libertarian side.

The following are tendencies and subgroups within the larger free market libertarian movement, loosely defined, that largely steer clear of “vulgar libertarianism” (i.e., pro-corporate apologetics under the cover of phony “free market” rhetoric) and present some basis for a possible entente not only with liberalism but with the broader left. I may write additional, more detailed posts later on some of these groups, but my purpose here is just to summarize them.

1. *Classical Individualist Anarchism*

The movement with which I identify most closely as a libertarian, also probably the least important from the standpoint of actual influence, is the *classical individualist anarchism* of Josiah Warren, Lysander Spooner, Benjamin Tucker and the *Liberty* circle. I call us “classical” to distinguish us from modern, left-leaning followers of Murray Rothbard who also claim the individualist anarchist label—not because the latter are not entitled either to that label or to our good fellowship, but because there are substantive differences and we need some verbal distinction to reflect them. The central difference is that we classical individualist anarchists still view our free market libertarianism as a form of socialism, and have views on rent and profit that are closer to those of Tucker’s Boston anarchists than to the Austrianism of Rothbard. Modern adherents of this nineteenth century radicalism include Shawn Wilbur, Joe Peacott, Joel Schlosberg, Matt Jenny, and Crispin Sartwell (although I’ve probably missed a few). R.A. Wilson, recently departed, promoted this version of anarchism in *The Illuminatus! Trilogy* (for example here).

On a related note, Larry Gambone of the *Voluntary Cooperation Movement* is heavily influenced by the mutualism of Pierre-Joseph Proudhon and Robert Owen, the direct European ancestors of American individualism. Gambone played a large role in introducing Proudhon’s thought to modern North American anarchists (see his pamphlet “Proudhon and Anarchism”). He and Dick Martin, both in British Columbia, are the primary editors of *Any Time Now*.

2. *Left-Rothbardianism*

The *left-Rothbardians* trace their origins to Murray Rothbard’s project, in the late ’60s and early ’70s, of an alliance with the New Left against the corporate state. Rothbard and other right-wing libertarians contributed to the New Left journal *Ramparts* (home of David Horowitz, before he became an odious neocon) and William Appleman Williams’ revisionist history study group *Studies on the Left*. Rothbard’s journal *Left and Right*, and the early volumes of *Libertarian Forum*, were largely preoccupied with the New Left alliance.

Rothbard himself abandoned the project as hopeless after a few years, and moved rightward. But his close associate Karl Hess went on (for a while) to develop much closer ties of affinity to the left, participating in a community technology project in the Adams-Morgan neighborhood of Washington DC and even joining the Wobblies. And another Rothbard associate, Samuel Edward Konkin III, founded the Movement of the Libertarian Left as a vehicle for continuing Rothbard's Old Right/New Left project. Konkin's central contribution to what he called "Agorism," the *New Libertarian Manifesto* (warning: pdf), is available at Agorisim.Info (with a lot of other Konkin pamphlets as well). The current *Alliance of the Libertarian Left* and *Blogosphere of the Libertarian Left* include many of those who have preserved and continued this left-Rothbardian line of thought.

3. Geolibertarianism

Geolibertarianism, or *Georgism*, is large; it contains multitudes. Founded (of course) by Henry George, it amounts to an whole libertarian movement of its own, with variants ranging pretty far to the left and right: from Albert Jay Nock, Frank Chodorov and Fred Foldvary on the right, to Ralph Borsodi and Michael Hudson on the left.

Georgism and individualist anarchism are both unlike mainstream contemporary libertarianism in that they remain much closer in spirit to the classical liberalism of Paine, Smith and Ricardo. Both retain the classical political economists' understanding, abandoned by the main line of marginalist economics, that "land is different" from other factors of production because, as Will Rogers said, "They ain't making any more of it."

The central idea is that land isn't governed by the normal market mechanism that regulates the price of reproducible goods, by driving it toward production cost. The more social wealth increases, the more people and dollars are bidding up the fixed supply of land, so that rents continue to rise relative to wages and more and more wealth disappears down the landlords' rathole. The Georgist remedy is to eliminate all taxes on labor and capital, and put a "single tax" on the site value of land, so as to make unearned scarcity rent the main source of tax revenue. The effect is for the land currently being held out of use for speculative purposes to be put to use by human labor, and for rents to fall relative to wages.

The most left-leaning version of Georgism is the geolibertarian agenda I mentioned in my earlier post: taxing land value, resource extraction, and carbon emissions and other externalities, funding a guaranteed minimum income out of this rent collected by society, and then allowing progressive ends to be promoted entirely by the price incentives resulting from these policies, in a totally unregulated market. The idea is that in a society where workers have the bargaining power that comes with unlimited access to cheap land and a social dividend of ten or fifteen thousand bucks per capita, labor regulations will be superfluous. And in a society where pollution is heavily taxed and the price of fossil fuels reflects high severance fees, the same is true of pollution laws. And so on, and so on.

I'm not a Georgist, for reasons that would require way too much digression to go into now. But George's thought, in all its manifestations, has been an immensely positive leavening force on both left and right, bringing out the best aspects of both communities. On the left, it softens the tendency to rely on the bureaucratic state, and promotes in its place an egalitarianism that works through the removal of privilege and the perfection of market mechanisms. On the right, it counteracts the instinctive tendency to rally to the defense of the rich and corporate interests.

Each of these movements, in its own way, offers some potential as a basis for common action with the left against the increasing authoritarian police state, and against the corporate-state nexus that dominates the economy.

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