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Spiral Dynamics: An Overview

JANUARY 07, 2013 by Troy Camplin

Our civilizations change over time. But what about our psychologies? According to one theory of human development, despite our individual natures, we are malleable enough to become more complex people within more complex societies. And libertarians can lead the way.

F. A. Hayek understood societies to be self-organizing network processes, or "spontaneous orders." Spontaneous orders are complex, adaptive, non-linear systems that demonstrate emergent properties. They evolve, transform, and become more complex—all without anyone purposefully organizing them.

Jean Piaget developed a similar theory of child development. That is, because human brains are also complex networks, children develop psychologically through identifiable stages that form increasingly complex psychological levels. Piaget stopped at childhood, however.

In the 1950s, Clare Graves extended Piaget's psychology through adulthood. Don Beck and Christopher Cowan developed Graves's model further in *Spiral Dynamics*. Graves argued that humans evolve new psychological stages in response to changing life conditions. When a society contains a critical number of people at a given stage, the society itself transforms, creating the social conditions for yet another stage of psychological development.

Because the brain is a constantly active, constantly changing self-organizing network, we should expect to see such a transformation process happening over time. And because society is a network of communicating brains, we can also expect to see social transformation as an emergent phenomenon—reflecting these psychological stages.

Two tiers comprise the stages of social-psychological orientation, or expression of self. Each stage is represented by a color. Let's walk through these to see what we can find.

Tier One: Subsistence and Order

Beige – *Archaic-instinctive* (Origin: c. 100,000 BC)

We share our earliest expression of self with our Paleolithic ancestors. This stage is a self-centered, survivalist mode we can all experience if our survival is threatened.

Purple – *Animistic-tribal* (Origin: c. 50,000 BC)

At this stage, the social-psychological orientation is sacrificed to the ways of elders and customs to become subsumed under the group. This is the level traditional cultures tend to express. At this more collectivist stage, life centers on friends and family bonds. Animism—the idea of animating spirits—can crop up in this stage, too, as tribes project the presence of friends, family, and ancestors beyond the grave.

Red – *Egocentric-dominionist* (Origin: c. 7,000 BC)

Following the tribe, an egocentric stage emerged. Expression of self is impulsive, based on what the self desires—free of guilt and without shame. This is more or less the mentality of street gangs, Vikings, and so on. If you have read *The Iliad* or *The Odyssey* (or have a teenager), this stage may be familiar. Humans in this stage celebrate heroic acts by certain individuals. Projections of power are revered. Heroic figures tend to lead empires.

Blue – *Authoritarian-mythic* (Origin: c. 3,000 BC)

The authoritarian-mythic expression of the self comes from personal sacrifice and obedience to rightful authority for the sake of some purpose.

Embodied by fundamentalist religions, out of empire arises a larger-scale communitarian life held together somewhat by an authoritarian superstructure. Medieval Catholicism and the modern Islamic world are exemplars of this form. What matters at this stage is to believe in the "right things"—that is, an organizing purpose often guarded by brutal authorities, but rooted in myth.

Orange – *Multiplistic-scientific/strategic* (Origin: c. 1,000 AD)

At this stage one sets out strategically to reach one's objectives without rousing the ire of others. Expressed in the Scientific Revolution and the Industrial Revolution, from this expression of self emerges a more socially minded, but decidedly individualistic, psychology. The Age of Reason and modern capitalism are orange-stage phenomena. Indeed, this social-psychological stage is what most people associate with classical liberalism. (When overlapping with the more religious authorities of the previous level, we get American-style conservatism.)

Green – *Relativistic-egalitarian* (Origin: 1850 on, surging early 20th century)

At the green level, one is expected to sacrifice self-interest in order to gain acceptance, group inclusion, and social harmony. 1960s relativism and egalitarianism emerge at this stage. Socialism is typical of this stage, but so too are existentialism and postmodernism. The attempt to reconcile socialism with markets created the modern welfare state. (Note: While most libertarians would like to think classical liberalism is the highest or most sophisticated psychological stage, what emerges next is a kind of balancing —one beyond atomistic individualism or authoritarian collectivism.)

Tier Two – Being and Order

Spiral Dynamics involves a second tier of social-psychological expression. In this tier, the stages gradually move away from a focus on the subsistence-level concerns of tier one (how do I live and organize?), and toward being-

level concerns (who am I and how do I relate?). There is no research to support two tiers, but such can serve as a guide.

Indeed, though there is not unanimous agreement on this point, most see the following stages—yellow and turquoise—as more complex versions of orange and green. The open-ended theory suggests that any new levels are currently underdeveloped and will solidify as a greater portion of society evolves toward those new stages and begins to express them.

Yellow – *Systemic-integrative* (Origin: 1950s)

At the yellow stage, expression of self is not so much about what the self desires, but about avoiding harm to others so that all life benefits. Something interesting happens here: A more individualistic self understands its place within a complex, dynamic, evolutionary world. People should be understood as responsible and free, but that freedom must be reconciled and integrated within wider systems of selves. (Hayek was probably an integrationist of this stage.)

Turquoise – Holistic (Origin: 1970s)

The final stage we can identify is an integrative stage that combines an organism's necessary self-interest with the interests of the communities and subsystems in which it participates. The theory is still forming, but the turquoise tend to understand the world as fully integrated, with the individual contributing to the social as the social contributes to the individual in a kind of seamless whole.

More Libertarian, Not Less

Spiral Dynamics suggests continued social evolution can involve more and more libertarian thinking. While the more authoritarian levels seem to violate this general trend, libertarian-style thinking tends to scale—that is, it integrates more and more people.

With each stage of development, our sense of solidarity with others grows outward: from “fellow believers” to “trading partners” to “everyone on earth." Now, with the kind of complex-systems thinking involved in tier two, we start to understand part–whole relationships, that is, *how and why* everyone fits together (or can fit together). Our connection and integration occur through highly individual interactions that are likely to be accelerated and deepened by commerce and connective technology.

Interestingly, while the first six levels reject other psychological stages as competitors, the yellow and turquoise are inclusive of all levels. Moreover, since tier two selves see society as a self-organizing process, they are much more likely to embrace a pro-market, anti-coercive, pluralistic worldview. In short, libertarians are more likely than ever to evoke tier two thinking and use tier two messages.

So, freedom evolves in nature—both psychologically and socially. With Spiral Dynamics, we can see why.

A Cure for Obamacare: From Canada with Love

JANUARY 03, 2013 by Gregory Cummings

A new study on Canadian healthcare has been released. In it, the authors examine the deleterious effects of socialized medicine on patient wait times and the delivery of care. It offers Americans a revealing glimpse of the future economic implications of Obamacare.

Released by the Fraser Institute, the December 2012 survey of specialists reveals that Canadians are now waiting 17.7 weeks between the referral to a specialist and the delivery of treatment. This is 91 percent longer than in 1993, when the institute began studying wait times.

In essence, wait times in Canada have doubled in the past 20 years. Sadly, the rationing of care that results in lengthy wait times for patients is a predictable consequence of government interference in the medical system.

Moral Hazard and Overconsumption

Other things the same, consumers (in this case, patients) seek out more medical care as its price decreases. This is simply a reflection of the law of demand. Because patients living under government medical “insurance” pay nothing directly, they seek out medical treatment for increasingly frivolous reasons, squandering valuable resources in the process.

Suddenly, a runny nose during cold and flu season is reason enough to proceed to the hospital. Or an otherwise healthy individual travels to the nearest medical clinic on a weekly basis to have the doctor check his blood pressure. Or an elderly widower visits the emergency room on Christmas

Day because he's lonely. Moral hazard of this sort is all too common in Canada.

No Medicine, No Care

On the other hand, the skyrocketing costs associated with growing use of the State-funded medical system cause the government to institute price controls on health care services. Economic calculation, a characteristic feature of the unhampered market economy, is progressively eliminated as prices become increasingly arbitrary. This neuters the market allocation of resources, resulting in persistent shortages in critical areas. Medical care is then rationed to patients. Long wait times are but one symptom.

In addition, barriers to entry, such as State-licensing requirements and the accreditation of educational institutions, cartelize various medical professions and further exacerbate these circumstances.

Ultimately, as Murray Rothbard predicted, "everyone has the right to free medical care, but there is, in effect, no medicine and no care."

The wait times, for example, satisfy the needs of seemingly everyone but the patient. According to the specialists consulted in the Fraser study, Canadians are waiting approximately three weeks longer than is reasonable between the initial consultation with a specialist and elective treatment. Importantly, a wait time that is deemed reasonable by a physician, especially one accustomed to practicing within the framework of socialized medicine in Canada, is likely less tolerable for the individual patient. For example, while a median 12-week wait time for orthopedic surgery may seem reasonable to a specialist, it may not be for a bed-ridden long-term care resident awaiting hip replacement surgery. Nevertheless, these results were deemed satisfactory by Canadian provincial governments, who evidently hold themselves to lower standards of performance.

Currently, Canadians are awaiting an estimated 870,462 procedures. Life on a waiting list isn't pretty. It involves living in a state of poorer health, in

constant fear that treatment will come too late, increased suffering and lower quality of life, and financial and economic loss. According to Dr. David Gratzer, author of *Code Blue: Reviving Canada's Health Care System*, some patients even die without treatment. Others will travel in search of health care. In fact, an estimated 0.9 percent of patients left the country in 2012 in preference for treatment outside of Canada.

The Cure

It doesn't have to be this way. As Rothbard, describing the U.S. medical system of his time, explains:

Everyone old enough to remember the good old days of family physicians making house calls, spending a great deal of time with and getting to know the patient, and charging low fees to boot, is deeply and properly resentful of the current assembly-line care. But all too few understand the role of the much-beloved medical insurance itself in bringing about this sorry decline in quality, as well as the astronomical rise in prices.

Rothbard saw the rise of the HMO/PPO state in America, which Obamacare essentially puts on steroids. Under this system, Americans received health "insurance" beyond catastrophic care. This amounted to an all-you-can-eat healthcare buffet for consumers, just as it did in Canada—only without the rationing. Care providers and health insurers formed a cartel around these profligate consumers and divided the spoils. The result has been steady medical inflation in America. But without accurate price signals for patients, rationing will have to follow. The Canadian example demonstrates that the egalitarian desideratum of "equal care for all" condemns society to poorer care for all. That is why Obamacare too will fail.

Instead, the cure for our metastasizing healthcare ills is freedom—that is, a restoration of the market process with the patient at the center. This restoration of patient sovereignty in the medical system is the only way to allocate healthcare resources efficiently and without shortages.

Wanna treat American healthcare? Prescribe capitalism.

Sustainability vs. Local Knowledge

DECEMBER 19, 2012 by Mike Reid

A young woman came to my door the other day and told me she was raising money to teach farmers in the Philippines about "sustainable agriculture."

"Wow," I replied. "You must be a major expert for Filipinos to reach out halfway across the world and ask you to come teach them."

"Oh," she said. "Well, we haven't talked to the Filipinos yet. This is just the money we need to get our organization to the Philippines. Then we'll teach them all about sustainable agriculture."

This 20-year-old, fabulously rich by global standards, is only one of the many idealistic people the West now exports to manage the lives of the global poor.

"Sustainability" and Time Preference

The concept of "sustainability" is now ubiquitous in international-development circles. It was most famously defined by the UN potentate and ex-Norwegian Prime Minister Gro Harlem Brundtland. According to her 1987 UN report, sustainable development is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

The international idealists now use this concept broadly to mean combining economic development with environmental preservation. One of the main

fears of the advocates of "sustainable agriculture" is that farmers are unwisely degrading the quality of their soil by using chemical pesticides and fertilizers.

But are outside experts really qualified to determine each Filipino farmer's proper balance between getting chemically induced high yields now and risking lower yields later?

Each person has his own subjective preferences about how to trade present enjoyment for future enjoyment (and present returns for future returns). Universally, as Ludwig von Mises explained, using the Austrian school's concept of time preference, we humans are basically impatient. We generally want things now, now, now—instead of someday later. But for each human, the power of this preference depends on his own desires, resources, and judgment.

In the world of reality, in the living and changing universe, each individual in each of his actions is forced to choose between satisfaction in various periods of time. Some people consume all that they earn, others consume a part of their capital, others save.

Although delaying present gratification in favor of future satisfaction often leads to material success, it is ultimately a judgment that depends on each person's goals and resources. And of course, it depends on the institutions on the ground. In situations where there are tragedies of the commons—such as people farming unowned or government-owned land—there are deep incentives to exploit the land. Where there is private property, there are greater incentives to preserve for future generations.

The internationalist concept of "sustainability" is an attempt to override the time preferences of Filipino farmers in favor of the time preference of Gro Harlem Brundtland and her ilk. And if any meaning can be given to the term "sustainability," it would have to do with the real sustainability that comes from having the right rules in place—like property, prices, and profits, which help people avoid tragedies of the commons. And yet that's not what advocates of sustainability want. They prefer command and control.

"The Needs of the Present"

The concept of "sustainability" depends on the assumption that humans have objective needs. Remember, Brundtland says that we must provide for "the needs of the present" without impinging on the "needs" of the future.

But what does a person "need"? What you need to survive is different from what you need to be happy or prosperous or loved.

What you need to live to age 60 is different from what you need to live to age 100. Where shall we draw the line?

Indeed, if we limit ourselves to the requirements for mere biological survival, a human's needs could be met with a 6'x6' concrete cell and a daily bucket of gruel. I don't think this is what Brundtland has in mind. But she has something in mind. And she is willing to impose it.

Because there is no objective definition of human needs, and because there is no objectively correct tradeoff between present and future wants, "sustainable agriculture" simply means conserving whatever amount of resources the 20-year-old expert visiting your village thinks you should conserve based on some notion she picked up in college. And this is where things get uncomfortable.

Local Knowledge and International Aid

The woman at my door seemed honestly to believe that she was bringing powerful new knowledge to farmers in the Philippines, even though she'd never set foot in the country, let alone planted a crop there.

I asked her where in the Philippines she was going. She answered, “Oh, I'm not sure. Lanao del Norte, maybe? I don’t remember.”

The Philippines is an archipelago of more than 7,000 islands, and it’s a highly diverse place, both geographically and culturally. It matters a lot, for instance, whether you're going to the big northern island of Luzon (controlled by the Christian majority and the U.S.-backed central government) or to the big southern island of Mindanao (where Muslim separatists routinely use kidnap-for-ransom schemes to fund their operations). By the way, Lanao del Norte is on the northern edge of that southern island.

This young woman was missing the essential requirement for all intelligent human action—what anthropologists call “local knowledge” and what F. A. Hayek called the “knowledge of people, of local conditions, and of special circumstances.”

To farm wisely, you need to know what kind of soil, topography, local plants, and insect pests you’re dealing with. You need to know what’s happening among your neighbors and nearby markets. And of course, everywhere in the Philippines, you need to know whom to bribe to get anything done. (It is widely considered the most corrupt country in East Asia.)

Filipino farmers are already working through those challenges on the ground every day. What special knowledge can their savior from North America bring to the table? And if this knowledge is so valuable, why hasn’t it percolated through to those markets already?

The last question is not merely rhetorical. It’s possible something is preventing this knowldege from getting through, or preventing Filipino farmers from taking full advantage of it. If so, what? Are laws in place preventing them from enjoying the full benefits of their work—such as confiscatory taxes, unreliable property rights, or agreements signed with international do-gooders to withhold technologically advanced equipment that could increase yield quickly? Of course, foreigners may have knowledge to share that will improve the long-term viability of the Filipino

agricultural sector. But it's not clear how much bureaucrats, ideologues, and twenty-year-old idealists have to contribute.

The well-meaning outsider believes that somehow, the local people aren't already using every resource at their disposal carefully and energetically to make a good life for themselves and their children. When Filipino farmers buy a few jugs of insecticide to kill off the pests that eat their crops, so this line of thinking goes, they are making a terrible mistake. Without the outsider's intervention and her superior, Gro-given knowledge, the Filipinos will surely reduce their landscape to a toxic wasteland.

How on earth did the people of these islands manage to "sustain" their farms before selfless Westerners showed up to guide them?

It is not for me, nor for the idealistic woman at my door, to decide what far-off peoples should do with their soil. Other people are not our property, and we do not know what is best for them. Of course, we can travel to distant places, act in good faith, and give advice after learning the ins and outs of a people's circumstances. But they might very well tell us to go away. They might even teach us a thing or two.

Sustainability, Control, and Markets

This is not to say that we rich outsiders must ignore the cruel poverty of the world's least fortunate, who must often choose between a meal today and a meal tomorrow—or indeed have no choice for any meal at all.

But projects aimed at teaching ignorant foreigners how to manage their own resources are rooted in arrogance. The ideal of "sustainability" some are exporting around the world is empty. Definitionless. It is merely a Rorschach test for the personal values of the idealists who employ it. It simply dresses up old-fashioned imperialism in contemporary clothing.

It is, as Morgan J. Polinquin explains, "another attempt to replace the collective decisions of many in the market place with the coercive will of

the few."

The decisions of the "many in the market place" emerge from each individual's local knowledge—from, as Hayek put it, "the dispersed bits of incomplete and frequently contradictory knowledge which all the separate individuals possess."

The market is the best way humans have of bringing all those tiny fragments of specific knowledge—about crops, pesticides, bribes, and a million other variables—together. Through the price system, we humans work wonders of mass coordination without any one of us being able to see the grand scheme. And that people sometimes have to work those wonders in a climate of regulation, corruption, or idealistic arrogance makes them all the more unbelievable.

Furthermore, the market allows any person to try out new techniques, and see if they fit into the poverty-destroying global endeavor of free human cooperation.

Perhaps totally "organic" farming, with no chemical pesticides or fertilizers, is best for every farmer in the Philippines. Perhaps it would give everyone the best trade-off between feeding themselves today and preserving soil quality for tomorrow. Perhaps.

But no matter how high up you go in the UN hierarchy, there's no seat in the sky for any human to sit on and pronounce that judgment for all the rest of the species.

When first-worlders traipse around the world touting cardboard concepts like "sustainability," they are merely exerting control, once again, over the world's poor—trying to make their lives fit into our designs.

When my front-door visitor finishes her overseas agricultural adventure, she'll come back with a digital camera full of photos and a resume full of impressive entries. The Filipino farmers will still be there, living off that soil. Their children will still be there.

Who do you think has a better grasp of the balance between present and future uses of that plot of earth?

How Government Makes Us Fatter

DECEMBER 28, 2012 by Jenna Robinson

The government, with its accomplices in the food lobby, has helped to make and keep us fat. Through subsidies and misguided food suggestions, Congress, the FDA, and the USDA have made it more difficult for Americans to make smarter dietary decisions.

It's not as if we don't care. Americans spend $33 billion annually on weight-loss products and services. At any given time, 45 percent of women and 30 percent of men in the United States are trying to lose weight. And yet Americans are more out of shape than ever.

Obesity is a major health risk in the United States, where 65 percent of adults are overweight. The prevalence of obesity rose from 14.5 percent in 1980 to 30.5 percent today. The percentage of children who are overweight is at an all-time high: 10.4 percent of two- to five-year-olds, 15.3 percent of six- to 11-year-olds, and 15.5 percent of 12- to 19-year-olds.

Misinformation

Remember the food pyramid? In 1982, government authorities told Americans to reduce fat consumption from 40 percent to 30 percent of daily intake—and we took their advice. Instead of fats, Americans began eating more carbohydrates: an increase of 57 grams per person from 1989 to today, according to UCSF Professor of Pediatrics Dr. Robert Lustig. Today, the typical American diet is about 50 percent carbohydrate, 15 percent protein, and 35 percent fat.

At the same time, a committee at the Food and Drug Administration awarded sugar "Generally Recognized As Safe" status—even for diabetics—despite internal dissent from the USDA's Carbohydrate Nutrition Laboratory. As part of the 2011 Agriculture Appropriations Bill, Congress legislated that pizza sauce can count as a vegetable in school lunches.

Setting aside the issue of whether such government recommendations are correct, its actions as food nanny essentially absolve Americans from the responsibility of making their own nutrition decisions. In the 1990s, American women blindly gobbled up low-fat Snackwells desserts masquerading as sensible treats. After all, Snackwells cookies met government standards: They were low in fat and contained "safe" sugar. Parents send their kids to school assuming school lunch contains healthy fruits and vegetables—never stopping to ask what their kids are actually eating each day.

Government recommendations also dissuade private nutrition groups from attempting to compete with "official" advice. Consider Dr. Atkins' critical reception when he wrote *Dr. Atkins' Diet Revolution*; although a best-seller, it was panned by the nutrition establishment. The USDA's Agricultural Resource Service still warns that the diet started out as a "gimmick" and hedges on whether it's ultimately "worthwhile or worthless."

Over the years, government recommendations have contributed to the replacement of lard with trans-fats (the latter of which are now considered deadly), the substitution of margarine for butter and back to butter again, and conflicting recommendations about eggs, orange juice, vitamins, certain types of fish, and the temperature at which it's safe to eat meat. Is it any wonder that Americans are no closer to their health goals?

Subsi-diets

Farm subsidies reinforce the government's recommendations. Most go to just a few crops: soy, corn, rice, and wheat—all of which can be converted

into cheap, highly processed foods.

Take the case of corn. Starting in the mid-1980s, government subsidies made corn profitable for farmers even when market prices for corn were low. So farms across the Midwest began to produce it in abundance. Food companies funneled this cheap corn into the production of high-fructose corn syrup (HFCS) as a replacement for more-expensive sugar—the price of which had been artificially sweetened by tariffs, import quotas, and subsidies meant to shut cheaper foreign suppliers out of the United States.

HFCS then made its way into previously unsweetened foods. Today, the average American eats 41.5 pounds of HFCS per year—financed by U.S. corn subsidies. That's in addition to the 29 pounds of traditional sugar the USDA reports we eat on average.

Wheat, rice, and soy are turned into similarly processed food products. Wheat is extruded, robbing it of its protein, or milled and bleached into mineral-free white flour. Rice is stripped of its vitamin-packed bran to make it cook more quickly. Soybeans are mashed, pulped, extruded, and pressed into thousands of products.

And government subsidies make these foods very, very cheap—much cheaper than unsubsidized raw produce, fish, or meat. Naturally, Americans respond to these low prices by buying in bulk. Today, 23 percent of Americans' grocery budgets go to processed foods and sweets (compared to 12 percent in 1982).

Getting Government Out of the Grocery Aisles

Nutrition is far from settled science. Various researchers recommend low-carb, vegetarian, vegan, "whole" food, or simple calorie-counting diets as the route to weight loss and improved health. But one thing is clear: Government interference is steering us in the wrong direction—toward sweetened and processed foods that no doctors, nutritionists, or researchers

recommend. To improve the “Standard American Diet,” the first thing government can do is get out of the way.

Unions: Freedom of Coercive Association?

JANUARY 08, 2013 by Gary M. Galles

One of the core tenets of unions is that they are a legitimate application of workers' constitutionally protected freedom of association, so that anything that restricts unions violates that freedom of association. As Brenda Smith of the American Federation of Teachers (AFT) put it, "Exclusivity for a union with majority support is not a monopoly, it is democracy . . . It allows employees to select their representative freely, without coercion from the employer. It allows them to amplify their voice through collective action under our constitutionally protected right to freedom of association." Unfortunately for exponents of that argument, freedom of association does not endow the association with more powers than the members had as individuals.

For instance, an individual who chooses not to work has no power to prevent someone else from taking the job, and freedom of association offers a group of workers no more power to do so. But government has given unions a host of special privileges, from monopoly representation to strike powers to exemptions from antitrust laws and union liability for member violence. Freedom of association does not justify these special privileges; in fact, they are inconsistent with freedom of association.

Monopoly unions backed by special government grants of power violate freedom of association in multiple ways. Current labor law and its interpretation violate all of the following:

• the freedom of workers to not associate with a particular union or its members;

• the freedom of workers to associate with non-union employers in workplace cooperation;

• the freedom of employers to not associate with unions; and

• the freedom of employers to associate only with workers who do not have any union involvement.

In sum, unions' freedom of association means one-way freedom for unions to force workers and employers to associate with them, denying the latter their own freedom of association.

A fundamental or inalienable human right must be one that everyone possesses. If one party's exercise of a right prevents a second party's exercise of the same right, it is only a right for the first party, not a human right. If the second party is required to accept the first party's offer of association on the terms the first party offers, the second party is not free to choose his associations. Freedom of association would be a right of the first party; it would be denied to the second party.

The upshot is that a fundamental right to freedom of association only means freedom to associate with those who also choose to associate with us—voluntary association on both sides. And that requires people's freedom to refuse association with others against their will.

Labor law violates workers' freedom not to associate with unions by forcing them to accept exclusive union representation whenever a majority of workers voting in a certification election voted for that union, regardless of the minority's own votes or preferences. That forced representation is all but impossible to end, as well: Decertification is exceedingly difficult to execute.

And it is not only a few workers who are forced to associate with and support unions. For instance, within a year of Wisconsin's adoption of collective bargaining reforms in 2011, AFSCME membership fell from 62,818 to 28,745, and AFT lost 6,000 out of 17,000 members. Unions have also tried to further violate workers' freedom of association by reducing the time employers have to make their case before certification elections and by

pushing card-check proposals that would eliminate the necessity for a secret vote by workers.

Workers are also required to pay the union-dictated price for unions' services, although those who didn't vote for the union have revealed that they didn't value those services enough to pay for them voluntarily. And costs of representation are inflated by accounting sleight of hand, so that many "representation" costs really go to the unions' favorite political slush funds, even though more than one-third of union workers routinely vote against union-supported political positions. In the 1989 *Beck* case, the Supreme Court found that more than four-fifths of those union dues actually went to politics.

Labor law currently violates workers' freedom to associate with non-union employers in workplace cooperation, such as quality circles and other worker involvement with workplace issues, because those forms of association have been outlawed as "company unions" (which is to say, not "real" unions). In other words, unions can hold both non-union employers and workers hostage by denying them the ability to improve labor-management relationships and productivity, unless they accept monopoly unions' extortion for the privilege.

Labor law currently violates the freedom of employers to not associate with unions by forcing them to accept and "bargain in good faith" (compromise) with a union selected by a majority in a certification election. Under contract law, however, a contract in which any of the parties was required to bargain would be legally void. Ironically, this also means that a worker is not allowed to "associate" with himself in order to act as his own negotiator with an employer.

Labor law currently violates the freedom of employers to associate only with workers who do not wish to have any union involvement by banning so-called yellow-dog contracts (which the Supreme Court called "a part of the constitutional rights of personal liberty and private property" in 1917, before those rights were taken away). In addition, since some yellow-dog contracts were actually pushed by workers who wanted to avoid union harassment, this also violates employees' freedom of association.

Monopoly unions leverage one violation of freedom of association into an excuse for another. For instance, they claim they must be allowed to impose mandatory dues ("union security") because some would "free ride" on union negotiating services. But government-mandated exclusive representation created this potential free-rider problem, and one union-coerced association abuse does not justify another.

Freedom of association, rightly understood, has long been a bedrock American principle. Alexis de Tocqueville celebrated our exercise of that freedom, and wrote, "The most natural privilege of man, next to the right of acting for himself, is that of combining his exertions with those of his fellow creatures and of acting in common with them. The right of association therefore appears to me almost as inalienable in its nature as the right of personal liberty. No legislator can attack it without impairing the foundations of society." But unions have rhetorically twisted freedom of association into a special source of plunder that primarily denies freedom of association. As Frédéric Bastiat described it over a century and a half ago, "If the special privilege of government protection against competition—a monopoly—were granted only to one group . . . the iron workers, for instance, this act would . . . obviously be legal plunder."

American labor law endorses the freedom of association, but it morphs individuals' freedom of association into freedoms "to form, join, or assist labor organizations" to enable their collective bargaining. That is, it defends employee rights that can be advanced solely via unions, where such unionization inherently sacrifices workers' (and employers') individual freedom to determine their own associations.

As John Ransom summarized it, "for unions freedom of association means workers are given only one representative, one association, one non-dissenting voice carefully following the party line." That stands in sharp contrast with Thomas Jefferson's recognition that "the first principle of association [is] the guarantee to everyone of a free exercise of his industry and the fruits acquired by it," and that "The true foundation of republican government is the equal right of every citizen in his person and property and in their management." Jefferson makes clear that unions' supposed

justification in freedom of association is not only false, but a contradiction in terms.

Climate Consensus: Do Little for Now

DECEMBER 27, 2012 by Daniel Sutter

The 2007 report of the Intergovernmental Panel on Climate Change (IPCC) projects that continued emission of greenhouse gasses (GHG) will raise the earth's temperature by 1.8°C (3.2°F) and sea level by one foot by 2100. Projected climate changes, if they come to pass, will have a number of effects on society, though not all of those effects will be negative.

Although debate over the IPCC's projections continues, less attention has been focused on the ultimately more important result: Cost-benefit analysis (CBA) implies we should do very little to prevent climate change. Instead, we should create wealth. Expanding the productive capacity of the economy will compensate future generations better than reductions in GHG will. A richer world in 2100, after all, will be able to afford to do things like relocating people affected by rising sea levels and constructing new port facilities and seawalls.

A report by the liberal Global Development and Environment Institute at Tufts University observes, "Economists frequently . . . calculate the optimal policy response [to climate change]. This calculation often leads to the conclusion that relatively little should be done for now."

Cost-Benefit Analysis

Businesses operate under the discipline of profit and loss based on market prices. Profit signals that an action generates benefits for the economy. Government does not face the discipline of profit and loss, but CBA, performed honestly, offers guidance about whether government actions benefit society.

Measures to reduce GHG emissions today typically fail a cost-benefit test due to the discounting of benefits. Discounting refers to applying a real interest rate to future values. Two arguments support discounting in CBA. The first is impatience, or what economists call time preference: $100 is worth more today than it is one year from now, even without inflation. The second is the return on savings and investment, or the opportunity cost of capital. Money spent now to reduce GHG could be saved and invested instead. The interest rate equates impatience and the return on investment on the margin, as investors must be compensated for delaying consumption.

Discounting

The mathematics of discounting makes values more than about 50 years in the future worth little today. The federal government makes cost-benefit calculations using 3 percent and 7 percent annual real (or adjusted for inflation) interest rates, approximating the historical risk-free interest rate and the annual real return on stocks. The present value of $1 million 100 years from now is $52,000 at a 3 percent discount rate, and $1,150 at a 7 percent discount rate. To see how this affects climate change economics, suppose that spending $100 billion annually—starting right now—we could prevent $1 trillion in annual damage, beginning in 100 years. The ratio of $10 in benefits to every $1 in costs appears favorable, but this fails a benefit-cost test at either a 7 percent or 3 percent real discount rate.

Some observers respond to this math by arguing against discounting in climate change economics. Time preference is a questionable argument in intergenerational settings because future beneficiaries will not have to wait 100 years to realize climate benefits. But the opportunity cost argument remains. The Stern Commission in the U.K. applied an implausibly low discount rate to its calculations. Others imagine current benefits from GHG reductions rendering discounting irrelevant. For example, the Environmental Protection Agency (EPA) included private benefits in a CBA of higher fuel economy standards to reduce GHG emissions, arguing that making people purchase higher-mileage cars than they prefer makes car

buyers better off. Creating benefits today effectively makes reducing GHG a free lunch.

Wealthier is Healthier

Resources put into reducing GHG can't be invested elsewhere, so the opportunity cost of GHG reduction amounts to the returns that could have been expected, based on historical rates. Maintaining opportunities to invest and create wealth for future generations requires the institutions of a market economy, or a high level of economic freedom, as the Fraser Institute's *Economic Freedom of the World: 2012 Annual Report* demonstrates. Bequeathing a higher standard of living to future generations also requires preserving economic freedom. Discounting mathematics ultimately tells us that economic freedom addresses climate change more effectively than energy central planning through carbon taxes or cap-and-trade.

Compensating the "victims" of climate change with extra wealth does have a potential limit. Extra resources provide inadequate compensation if climate change dramatically alters the world. Money will not typically fully compensate for a catastrophic injury; a quadriplegic is unlikely to enjoy the same level of utility or satisfaction after his injury, even if his medical bills and care needs are paid. Wealth accumulation would not adequately compensate future generations if climate change produced a world like those depicted in *Waterworld* and *The Day After Tomorrow*. Future generations would not be adequately compensated if climate change destroyed the economy's ability to produce goods and services. Fortunately *Waterworld* is the stuff of Hollywood fiction; the largest of the upper range of sea level rise in any 2007 IPCC climate scenario is about 2 feet. That will have serious consequences, but it will hardly flood the entire world. It can be offset by wealth accumulation.

A Hundred-Year Plan?

Property rights and prices lead basically self-interested people to worry about the future. For example, property rights and markets for existing homes provide owners with incentives to keep their houses livable long after they plan to own them. And yet the mathematics of discounting implies that events too far in the future should not affect decisions much today. Growth, progress, and creative destruction limit the horizon for detailed planning in a market economy. Imagine a business in 1900 trying to plan its operations in 2000. The plan could not have included automobiles, planes, television and radio, satellites, computers, and many other conveniences of modern life.

Now let's project ahead and consider planning for climate change. A number of fundamental innovations could substantially reduce if not eliminate the threat from climate change, such as effective, low-cost carbon sequestration or effective weather modification to smooth out precipitation patterns. And the development of a radical new clean energy source like nuclear fusion could render remaining stocks of fossil fuels uneconomic at any price.

Conclusion

A dynamic market economy will feature too much creative destruction to allow detailed planning for the distant future. Nothing is sure in a market economy 10 years from now, much less 100 years, and discounting in cost-benefit analysis simply reflects this reality. The economic future becomes more predictable when government controls economic activity, but then stagnation results. Discounting in climate change economics tells us to create wealth to protect future generations. Economic freedom and the institutions of the market economy, not central planning of energy use, are the prudent policy approaches to a changing climate.

The Death of Privacy

JANUARY 04, 2013 by Faisal Moghul

The poorest man may in his cottage bid defiance to all the force of the Crown. It may be frail; its roof may shake; the wind may blow through it; the storms may enter, the rain may enter,—but the King of England cannot enter; all his forces dare not cross the threshold of the ruined tenement!
—William Pitt, Earl of Chatham (1763)

The history of colonial America is replete with incidents of abominable abuse of power by agents of the Crown. One of the most effective means of oppressing the colonies was through writs of assistance, commonly known as general warrants, which gave British officials carte blanche to invade private homes and businesses in search of contraband and to seize property with absolute impunity.

James Otis, a Boston lawyer, believed general warrants to be a violation of hallowed natural law principles enshrined in the Magna Carta. Otis's stirring denunciations of the Crown's overreach launched him to prominence. He regarded general warrants as the "worst instruments of arbitrary power" because they placed the "liberty of every man in the hands of every petty officer" who "may control, imprison, or murder any one within the realm." Arguing before the Massachusetts Superior Court in 1761, Otis's articulation of this systemic despotism established the ideological origins of the Fourth Amendment to the United States Constitution. "A man's house is his castle;" Otis wrote,

[A]nd whilst he is quiet, he is as well guarded as a prince in his castle. This writ, if it should be declared legal, would totally annihilate this privilege. Custom-house officers may enter our houses when they please; we are commanded to permit their entry. Their menial servants may enter, may

break locks, bars, and everything in their way; and whether they break through malice or revenge, no man, no court can inquire.

Widespread resistance to these reviled instruments of royal tyranny became one of the embers that sparked the Revolutionary War. Of course, the revolution culminated in the codification of the Fourth Amendment. The Bill of Rights stood as an enduring rebuke to the Crown's overzealous surveillance during colonial times. That is, against the Crown's principle of general suspicion, the Founding Fathers inserted this provision in the Bill of Rights to prevent history from repeating itself. If a man's home is his castle, then the Fourth Amendment is the mortar binding each brick, making one's home an inviolable bulwark against the prying eyes and ears of the government.

The Fourth Amendment embodies a fundamental truth and the chief characteristic distinguishing a free society from a tyrannical police state. An individual's right to privacy and freedom from arbitrary invasions cannot be infringed, unless probable cause "exist[s] where the known facts and circumstances are sufficient to warrant a man of reasonable prudence in the belief that contraband or evidence of a crime will be found" (*Ornelas v. United States*, 517 U.S. 690, 696, 1996).

After having successfully prosecuted Nazi war criminals at Nuremberg, former U.S. Supreme Court Justice Robert Jackson eloquently reaffirmed the importance of this safeguard against unbridled governmental intrusion:

Uncontrolled search and seizure is one of the first and most effective weapons in the arsenal of every arbitrary government. And one need only briefly to have dwelt and worked among a people possessed of many admirable qualities but deprived of these rights to know that the human personality deteriorates and dignity and self-reliance disappear where homes, persons and possessions are subject at any hour to unheralded search and seizure by the police (*Brinegar v. United States*, 338 U.S. 160, 180–181, 1949).

And then came Richard Nixon's "War on Drugs."

From Public Safety to National Security

By blaming all of America's problems on drugs, Nixon's "tough on crime" rhetoric was portrayed as a necessary step to rid society of drug crimes, just as agents of the Crown sought to justify their abuse of general warrants under the guise of rooting out smugglers of tea and molasses.

But the hardline policies of Nixon's "law and order" administration, far from being elixirs in terms of stopping drug use or crimes, initiated the process of slowly but inexorably eroding the Fourth Amendment over the course of the next 50 years. From increased canine searches at "drug" checkpoints, to militarized SWAT team raids of homes of "suspected" drug dealers, a man's castle was seen as a rampart to be taken down by the State. From vague drug-courier profiles that allow law enforcement to target racial minorities, to the malicious application of asset forfeiture laws in which officials arbitrarily confiscate the life savings of the innocent, the War on Drugs has turned out to be a war on citizens' persons and property.

But if the War on Drugs was an erosion of the Fourth Amendment, the "War on Terror" sounded its death knell.

The National Security Agency (NSA), with its warrantless domestic spying program has turned America into the most surveilled society in history, eclipsing conditions of East Germans under the Stasi. Two high-profile NSA whistleblowers, Thomas Drake and William Binney, have revealed the extent of the collateral damage to our rights from the surveillance dragnet. In their own words, the government is illegally monitoring (in real time) activities not tethered to any suspicious or illegal conduct—for example, phone calls, purchases, emails, text messages, Internet searches, social media communications, health information, employment histories, and travel and student records—and creating dossiers on everyone (even senators, congressmen, and decorated generals).

The twin wars on drugs and terror have coalesced to re-enact the same state of generalized suspicion which, both historically and practically, enabled a Soviet-style police state to emerge. Such blatant disregard for a citizen's

privacy, person, and property is a throwback to the conditions the American Founders rebelled against. Likewise, the surveillance state is a violation of the same natural law principles enshrined in the Magna Carta, which James Otis so eloquently defended.

From Man's Castle to "Turnkey Totalitarian State"

More than thirty years ago, Senator Frank Church, the chairman of the Church Committee, after investigating the widespread abuses perpetrated by the FBI under the secretive and illegal COINTELPRO, forewarned the nation of the dangers of forsaking essential liberties for temporary safety:

[The NSA's] capability at any time could be turned around on the American people, and no American would have any privacy left, such is the capability to monitor everything: telephone conversations, telegrams, it doesn't matter. There would be no place to hide. [If a dictator ever took over, the N.S.A.] could enable it to impose total tyranny, and there would be no way to fight back.

Arguably, this remorseless modern-day engine of surveillance has been turned against the American people. The purpose of this widespread data mining is not to ferret out terrorist or criminal activity, as we were first told, but to neutralize any dissent and political opposition to the powers that be. William Binney, himself a target for speaking out against the illegal spying on the American people, explains how it works: "If you ever get on their enemies list, like Petraeus did, then you can be drawn into that surveillance." In such a scenario, Binney adds, the stored information on that individual—and remember, the NSA collects vast amounts of data on virtually everyone—will be used to target, blackmail, or intimidate that person.

One high-level NSA bureaucrat, Thomas Drake, who was charged under the Espionage Act for exposing the illegal eavesdropping (the case ended in an eventual misdemeanor plea bargain), illustrates the dangers of an unchecked surveillance state. Allow me to quote Drake at length:

People don’t realize the extent to which we’re surveilled in many, many ways. The extent to which vast amounts of our transactional data in all forms—electronic forms, your emails, your tweets, bank records and everything else—are all subject or suspect in terms of surveillance. It raises the specter of the rise of so-called “soft tyranny.” It raises the specter of you being automatically suspicious until you prove that you’re not; the specter of a universal and persistent wiretap on every single person [. . .] what happens if they don’t like you? What if you speak ill will against the government? What if you say something they consider disloyal? . . .

Our security has become our state religion, you don’t question it. And if you question it—your loyalty is questioned.

Speaking truth to power is very dangerous. The power elites, those in charge, don’t like dirty linen being aired. They don’t like skeletons in the closet being seen. Not only do they object to it, they decide to turn it into criminal activity. Remember, my whistle blowing was criminalized by my own government.

After years of government service, Thomas Drake now works at an Apple store. When society descends into collective insanity, when the apathetic masses fail to realize the dreaded consequences of empowering the all-powerful state with a blank check drawn against their own civil liberties, then the only people with the courage to speak truth to power are demonized in the most diabolical ways.

The Death of Privacy and the Technologies of Control

“It would be ironic if, in the name of national defense, we would sanction the subversion of . . . those liberties . . . which make the defense of the nation worthwhile” (*U.S. v. Robel*, 389 U.S. 258, 264, 1967).

The most common, and perhaps most deceptive, argument marshaled in favor of government spying is that if people aren’t doing anything "wrong,"

then they have nothing to worry about. This "not-doing-anything-wrong" argument is a classic red herring, for if an individual is not doing anything wrong, then the government has no business spying on that person in the first place. This is exactly what the Fourth Amendment was designed to prevent—a state of total generalized suspicion where everyone is guilty until proven innocent. William Binney also refutes this argument: “The problem is, if they think they’re not doing anything that’s wrong, they don’t get to define that. The central government does.” In other words, one’s subjective opinion of right and wrong is irrelevant; the government’s interpretation governs.

Apologists for mass government spying also typically invoke the "necessary evil" doctrine—an old Machiavellian ruse—to justify this activity. They argue that illegally eavesdropping on the populace, while not good in itself, is necessary to counter the existential threat terrorism poses. They claim that the methods of modern-day terrorism are brutal and unconventional. Terrorists seek to inflict mass casualties through horrific means; terrorism's nature is irrational, perpetrated by individuals who hold no fear of death in destroying others; its form is impenetrable, consisting of a shadowy network spread across the globe. The danger is ever present, threatening to strike anywhere, anytime. Consequently, the government must exercise “all necessary means” to protect its citizens.

Such an argument, while tempting for the unaware, suffers from historical amnesia. During times of emergency, the instinct of self-preservation naturally impels us to seek the direction of the powers that claim to protect us. The omnipresent fear of the unknown predisposes us to trust the government that assures security conditioned on an absolute grant of what John Locke calls “undoubted prerogative.” The constant, unchanging mantra of the power elite is "trust us, and we will protect you from the barbarians at the gate." The demand seems reasonable, its logic impeccable. Destabilized by our collective vulnerability and driven by the spirit of patriotism, our inclination is to comply and surrender our rights.

This formula has forever remained the same; so too has the final result, which always stands in stark contrast to the initial promise. For example:

- President John Adams insisted that the Alien and Sedition Act was essential to protect Americans, but he abused that power by using it to suppress dissent in the press.
- President Abraham Lincoln unilaterally suspended the writ of habeas corpus in 1861 under the pretext of fighting the Civil War because "public safety" required it. This order resulted in the imprisonment of "disloyal persons" without any trial.
- President Woodrow Wilson advocated for the necessity of the Espionage Act to save American lives, but he only used this law to prosecute thousands of American pacifists who spoke out against American involvement in World War I.
- President Franklin D. Roosevelt cited the exigency of World War II to pass Executive Order 90266, which he utilized for the mass internment of thousands of innocent Japanese Americans.
- In the aftermath of the 9/11 tragedy, President George W. Bush assured the public that the NSA's wiretapping program was only directed at identifying terrorists.

The now-absolute authority that promised to safeguard our liberties uses that same power to subvert what it claims our enemies seek to destroy —our way of life and hard-won freedoms. The Orwellian nature of the scheme—selling "control" in the name of "security"—is slow to crystallize in our collective consciousness. We will in the end grasp the fallacy of rendering blind allegiance to absolute power, but by then it will be too late. The *modus operandi* of the current scheme of total surveillance is to streamline and perfect the technologies of controlling society. This blueprint was designed a long time ago, before 9/11 provided the pretext. Elite insider and the founder of the Trilateral Commission, Zbigniew Brzezenski, apprised us of this ultimate goal in his 1968 article "America in the Technetronic Age":

At the same time, the capacity to assert *social and political control* over the individual will vastly increase. As I have already noted, it will soon be possible to assert almost continuous surveillance over every citizen and to maintain up-to-date, complete files, containing even most personal information about the health or personal behaviour of the citizen, in

addition to more customary data. These files will be subject to instantaneous retrieval by the authorities [emphasis added].

More than two centuries after the Founding Fathers risked death in opposing the king's general warrants, we have come full circle, and the executive not only illegally spies on everyone, but also wields secretive "kill lists" and "enemy lists."

A man's home is no longer his castle, and we are all poorer for it.

Why Capitalism?

DECEMBER 17, 2012 by Bruce Yandle

Allan Meltzer is an eminent professor of economics at Carnegie-Mellon University. He is a world-renowned U.S. Federal Reserve scholar, a 1973 founder and chairman of the Shadow Open Market Committee, and an American Economic Association Distinguished Fellow. What else could he possibly add to those laurels?

Meltzer has written *Why Capitalism?*

Meltzer answers that question with personal and scholarly reflections on capitalism—the one economic system that achieves both prosperity and individual freedom. While Meltzer celebrates such bounty, anyone expecting a polemic will surely be disappointed.

Meltzer gives himself a wide enough berth to assess capitalism across many cultures, countries, and mixed economies. To satisfy his definition, functioning capitalism more or less requires individual ownership of the means of production, property rights protection, and the rule of law. As Meltzer sees it, these basic features can be found in economies with both large and small public sectors, in countries with massive amounts of regulation, and in places where the necessary institutional building blocks are just beginning to form. In no way does he expect his definition to be satisfied perfectly in practice.

Of the many stars in the constellation of capitalist thinkers, Meltzer mentions Friedman and Hayek. Otherwise, his central foundational figure is Immanuel Kant. The book begins with Kant's fundamental assertion about human nature: "Out of timber as crooked as that from which man is made,

nothing entirely straight can be carved." And Meltzer echoes this truth throughout *Why Capitalism?*

The point is simple and powerful: Imperfect human beings build institutions that undergird economic systems. Capitalism will include flaws, imperfections, corrupt practices, and wasted resources. And so will any other economic system. Capitalism's saving grace, however, is found in decentralization of decision-making, in competition for resources, and in dynamic markets. Markets are filled with customers who create competitive forces that reduce the cost of error and the scope of corruption. The power of capitalism lies in the system's unique ability to punish resource owners who make bad decisions, to reward those who create value, and to adapt to rapidly changing conditions. Capitalism disperses power while other systems concentrate power.

Because of these inherent traits, Meltzer views capitalism as the best of the imperfect systems fashioned from crooked timber. Unlike other systems, capitalist systems are adjusted and reformed by success and failure. Along these lines, we find Meltzer's own famous quip: "Capitalism without failure is like religion without sin: It doesn't work."

Meltzer offers a good treatment of the empirical work relating to economic growth across countries as it relates to variations in economic freedom. He also pays a lot of attention to regulation and the unfortunate incentives that accompany collective efforts to steer markets or to correct perceived excesses. In this he offers his first and second laws of regulation: First, lawyers and bureaucrats regulate. Markets circumvent regulation. Second, regulations are static. Markets are dynamic. (There is plenty here to contemplate.)

One finds a number of remarkable sections in Meltzer's little book. Two of these gems are his summary of U.S. monetary history—which draws, of course, on his own two-volume history—as well as his criticism of the newly formed institutions that arose in the wake of the Great Recession. Meltzer tears into the notion that the Fed is independent of government by citing instances where presidents pressured and got their desired response from Fed officials. He tells fascinating stories of how, with the exception of

the Volcker years, the flawed logic of the Phillips Curve has strongly influenced Fed behavior.

Meltzer also looks critically at the perverse incentives found in Dodd-Frank, “too big to fail,” and the new and strangely unaccountable Consumer Financial Protection Bureau. In doing all this, Meltzer demonstrates his masterful ability to perform institutional analysis while focusing on the future health of American capitalism. Along the way, Meltzer offers some well-reasoned policy recommendations that could improve the nation’s long-run prospects for wealth creation.

Why Capitalism? is an ideal selection for small-book discussion groups, students, scholars, business people, and all who have an interest in capitalism’s ability to adapt and survive as ideologues attempt in vain to fashion more perfect systems from crooked timber.

Markets Not Capitalism

JANUARY 09, 2013 by Charles Johnson, Gary Chartier, Matt Zwolinski

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Libertarianism is often considered to be a "right-wing" political theory. After all, libertarians favor free markets and strictly limited government, and these are things conservatives usually claim to support, too. And libertarians themselves have more readily associated and identified with the political right than with the left.

Over the past five years, however, a group of libertarian scholars and activists has been working to change this perception, arguing that our current understanding of libertarianism should be more radical than it is and more open to many of the moral and empirical concerns typically associated with the left. They have unearthed some of libertarianism's buried intellectual roots, exposing influences in the work of thinkers who advocated radical and decentralizing changes to existing power structures.

Their main arguments, together with some key historical texts, have now been gathered in one book. It contains contributions by all of the major contemporary advocates of this position, most notably Kevin Carson, Sheldon Richman, Roderick Long, and the editors themselves. It also contains numerous older essays by some of the more significant writers who inspired the new movement, including Benjamin Tucker, Karl Hess, Roy Childs, and Murray Rothbard.

The editors of this volume describe it as an introduction to "left-wing market anarchism." They also sometimes use the label "left-libertarianism," though neither label is entirely satisfactory. Left-libertarians believe many of the same things that traditional libertarians believe. They have standard libertarian moral beliefs about individual self-ownership and the wrongness of aggression. And empirically, they share with traditional libertarians a

confidence in the beneficial effects of free markets and spontaneous order, as well as the destructive effects of government intervention.

Two key beliefs distinguish the left-libertarian. First, left-libertarians are more sympathetic than traditional libertarians to the moral critique of capitalism made by many on the left. Left-libertarians take seriously, in a way that many traditional libertarians do not, the charge that capitalism leads to the exploitation of workers, the oppression of marginalized groups, and a concentration of wealth at the top. Unlike standard leftists, however, left-libertarians see those problems as stemming not from free markets, but from government intervention in free markets. Hence, the book's title.

If capitalism is what we have today, then capitalism is not a free market. Libertarians who defend our current system on the assumption that it is a free market are thus making a terrible mistake—the mistake of what Kevin Carson calls "vulgar libertarianism." Freed markets are something to be aspired to and achieved; they are not what we have now, nor are they something we had in some golden age in the past. (See Anthony Gregory's "The Golden Age of Freedom Is Still Ahead" in the October *Freeman.*)

This leads to the second distinguishing feature of left-libertarianism. Left-libertarians believe that a society based on truly freed markets would be radically different from the society we live in today. It would be one in which "firms would be smaller and less hierarchical," more local, and more likely to be employee-owned. Bosses and landlords would play a smaller role in people's lives, and greater economic and social equality would prevail. In short, it would be a society in which many traditionally left-wing goals of equality, worker autonomy, and decentralization of power would be achieved. But with the difference, to borrow from the title of one of Chartier's essays, that these "socialist ends" would be achieved through "market means."

There is much that traditional libertarians should learn from in the pages of this book. Libertarianism is a revolutionary creed, and Chartier and Johnson remind us of the dangers of allowing it to be transformed into a staid apology for the status quo. At the same time, however, not all defenses of the status quo should be dismissed so quickly. Traditional libertarians have

presented powerful arguments to suggest that inequality is not the problem critics from the left claim it to be, to show that sweatshop labor often provides workers in the developing world with the best available option for improving their lives, and so on.

These arguments may be flawed, but one cannot disprove them merely by showing that we do not live in a purely free market (as a number of left-libertarians have attempted to do). For while it is true that our capitalist system is not entirely free, neither is it entirely unfree. And the outcomes this system produces, such as income inequality and hierarchical firms, are the result of a complicated mix of government intervention, private injustice, and voluntary choice. Sorting this out, and deciding what justice requires of us in a partially unjust world, is difficult business. So while left-libertarians are right to point out the ways in which our current system falls short of the ideal, traditional libertarians are also right to defend the pockets of freedom that exist against critics on the left and right who misunderstand and misrepresent what that freedom means.

Nevertheless, Markets Not Capitalism is an important collection of essays that will, I can only hope, fundamentally change the way that libertarianism is perceived by the broader public, and provide new and inspiring direction for future scholarly work by libertarians in economics, philosophy, sociology, and law.

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