

Intellectuals and capitalism, self-enslavement and limits of humanitarianism ¹

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Abstract

This the author's summary and reflections of 3 materials to be discussed during the Atlas seminar. These papers are (a) Robert Nozick's "Why do intellectuals oppose capitalism?", (b) Karl Popper's "The communist way to self-enslavement", and (c) Isabel Paterson's "The humanitarian with the guillotine." Selected ideas or quotes from those materials are discussed along with relevant quotes from Adam Smith and Friedrich Hayek. The concoction of ideas point to the conclusions that (i) freedom comes with personal responsibility, the former cannot be realized without the assertion of the latter, and (ii) rule of the law is the main guarantee that any act or passion for humanitarianism does not degenerate into mandatory philanthropy and dictatorship of charity.

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By Nonoy Oplas

This week marked the 20th anniversary of the fall of the Berlin wall – then the main symbol of communist repression and totalitarianism. The public then on the other side of the wall was fed with lies and promises that cannot be fulfilled by the central planning authorities. When the people would attempt to physically escape from such mental delusion, the wall made sure that they would not succeed in their escape. Should the wall be hurdled, the guns would make sure that they will not cross the 2nd wall and experience both intellectual and physical freedom.

Twenty years hence, a substantial number of modern-day intellectuals still relish the thought that central planning can still work, through re-engineering some of its social and economic parts through practices like “good governance” and “social accountability and transparency”. The infrastructure of limited central planning – at the levels of local government, national government, and multilateral or foreign aid bodies – are already there. They think that they just have to evade the pitfalls of past central planning: abuse and arbitrary use of political power with little or no accountability and transparency to the public.

Below is a discussion of three articles.

(1) Robert Nozick, “Why do intellectuals oppose capitalism?”

This provocative title is sure to attract non-friendly comments from many intellectuals. Well, at least the “wordsmith” intellectuals as the author has qualified, to distinguish from the “numbersmith” intellectuals. The former are those who are mainly working in the academe, in media, and in government (local, national and multilateral or foreign aid). Perhaps Prof. Nozick meant that the capitalism that is being opposed by the intellectuals, is the free market, unbridled capitalism type.

There are about four reasons that Prof. Nozick identified why this is so.

First, intellectuals expect that they are the most highly valued people in society, so they expect that they are entitled to great rewards. But a capitalist society does not distribute rewards via the “to each according to his merit or value” dictum. Rather, “to each according to his entrepreneurship.” Many intellectuals resent this.

Second, the schools impressed upon the intellectuals that they are better and more talented than the rest, so they should get higher entitlement based on intellectual merit. The wider market and society, however, does not put the highest value to intellectual skills, but the inter-personal, networking and trading skills of people.

Third, the central planning atmosphere created by the teachers and schools who have central authority to distribute academic rewards and the prestige that go with them, contrast to decentralized and spontaneous distribution of rewards by peers and schoolmates in the schoolyards outside the classroom. Some of those successful by the norms of a school system resent a society which does not grant the same success.

And finally, the school system imparts and rewards only some skills relevant to later success so its reward system will differ from that of the wider society. Some, in moving to the wider society, some intellectuals will experience downward social mobility and its attendant consequences.

This sociological analysis does provide a good explanation and answer for such provocative question. It is true that the school system does contribute to the tendency of the intellectuals to over-rate themselves. I will not attempt to contest that.

But I will add that long after stepping out of the schools and universities, intellectuals who work in media, the non-government organizations (NGOs) and the various government bureaucracies, develop that itchiness to simply intervene in the lives of other people. This is after they have developed their own perceptions and intellectual models of why things do not work according to certain social expectations like social equity. So they devised their own models of solutions and social engineering that almost always involve regulating how other people should conduct their own lives, so long as their bright models – no matter how crude and simplistic, or how technical and sophisticated – are entertained and later on, implemented.

There is also some truth to an observation or hypothesis by Ludwig Mises as mentioned by Nozick in his article, that intellectuals, unlike workers, have the opportunity to mingle with the very rich businessmen and capitalists. And the intellectuals are humbled, if not angered, by their lower status. Thus, the motive to regulate and reduce such inequality in society via social engineering and various forms of government regulations and prohibitions. And this largely explains perhaps, why many intellectuals with MAs and PhDs are working in multilateral and foreign aid bodies that devise certain national, regional/continental and global plans. Or these are university academics who work as consultants of such multilateral bodies with huge money to dispense.

The fear of spontaneous orders, the rise of unplanned and unpredicted social events, also terrify many intellectuals and social planners. By erecting various regulations, by creating certain prohibitions in actions and initiatives, the rise of such spontaneous and unplanned events that may threaten the social and economic status of the intellectuals and social administrators will be reduced if not controlled.

(2) Karl Popper, "The communist road to self-enslavement"

Karl Popper argued that more than Ludwig von Mises, it was the latter's student, Friedrich August von Hayek, who contributed the most to the fall of communism in Europe. Hayek's powerful works, "The Road to Serfdom" (1944), "The Constitution of Liberty" (1960) and the 3-volumes "Law, Legislation and Liberty" (from 1973 to 1979), provided the intellectual infrastructure by which the philosophy of central planning is severely questioned, if not demolished.

Hayek later realized that more than writing papers and books, he needed to do something to counter the growing influence of intellectuals who advocated socialism and bigger government, such as John Maynard Keynes. So, along with other guys like Karl Popper, Hayek founded the Mont Pelerin Society in 1947. The society did help reduce the intellectual dominance of socialist philosophy during that time.

In undermining the intellectual foundation of communism, Hayek formulated the "enslavement theorem", said Popper. Popper explained that it goes this way:

The road to serfdom leads to the disappearance of free and rational discussion of ideas. This leads to a society of empty verbiage, verbiage of lies by leaders for the purpose of self-gratification. Which leads to their inability to think, they themselves became the slaves of their own lies, and they later become unable to rule, and they disappear as despots.

Finally, Popper reiterated that the absence of the rule of law in any society can blur the distinction between what is legal and criminal. The rule of law in the Soviet Union (and elsewhere) must be built from scratch then. Without the rule of law, freedom and free market is impossible to emerge.

I am a fan and reader of Hayek, and I will support the observation that the man indeed has plenty of very powerful arguments to show that the rule of law is the single biggest tool to safeguard individual liberty. And liberty is necessary for the individual to set his own (and his family's) destiny and

prosperity, or be deprived of it. After all, an individual has the liberty to become industrious, responsible and wealthy. And he also has the liberty to choose to become lazy, irresponsible and poor.

The rule of law that Hayek defined and advocated is this:

“By ‘law’ we mean the general rules that apply equally to everybody... As a true law should not name any particulars, so it should especially not single out any specific persons or group of persons... rules must apply to those who lay them down and those who apply—that is, to the government as well as the governed – and that nobody has the power to grant exceptions.”

It is this strict definition of the rule of law, that general and abstract laws rule over men, no one is exempted and no one can grant exemption, and that the law applies equally to unequal people, that will provide sure and fool-proof guarantee that liberty and free market is respected and encouraged. I have read a few other definitions of “rule of law” from other sources and authors, but no one among those that I have read could make this very clear and very powerful definition.

If we are to connect this discussion by Popper with the earlier discussion by Nozick on why many intellectuals are attracted to some form of big government intervention and socialist central planning, this is because the intellectuals who made those grand plans and models, and the officials and administrators who implement those plans, see themselves as having some arbitrary power to exempt themselves from certain rules that they themselves have devised and invented. For instance, high taxes and exemption from mandatory personal income tax. While everyone who has work should pay some income tax, the consultants and intellectuals in many foreign aid bodies are exempted by law, from mandatory withholding income tax.

And while the grand plans made by the intellectuals would call for drastic redistribution of income and wealth in order to pursue the big dream of economic growth with equity, there is clear and arbitrary moves to exempt the more powerful government officials, legislators and private businessmen with strong political connections, from such confiscatory measures like land confiscation and/or forcible land redistribution. The intellectuals who have no stake, no land or wealth to be affected by such drastic redistribution in society, do not have enough intellectual honesty and personal integrity to expose or protest such arbitrary and selective application of the law by the implementers and adjudicators of the law.

It is inevitable therefore, that the intellectuals and political rulers under such condition, would be creating and living their own set of lies and self-gratification. They are creating their own self-enslavement.

Looking at the past discussions of “man-made global warming” claims, the pattern is there: muzzling of important debates and scientific challenges by declaring that “There is scientific consensus, debate is over.” And the debates at the UN-sponsored climate talks involving almost all governments, all UN attached agencies, all foreign aid and multilateral institutions, and all the big environmental activist groups, are just limited to who should cut carbon emission by how much and when. The issue of whether carbon dioxide emission is indeed the main driver of global warming (or cooling) or not, is no longer debated. The self-enslavement created by those intellectuals has hostaged all economies and all people around the world that need power and energy.

(3) Isabel Paterson, “The humanitarian with the guillotine”

The paper is about the desire and passion of philanthropists, humanitarians, and charity leaders to do good by imposing “man/woman for others” as a mandatory, not voluntary, virtue. Paterson observed that

“Unorganized private giving is random and sporadic; it has never been able to prevent suffering completely. But neither does it perpetuate the dependence of its beneficiaries. It is the method of capitalism and liberty....The philanthropist, the politician, and the pimp are inevitably found in alliance because they have the same motives, they seek the same ends, to exist for, through, and by others.”

The desire of the humanitarians and philanthropists to make “service for others” an obligatory function of people and governments, has tended to blind people to focus on wealth redistribution, instead of wealth creation. When universal wealth and income redistribution has become mandatory, then welfare dependence, personal and parental irresponsibility will be encouraged, if not institutionalized.

It is relevant perhaps to inject at this point a famous line from Adam Smith,

“It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own self interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities, but of their advantages.”

Welfare and prosperity in society is best attained by people thinking of themselves first, rather than by people thinking of others first. So long as the pursuit of personal interest does not result in harming other people (say cheating, stealing or killing), such action will lead to a collective welfare which may or may not be the main goal of the individual. It is the pursuit of consumers for better quality goods at reasonable prices that guide if not compel producers and sellers, to satisfy consumer demands so that the producers themselves will become wealthy and successful.

May I end this short paper with a discussion of democracy and socialism. Democracy and the promulgation of the will of the majority, has the tendency and danger that it will lead society to socialism and forced collectivism. How?

By using political force and government coercion to enforce and implement the will of the majority. If the majority are indeed correct, then they do not need State coercion to implement their wish and aspiration as individuals, pursuing their self interest guided and limited by the rule of law, will ultimately lead to collective welfare.

If the majority believe that having at least three square meals per day is the right and humanitarian social set-up, then people should work so that everyone will eat. No one should steal from the food and hard work of others because such action will deprive other people of their own food and sustenance. But not all people believe in this form of self-provision. Many people, intellectuals included, believe that government coercion is needed in order to make everyone have at least 3 meals everyday. Thus, high and multiple taxation is created and justified so that certain social welfare programs, including feeding the lazy and irresponsible, will become a reality.

Certain cases may warrant such government intervention in food and welfare subsidies, like people with physical and mental incapacities. Or families with one or more members who are perennially sick. These are exceptional cases where the extent of government welfare and subsidy programs can be debated, but the extent of opposition may not be strong compared to universal welfare and subsidy programs.

Nonetheless, the role of private, voluntary charity work, or voluntary humanitarianism, cannot be discounted. There are individuals and enterprises who are rich enough that giving away a substantial amount of their wealth will give them more personal happiness than inconvenience. There are also individuals and enterprises whose business and corporate

integrity are further augmented by such work of voluntary charity on a sustained basis.

Capitalism and liberty, the rule of law. These are the main ingredients of ensuring welfare and prosperity in society. They are the guarantees that society will not create its own self-enslavement.

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