



The Struggle for a **Better** World

Peter J. Boettke

The Struggle for a Better World

Advanced Studies in Political Economy

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Peter J. Boettke, *The Struggle for a Better World*

The STRUGGLE for a BETTER WORLD

PETER J. BOETTKE



This publication contains the front matter and an excerpted chapter from *The Struggle for a Better World* by Peter J. Boettke. The full-length print and electronic editions of the book are available through www.amazon.com.

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978-1-942951-86-5 (hardcover)

978-1-942951-87-2 (paper)

978-1-942951-88-9 (electronic)

Mercatus Center at George Mason University
3434 Washington Blvd., 4th Floor
Arlington, VA 22201
www.mercatus.org
703-993-4930

Cover design: Jessica Hogenson

Editorial and production: Publications Professionals LLC

Library of Congress Cataloging-in-Publication data are available for this publication.

**To Dave Prychitko, Steve Horwitz, Emily Chamlee-Wright,
and Virgil Storr**

My fellow students of our beloved teacher Don Lavoie, who have provided, and continue to provide, much needed assistance in the struggle. May our efforts continue to honor the memory of Don and the path he prepared us to follow.

The power of abstract ideas rests largely on the very fact that they are not consciously held as theories but are treated by most people as self-evident truths which act as tacit presuppositions. That this dominant power of ideas is so rarely admitted is largely due to the oversimplified manner in which it is often asserted, suggesting that some great mind had the power of impressing on succeeding generations their particular conceptions. But which ideas will dominate, mostly without people ever being aware of them, is, of course, determined by a slow and immensely intricate process which can rarely reconstruct in outline even in retrospect. It is certainly humbling to have to admit that our present decisions are determined by what happened long ago in a remote specialty without the general public ever knowing about it, and without those who first formulated the new conception being aware of what would be its consequences, particularly when it was not a discovery of new facts but a general philosophical conception which later affected particular decisions. These opinions not only the “men in the street,” but also the experts in the particular fields accept unreflectingly and in general simply because they happen to be “modern.”

—F. A. Hayek
Law, Legislation and Liberty

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Acknowledgments

In pursuing a career as a scholar, one accumulates many debts to the teachers who taught, to the family members who supported, to the colleagues who collaborated, and to unknown scholars past, present, and future who were sources of inspiration. I consider myself very fortunate; I had professors who changed my life and gave me a mission and ample intellectual resources to start me on my quest. I have a lovely and willing life partner in Rosemary, who since we were teenagers has been my best friend and strongest supporter, as well as the love of my life. And I had amazing classmates in graduate school, and then wonderful colleagues and students at every stop along the way in my career. And finally, I have my “friends” through the ages that I am in constant dialogue with and learning from in the form of books and articles that occupy my bookshelves, pile up on my desk and office floor, and tend to spread throughout the house—or more recently, eat up storage space on various electronic devices. Books, in particular, have played a big part in Rosemary’s and my life together, as she spent the last decade of her career in education as a school librarian and is an avid reader.

Reading, writing, and teaching has occupied my professional life for close to 40 years. It has enabled me to travel throughout the world from the edge of Patagonia in Argentina to the cold of winter in Moscow, Russia, and almost everywhere in between.

The essays in this collection are in most instances invited lectures that I was honored to have given for learned societies and organizations. Full attribution to the organizer, the date, and subsequent publication details may be found on the first page of each essay. I gratefully acknowledge these opportunities, and am especially grateful for the permission to include in this volume these lectures from Atlas Network, Liberty Fund, New Zealand Business Roundtable, *Constitutional Political Economy*, *The Independent Review*, *The Insider*, the *Journal of Private Enterprise*, *Policy: A Journal of Public Policy and Ideas*, the *Review of Austrian Economics*, and the *Southern Economic Journal*.

I have been closely associated with the following organizations throughout my career: the Association of Private Enterprise Education (APEE), the Mont Pelerin Society (MPS), the Society for the Development of Austrian Economics (SDAE), and the Southern Economic Association (SEA). I have consistently attended the meetings and served in various capacities for each of these organizations, and have had the honor of serving as president of each of these organizations as well (APEE, 2013–2014; MPS, 2016–2018; SDAE, 2000–2001; SEA, 2015–2017).

I could not have served in this capacity without a tremendous support team at my home institution of George Mason University and at the Mercatus Center. Individuals such as Peter Lipsey, Eric Celler, McKenzie Robey Ackermann, Stephen Zimmer, Karla Moran Segovia, and Jessica Cargas have been indispensable to my ability to balance my teaching, research, and organizational efforts.

The Mercatus Center is celebrating its 40th anniversary at Mason in 2020; I have been lucky to be along for the ride for 26 of those years (1984–1988 as a grad student; 1998–present as faculty). This is my home base, and this is where I draw my inspiration for the continuing struggle to understand the world in the hope that improved understanding can lead to betterment. Thank you to all who have made Mercatus such a special place for all these years, with the hope that we will continue our quest for understanding the human condition, and, based on that understanding, that we will fight the good fight for respect for universal human rights and economic, political, and civil freedom.

Introduction

Economic and Political Liberalism: Yesterday, Today, and Tomorrow

The essays that constitute *The Struggle for a Better World* come from various opportunities I have been afforded since 2000 to summarize my research and discuss the implications of this work for a broader project in political economy and social philosophy. I mean the term *struggle* in a few senses. As a scholar, I am struggling to understand the world and its governing dynamics. As a concerned citizen, I am struggling to make sense of the senseless inhumanity that constantly creeps into our economic lives, social interactions, and political engagement. And as an advocate of liberal cosmopolitanism, I recognize that there is a historical struggle for the fulfillment of that program—a program grounded in the basic recognition that we are one another’s dignified equals—that is ongoing and unending.

As I sit down at my computer to write these words (summer 2020), the United States is confronted with a “legitimation crisis.”¹ Trust in public institutions of governance, private institutions of finance and commerce, and social institutions of community is under a severe stress test.

Since March 2020, much of the economy has been locked down by government decree in order to confront the public health crisis of a pandemic. Hundreds of thousands of lives have already been tragically lost to COVID-19 even with the lockdown policies in place, and we still do not know the final tally as the virus continues to spread, let alone the collateral damage in terms of the accurate accounting of excess deaths during this period due to the restrictions imposed on the healthcare system that resulted in undiagnosed illness, postponed surgeries, or fear-induced delays in seeking

I gratefully acknowledge the comments and criticisms on an earlier draft by Rosemary Boettke, Rosolino Candela, Jessica Cargas, Chris Coyne, Jayme Lemke, Jordan Lofthouse, and Virgil Storr. The usual caveat applies.

medical attention. History will be better able to do a full accounting than we are able to accomplish in real time.

The economic consequences are also significant, as the economy was basically placed in a state of suspended animation from March to June. In a “normal” economic crisis, business either adjusts or adapts to changing circumstances, and labor and capital are reallocated to more valued uses as guided by price signals and profit-and-loss statements. Economic crises are moments of *recalculation* of opportunities to meet imagined futures and redeployed labor and capital in that endeavor. But as a consequence of the lockdown, many businesses were unable to experiment with mitigation strategies and engage in the sort of risk assessment and risk management that would normally be required to address such an exogenous shock to ordinary business of life. Mandates and restrictions were issued, not public health guidelines and recommendations. Stay-at-home and stay-safe orders substituted for adapt-or-fail adjustments on multiple margins. Necessity can be the mother of invention, but only if the pressures of necessity are felt, not if they are suspended.

Various aggressive policies have been pursued by the Federal Reserve, by the Treasury, and by Congress to address the economic situation of keeping businesses afloat during these difficult times and providing unemployment payments to keep workers from economic ruin. The economic policy steps taken to enable this suspended animation for much of the US economy (and global economy, since most countries followed a similar path) will be discussed by economists and economic historians for years to come. But needless to say, extraordinary measures were enacted and foundational economic institutions that govern fiscal policy, monetary policy, trade and immigration policy, and regulation of economic activity were transformed in the process. We will see how quickly, if at all, they will be able to bounce back.

Then, just as it appeared there might be some light at the end of this tunnel for the public health crisis, a tragic and senseless act of violence and disregard of human life against a black man—George Floyd—was committed once again by those who supposedly are entrusted to serve and protect us.²

Within a liberal democratic society, citizens are *not* and must not *ever* be seen as enemy combatants by the police that service their communities, and police *should not* be armed as military commanders ready to wage such a war as they patrol the streets of our society. *But they do, and they are.* Thus, this display of brutality calls into question not just the legitimacy, but the very

existence of our country as a liberal democracy. These blatant displays of disregard of the fundamental principle of equal treatment of equals serve to highlight that we live in a society where those in positions of power govern *over* us, not *with* us, and those in control systematically deny voice to the voiceless and power to the powerless. These practices, this history, are not worthy of the label *liberalism*. It is a grotesque display of inhumanity and injustice.

These senseless acts of violence and disregard of human life targeted at people of color and women simply reinforce why the title of this work has the word *struggle* in it. The liberal project, I have argued repeatedly throughout my career, was born as an *emancipation project*—freeing individuals from subjugation by the Crown, from the dogma of the Altar, from the violence and oppression of the Sword, from the bondage of Slavery, from the miserable poverty of the Plough and from the special privileges granted to the Mercantile Interests.

We learn from the history of the struggle of the wars for religious toleration, from the long struggle for constitutionally limited democratic government and the rule of law, from the long process of economic development that delivered humanity from crushing poverty and improved the material conditions of billions who were able to live longer and more satisfying lives. Along the way, hard-fought battles for the abolition of slavery, for suffrage for women, for the right of individuals to love whom they want and as they want, had to be won. All of that did happen over the course of history. In fact, it might be impossible to understand the development of the disciplines of economics and political economy without understanding that it evolved simultaneously with the political institutions of liberalism in the 18th and 19th centuries, and that it must continually evolve in the context of 20th- and 21st-century understanding of liberal cosmopolitanism.

But as discussions have highlighted well before the crisis brought on by the COVID-19 pandemic and this latest example of police brutality, the liberal project was never universally achieved, and significant segments of the population were left out because of legal barriers due to religion, ethnicity, gender, race, and sexual orientation. Frederick Douglass's words in his famous speech “What to the Slave Is the Fourth of July?” (1852) must be read and understood. Oppression, Douglass told his audience, makes a wise man mad. But brave men, he argued, always find a remedy for oppression. Such was the Declaration of Independence. An act of madness pursued by brave men to demand equality, liberty, and justice. But then Douglass pivots

in his speech, and challenges his audience with the grotesque hypocrisy of the American experience:

What, to the American slave, is your 4th of July? I answer: a day that reveals to him, more than all other days in the year, the gross injustice and cruelty to which he is the constant victim. To him, your celebration is a sham; your boasted liberty, an unholy license; your national greatness, swelling vanity; your sounds of rejoicing are empty and heartless; your denunciations of tyrants, brass fronted impudence; your shouts of liberty and equality, hollow mockery; your prayers and hymns, your sermons and thanksgivings, with all your religious parade, and solemnity, are, to him, mere bombast, fraud, deception, impiety, and hypocrisy—a thin veil to cover up crimes which would disgrace a nation of savages. There is not a nation on the earth guilty of practices, more shocking and bloody, than are the people of these United States, at this very hour. . . .

The existence of slavery in this country brands your republicanism as a sham, your humanity as a base pretence, and your Christianity as a lie. It destroys your moral power abroad; it corrupts your politicians at home. It saps the foundation of religion; it makes your name a hissing, and a by-word to a mocking earth. It is the antagonistic force in your government, the only thing that seriously disturbs and endangers your Union. It fetters your progress; it is the enemy of improvement, the deadly foe of education; it fosters pride; it breeds insolence; it promotes vice; it shelters crime; it is a curse to the earth that supports it; and yet, you cling to it, as if it were the sheet anchor of all your hopes. Oh! be warned! be warned! a horrible reptile is coiled up in your nation's bosom; the venomous creature is nursing at the tender breast of your youthful republic; for the love of God, tear away, and fling from you the hideous monster, and let the weight of twenty millions crush and destroy it forever!

The sense of shame over the inhumanity of oppression should invoke madness in the wise and the brave if the liberal project is to live up to its promises. Too often, current political leadership at the local, state, and federal levels seems completely tone-deaf to the concerns of the unheard, the discarded, and the dispossessed. The “liberal democratic” order of the 1950s was not “great” for a person of color, or for a woman, or for the LGBTQ+ community. There is no “great” to go back to; there is only a “great” to move forward to as a truly *humane* liberal democratic project is refined and perfected.

Liberalism must be offered as a promise to future generations to eradicate the shameful sins of the past. We must come to a truthful and honest public

recognition of our difficult past and our troubling present. The liberal cosmopolitan project is reflected in a hand out to welcome strangers—across national borders, among multiple languages, of different races, religions, and creeds—into friendship through the mutually beneficial relationships of trade and commerce. But this project also represents—through the mechanism of modern economic growth that results from the expansion of trade and commerce—a hand to lift up the discarded, the dispossessed, and the desperate from the misery of poverty. A continuing theme in the essays in this volume is the intellectual refinements in economics and political economy that are required to establish a system that exhibits neither dominion nor discrimination, and the resolving of the intellectual tensions involved in thinking through that institutional task. The ideal is a system *absent of all privileges*. The vision of the “Good Society” that I hope to convey is one envisioned by Adam Smith in *The Wealth of Nations* when he wrote of the liberal program of “equality, liberty and justice” and argued:

All systems either of preference or of restraint, therefore, being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord. Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man, or order of men. *The sovereign is completely discharged from a duty, in the attempting to perform which he must always be exposed to innumerable delusions, and for the proper performance of which no human wisdom or knowledge could ever be sufficient;* the duty of superintending the industry of private people, and of directing it towards the employment most suitable to the interests of the society. ([1776] 1976, 208, emphasis added)

Smith also famously argued:

The statesman, who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted, not only to no single person, but to no council or senate whatever, and *which would no-where be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.* (478, emphasis added)

Readers would be very mistaken, however, if they understood Smith’s demand that individuals should be free from the domination and discrimination of those in positions of power as justifying the material possessions

of the wealthy. Smith's great book was a critique of mercantilism, that set of economic ideas and policies that granted special privileges to the commercial elites. He was a consistent critic of the privileged elite class, and a champion of the virtues of the shopkeeper and workmen. Smith was keenly aware that “no society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable” (88).

Recognition of this aspect of Smith's argument in *The Wealth of Nations* led James Buchanan (one of my teachers who, along with another one of my teachers, Kenneth Boulding, taught me so much about Smith while I was in graduate school) to argue that while the emphasis on economic efficiency is surely to be found in Smith, it is only broadly correct if “the efficiency norm is not given exclusive place. Smith's purpose was that of demonstrating how the removal of restrictions on free market forces, how the operation of his ‘system of natural liberty,’ would greatly increase the total product of the economy and, more importantly, how this would generate rapid economic growth thereby improving the lot of the laboring classes” (1976, 6). In short, economic liberalism, just like the struggle for political liberalism, is an effort at freeing individuals from the restrictions of the ruling elite.

F. A. Hayek—who in many ways is the most focused developer of Smith's liberal project in the 20th century—identified the project explicitly as the abolition of all privileges bestowed on the few at the expense of the many by those in positions of power.³ As he states in the preface to the 1956 edition of *The Road to Serfdom*: “The essence of the liberal position, however, is the denial of all privilege, if privilege is understood in its proper and original meaning of the state granting and protecting rights to some which are not available on equal terms to others” ([1944] 2007, 46). And in *The Constitution of Liberty*, he further explained, “The true contrast to a reign of status is the reign of general and equal laws, of the rules which are the same for all, or, we might say, of the rule of *leges* in the original meaning of the Latin word for laws—*leges*, that is, as opposed to the *privi-leges*” (1960, 154).

Liberalism is a doctrine of economic and political life grounded in the recognition that we are one another's dignified equals, and that justice demands equal treatment of equals. No exceptions, no excuses. As Deirdre McCloskey—probably the strongest contemporary voice for the Smithian plan of equality, liberty, and justice—puts it in her book *Why Liberalism Works*:

No slaves at all. Equality of status. No pushing around. Sweet talking. Persuasive. Rhetorical. Voluntary. Minimally violent. Humane. Tolerant. No racism. No imperialism. No unnecessary taxes. No domination of women by men. No casting couch. No beating of children. No messing with other people's stuff or persons. (2019, 10)

Freedom of thought, freedom of expression, freedom of commerce. “Like liberty unsupervised in the arts and sciences, or in music and journalism,” McCloskey argues, “such modern liberty unsupervised in the economy worked wonders.” And the history of economic liberalism demonstrates again and again that “mainly, the ordinary people, when freed, ventured out, and showed their un-ordinariness” (2019, 23). Power to the people, not only to the privileged elites. All can partake in and enjoy the fruits of freedom, not just the select few.

While the essays in this collection consist of opportunities I was afforded based on my previous research efforts, conspicuously absent from them is work discussing in detail my formative years of research and scholarship on the Soviet and post-Soviet experience.⁴ That work, however, is never far from view methodologically, analytically, and social philosophically. Socialism is a doctrine I have tried to study from every conceivable angle, and with the utmost of interpretative charity and intellectual respect. As Ludwig von Mises put in a passage I quoted as the epigraph of my first book:

It must be admitted that the idea of Socialism is at once grandiose and simple. . . . We may say, in fact, that it is one of the most ambitious creations of the human spirit. The attempt to erect society on a new basis while breaking with all traditional forms of social organization, to conceive a new world plan and foresee the form which all human affairs must assume in the future—that is so magnificent, so daring, that it has rightly aroused the greatest admiration. (1922, 41)

But like Mises, I believe that the great social experiment of the 20th century was also the greatest failure of the 20th century. I will return to this in my concluding essay, but due to its infeasibility, socialism should be eliminated from the menu of potentially desirable organizational forms of economic, political, and social life. There is no justice to be achieved from socialism, only equality in misery and despair as daily life devolves into one of economic deprivation and political terror.

We are far from a widespread intellectual consensus of the main lessons to be drawn from socialism, this bold yet failed social experiment of the 20th century. And it has been one of my main professional struggles to demonstrate those lessons to professional peers, colleagues across disciplinary divides, and students in the most intellectually responsible and scientifically careful manner. If my conjectures about the inherent contradictions in the socialist project are true, then the struggle for a just and good society is to be found in the reconstruction and fulfillment of the liberal project. However imperfect that project has been pursued in our problematic past—and it has indeed been imperfectly pursued—the struggle remains to understand and pursue a coherent and consistent vision of a society of free and responsible individuals, who can prosper through the voluntary participation in a market society, and live and be actively engaged in caring communities with their family and friends. Humane liberalism, cosmopolitan liberalism, true radical liberalism—this should be the promise of the liberal society to everyone regardless of race, religion, ethnicity, gender, and sexual orientation. People are people, and liberalism is *liberal*. We are, after all, one another's dignified equals. Open and tolerant, peaceful and prosperous, and dynamic and evolving—these are the hallmarks of a humane liberal economic, political, and social arrangement of human affairs.

The essays build on centuries of liberal thought, mainly from within my own disciplines of economics and political economy. I am, in these essays, in a constant conversation with Adam Smith and David Hume, with Jean-Baptiste Say, and John Stuart Mill, with Frank Knight and Ludwig von Mises, and especially with F. A. Hayek, Lionel Robbins, James Buchanan, Murray Rothbard, and Israel Kirzner.⁵ John Locke, Alexis de Tocqueville, Robert Nozick, as well as Douglass North, Elinor and Vincent Ostrom, Vernon Smith, Don Lavoie, and Deirdre McCloskey are always in the background as well. But it is from my constant engagement with the ideas of Mises, Hayek, and Buchanan that I have formed the core of my own approach to the quest for understanding the human condition that will be most easily identified in the essays in this collection.

In Mises's classic work *Socialism* (1922) his commitment to liberal cosmopolitanism leaps off the pages for those who will read carefully, and this means a commitment to peaceful social cooperation. Look closely at some passages:

In the Liberal Social Philosophy the human mind becomes aware of the overcoming of the principle of violence by the principle of peace. In this

philosophy for the first time humanity gives itself an account of its actions. It tears away the romantic nimbus with which the exercise of power had been surrounded. War, it teaches, is harmful, not only to the conquered but to the conqueror. Society has arisen out of the works of peace; the essence of society is peacemaking. Peace and not war is the father of all things. Only economic action has created the wealth around us; labour, not the profession of arms, brings happiness. Peace builds, war destroys. Nations are fundamentally peaceful because they recognize the predominant utility of peace. They accept war only in self-defence; wars of aggression they do not desire. It is the princes who want war, because thus they hope to get money, goods, and power. It is the business of the nations to prevent them from achieving their desire by denying them the means necessary for making war.

The love of peace of the liberal does not spring from philanthropic considerations, as does the pacifism of Bertha Suttner and of others of that category. It has none of the woebegone spirit which attempts to combat the romanticism of blood lust with the sobriety of international congresses. Its predilection for peace is not a pastime which is otherwise compatible with all possible convictions. It is the social theory of Liberalism. Whoever maintains the solidarity of the economic interests of all nations, and remains indifferent to the extent of national territories and national frontiers, whoever has so far overcome collectivist notions that such an expression as “Honour of the State” sounds incomprehensible to him, that man will nowhere find a valid cause for wars of aggression. Liberal pacifism is the offspring of the Liberal Social Philosophy. That Liberalism aims at the protection of property and that it rejects war are two expressions of one and the same principle. (59)

Prior to this, Mises had argued that the very idea of *social science* was born in the recognition of an undesigned social order, and the disposal of the perceived conflict between individualism and collectivism. The doctrine of the harmony of interest enabled theorists to grasp how, out of the purposive behavior of individuals and the pursuit of beneficial exchange, a social order could emerge that served the common interest of society. It is the recognition of Adam Smith’s “invisible hand” thesis that led to the development of what Mises termed at that time *sociological thought*. The social philosophy of liberalism flows from this knowledge of sociology.

And this teaching places liberalism at the core of the emancipation of individuals from serfdom, from dogma, from violence, from poverty. And the liberal project is committed, Mises argues, to democratic government—the primary function of which is to ensure peace. “Liberalism demands the fullest

freedom for the expression of political opinion and it demands that the State shall be constituted according to the will of the majority,” he writes. Mises states clearly, “It demands legislation through representatives of the people, and that the government, which is a committee of the people’s representatives, shall be bound by the Laws.”

To Mises, “political democracy necessarily follows from Liberalism” (60). But, he elaborates, treating one another as dignified equals is not the same as saying that all are physically and materially equal. Human beings come in all shapes and sizes, and with various talents and abilities. We are all unique in this respect. Diversity is one of our greatest attributes, and marshaling and coordinating that diversity is one of the most critical aspects of the liberal project. For the strict social purposes of the law, however, Mises argues that our differences rooted in biology and aptitude are not the relevant argument.

Society is best served when the means of production are in the possession of those who know how to use them best. The gradation of legal rights according to accident of birth keeps production goods from the best managers. We all know what role this argument has played in liberal struggles, above all in the emancipation of the serfs. The soberest reasons of expediency recommend equality to Liberalism. Liberalism is fully conscious, of course, that equality before the Law can become extremely oppressive for the individual under certain circumstances, because what benefits one may injure another; the liberal idea of equality is however based on social considerations, and where these are to be served the susceptibilities of individuals must give way. Like all other social institutions, the Law exists for social purposes. The individual must bow to it, because his own aims can be served only in and with society. (66)

To conceive of the law differently, Mises argued, is to misunderstand its social function. “The equality Liberalism creates is equality before the Law; it has never sought any other. From the liberal point of view, therefore, criticism which condemns this equality as inadequate—maintaining that true equality is full equality of income through equal distribution of commodities—is unjustified” (66). It was just this perceived tension in the liberal plan for equality, liberty, and justice that socialist thinkers sought to exploit in promoting their ideas, and which they continue to exploit to this day. But if socialism is infeasible as an economic system, not just difficult, then it cannot be a desirable social philosophy. In working toward a vision of a “Good Society,” the desirable must also be feasible, and the feasible

must ultimately be viable.⁶ The teachings of economic science cannot be discarded when they are inconvenient to philosophical dream quests.

In *The Constitution of Liberty*, Hayek has a poignant observation that is relevant for this discussion of equality before the law and the Smithian humane liberal concern with improving the lot of the least advantaged:

It is curious that, while in the case of a primitive country every detached observer would probably recognize that its position offered little hope so long as its whole population was on the same low dead level and that the first condition for advance was that some should pull ahead of the others, few people are willing to admit the same of more advanced countries. Of course, a society in which only the politically privileged are allowed to rise, or where those who rise first gain political power and use it to keep the others down, would be no better than an egalitarian society. But all obstacles to the rise of some are, in the long run, obstacles to the rise of all; and they are not less harmful to the true interest of the multitude because they may gratify its momentary passions. (1960, 49)

Liberalism, Hayek reminds his readers in his essay “Why I Am Not a Conservative,” advocates for a society that never stands still. Economic growth is a moral imperative. But so is the advancement of ideas that expand the reach of liberal principles of justice and deepen our understanding of the common sense of progress. As he writes:

But the main point about liberalism is that it wants to go elsewhere, not to stand still. Though today the contrary impression may sometimes be caused by the fact that there was a time when liberalism was more widely accepted and some of its objectives closer to being achieved, it has never been a backward-looking doctrine. There has never been a time when liberal ideas were fully realized and liberalism did not look forward to further improvement of institutions. Liberalism is not averse to evolution and change; and where spontaneous change has been smothered by government control, it wants a great deal of change of policy. So far as much of current governmental action is concerned, there is in the present world very little reason for the liberal to wish to preserve things as they are. It would seem to the liberal, indeed, that what is most urgently needed in most parts of the world is a thorough sweeping-away of the obstacles to free growth. (1960, 399)

Reading Mises and Hayek is a great antidote to the current discussion that puts so much stress on Democratic Socialism, because you realize that

the current argument has actually been the argument ever since 1848, just in different variations on the core theme. The question that must be asked is the social scientific one of whether the two ideas—democracy and socialism—are in fact compatible with each other. The conclusion for Mises—just as for Hayek—is a resounding no; not without draining democracy of its social function completely. At least the Marxist revolutionaries understood this, which is why they defended the dictatorship of the proletariat during the transition period. “Obviously,” Mises concludes, “the socialist community will have no room for democracy for centuries to come” (1922, 70).

I should also add that both the revolutionary Marxism of Lenin and also the more cultural Marxism of Antonio Gramsci and the long march through the institutions avoid advocating for democratic freedom. Instead, they call for the hollowing out of the liberal institutions of democracy and the creation of a legitimization crisis of liberalism. True freedom in these socialist visions is a complete break from bourgeois notions of the liberal project of freedom of thought and expression, freedom of association, and freedom of contract.

Now contrast that vision with the true radical liberalism of Mises:

Always and everywhere Liberalism demands democracy at once, for it believes that the function which it has to fulfil in society permits of no postponement. Without democracy the peaceful development of the state is impossible. The demand for democracy is not the result of a policy of compromise or of a pandering to relativism in questions of world-philosophy, for Liberalism asserts the absolute validity of its doctrine. Rather, it is the consequence of the Liberal belief that power depends upon a mastery over mind alone and that to gain such a mastery only spiritual weapons are effective. Even where for an indefinite time to come it may expect to reap only disadvantages from democracy, Liberalism still advocates democracy. Liberalism believes that it cannot maintain itself against the will of the majority; and that in any case the advantages which might accrue from a liberal regime maintained artificially and against the feeling of the people would be infinitesimal compared to the disturbances that would stay the quiet course of state development if the people’s will were violated. (1922, 71)

Read that passage carefully—true radical liberalism affirms its commitment to democracy even when it is inconvenient, perhaps especially when it is inconvenient, and seeks only to influence the structure of government

through ideas. Economists, for example, are never to be granted a position as privileged experts immune from democratic processes of deliberation. The economist is merely another citizen freely expressing their ideas, drawing on the accumulated knowledge from science and scholarship, in an effort to persuade fellow citizens of the power of those ideas and how those ideas can promote the common welfare. Economics in the liberal tradition is first and foremost a tool of social understanding, and secondly a tool used in forming social criticism of various proposals. What the economist can never assume within a liberal democratic order is that of the expert on call to play the role of savior to society.

The role of the economist is not that of an adviser to a benevolent despot. We are not engaged in what Carl Menger and Mises referred to as “Prussian Police Science.” The utilitarian calculus of social welfare functions conducted by expert social engineers trained at elite institutions of higher education is not the vocation of the humane liberal economist. It has, however, been the vocation of modern economists since World War II, and who Hayek, in his Nobel Prize address, warned (a) had made a mess of things, (b) had committed a serious philosophical error he dubbed scientism, and (c) by not correcting this error, had threatened to become tyrants over fellow citizens and destroyers of civilization. The litany of books just published in recent years—such as *The Economists’ Hour* (2019) by Binyamin Appelbaum, that seeks to question the pretensions of economists and to place blame for a variety of social ills plaguing the United States—speaks to this problem even if one can counter Appelbaum’s specific arguments as ill-conceived and poorly argued.

We really don’t want to be tyrants and destroyers, do we? Let alone charlatans practicing a faux science. The rents are nice no doubt, but the consequences of this path are a loss of the soul of the discipline and the moral compass of practitioners. Better, I argue, to fess up to our fellow scholars and citizens in our democratic society and accept our fate as lowly philosophers of society, rather than continue to hold onto the status that our tools and techniques of analysis currently permit us to be in, including the claim that our science enables us to predict the dynamics of a complex system and design optimal controls to fine-tune the operation of that system.

The alternative vision is of an economist in a free society who is a philosopher and critic, who must be content in their role as a student of society and teacher of the accumulated wisdom from the long history of the worldly

philosophy, and someone who through careful study has mastered the ability to adjudicate between the contested and contending perspectives that constitute the vibrant science of economics and the art of political economy. If in their efforts in communicating with fellow citizens, the economist fails to persuade, then they have no recourse but to reformulate their argument by further study, improving the arguments and marshaling more compelling evidence. It is a struggle, but a necessary struggle, in the quest to understand the human condition and the possibilities for a better world.

Mises makes the important argument that democracy can only serve its social function of peaceful cooperation among contentious parties within the general framework of Liberalism. A functioning democracy works within the framework of the rule of law, and the rule of law (rather than law by rules) operates on the basis of the absence of political and legal privileges. This is a point Hayek would repeatedly stress as well. Liberalism gives content to what the law should be, without which democratic procedures can be utilized to promote illiberal ends.

The critical point I would like to stress—and what I hope comes through in these essays—is that liberalism's deep commitment to democracy implies not only democratic institutions but *democratic ways of relating* to one another as dignified equals before the law. This liberal commitment permeates our economic, political, and social interactions and relationships. If we forget that, we risk corrupting and abandoning not only democratic institutions but the liberal order itself, and thus peaceful social cooperation among diverse and often physically and socially distant individuals. Instead of emancipation from oppression, we will devolve into the violence trap of a war of all against all.

Liberalism, Deirdre McCloskey (2019) has recently argued, encourages an adult conversation between citizens who are equals. We are not to treat others as children in need of instruction; we are not to compel anyone by force to do our bidding for us. We are engaged in an ongoing conversation, and that requires that we *really listen to one another*. It is in listening, really listening, that voice will be given to the voiceless.

In the “Good Society” I envision, the arrangements will be such that freedom will be granted to all, not just the anointed. The economic and political system will be absent of special privileges for a few at the expense of the many. The institutions of property, contract, and consent will be arranged so that individuals will be able to pursue productive specialization

and realize social cooperation. Such an order will maximize the chances for mass flourishing and minimize the pain of human suffering. Power over their lives will be rightfully granted to the powerless.

The Struggle for a Better World is an attempt to bring the teachings of economics—in cooperation with the art of political economy—to bear in an unending quest to understand the human condition. With that knowledge earned in careful study, it has always been my hope to contribute to the continuing articulation of ideas that when consistently and persistently pursued result in fulfilling the emancipatory promise of liberalism to overcome subjugation, repression, oppression, and misery, and instead see humanity flourish in peace and prosperity. The liberal plan of equality, justice, and liberty continues to be the best hope for a better world. It is a hope worth the struggle.

Notes

1. I have been influenced in addressing the causes and consequences of this legitimization crisis by the works of both Jürgen Habermas (1973) and Vincent Ostrom (1973). A legitimization crisis results when a social system lacks the administrative capacity to sustain or achieve its agreed-upon goals. Habermas correctly identified the crisis, but not necessarily the cause. Vincent Ostrom, in my opinion, was closer to the correct diagnosis in his *The Intellectual Crisis in American Public Administration*, and in his proposed remedial recommendation for the scholarly quest. The assessment emerging from these essays is that we have neither adequately addressed the intellectual crisis nor the practical institutional and organizational crisis, and as a result the legitimization crisis has festered for decades, aided in critical ways by the modern practice of economics at a theoretical and applied public policy level. It is my hope that readers will see the connection between the intellectual crisis and the institutional crisis, and thus come to understand the severity of the problem and the urgency of addressing the crisis at a methodological, analytical, and social philosophical level.
2. It is important to stress that George Floyd was not an isolated incident, but another case in an insanely long list of similar incidents where police used deadly force on unarmed individuals often *already in their custody*. Following in the research work of Elinor Ostrom, I have published several papers addressing fundamental problems in policing, including the failure to understand the difference between measuring police services and ensuring public safety in neighborhoods and cities. See Boettke, Lemke, and Palagashvili (2013, 2016) and Boettke, Palagashvili, and Piano (2017).
3. I have used the term *mainline* to describe this Smithian project as it has been pursued from Adam Smith to Vernon Smith. Its main intellectual style of thought is to derive

“invisible hand” explanations from the rational-choice postulate via institutional analysis. Normatively, this project is one of analytical egalitarianism and seeks to develop methodologically, analytically, and normatively an economics of natural equals. See Boettke (2012); Boettke, Haefele, and Storr (2016); Levy and Peart (2019); and Mitchell and Boettke (2017). Also see Boettke (2018) for a discussion of the evolution of Hayek’s research program over the 20th century and the intimate connection between his technical economics and his efforts both to challenge the prevailing wisdom in philosophy of science with respect to economics and the social sciences, and to restate the liberal principles of justice and political economy for the 20th century.

4. See Boettke (1990, 1993, 2001).
5. Kenneth Boulding (1971) wrote a fantastic essay, “After Samuelson Who Needs Adam Smith?,” that I read in my first semester of graduate school; the next year, Boulding joined the faculty and I was able to attend his class Great Books in Economics. This essay, and that experience, had a profound effect on me and the way I approach scholarship in economics, as well as the way I think about contemporary theory construction in economic analysis (see Boettke 2000).
6. In my work in comparative economic systems, I tend to stress some methodological ground rules that I argue must be followed. First, one cannot compare the ideal theory of one system with the working reality of another system. To do so is an unfair comparison. Instead, one must compare theory with theory, reality with reality, or theory of a system with the reality of *that* system. Second, in assessing social systems, there are two critical tests: a coherence test and a vulnerability test. The coherence test refers to a strict logical analysis of chosen means to given ends. If, on the one hand, means chosen can be demonstrated to be incoherent with respect to ends sought due to knowledge problems, then that system must be eliminated from the menu of options. If, on the other hand, the chosen means could—if all the actors were richly informed—achieve the desired ends, *but* the incentives in the system were such that opportunistic behavior would undermine the achievement of those goals, then the system would be possible but impractical due to vulnerabilities. Political economy and social philosophy work together and strive to weed out the incoherent and the vulnerable, and leave only those social systems of exchange and production that are logically coherent and robust against opportunism. See Hayek’s discussion in *Individualism: True and False* (1948, 11–14); see also Lavoie (1985, 214–15) and Boettke (1993, 4–6).

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The Case for Liberalism

In *The Struggle for a Better World*, Peter J. Boettke explores how the social sciences, and political economy in particular, help us understand society and its institutions of governance. Boettke advances an approach for understanding, articulating, and pursuing a coherent and consistent vision of a society of free and responsible individuals who may prosper through voluntary participation in the market and their communities. In this volume, a collection of addresses, lectures, and papers over the past two decades, Boettke articulates ideas which, if consistently pursued, can help fulfill liberalism's emancipatory promise to advance human flourishing and overcome adversity caused by economic, social, and political injustice and repression. Boettke advocates for liberal cosmopolitanism, grounded in the principles of equality, justice, and liberty, and the basic recognition that all people are dignified equals, as the best hope for a better world.

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Distinguished Professor of economics, history, English, and communication, University of Illinois at Chicago; author of *Why Liberalism Works* (Yale University Press, 2019)

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Associate professor of economics and director, Foundations of the Market Economy Program, New York University; coauthor of *Escaping Paternalism* (Cambridge University Press, 2019)

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ISBN 978-1-942951-87-2

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