

Why Liberalism Works
How True Liberal Values
Produce a Freer, More Equal, Prosperous World for All

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Preface

By the time you finish this book, I hope I will have persuaded you of the case for a new, and old, liberalism. The L-word is not taken to mean US “liberalism,” the distressingly anti-liberal, lawyer-driven politics of increasing governmental planning and regulation and physical coercion. It is instead the rest of the world’s “liberalism,” economist driven, “the liberal plan,” as old Adam Smith wrote in 1776, “of [social] equality, [economic] liberty and [legal] justice,” with a modest, restrained government giving real help to the poor. True modern liberalism.

I am arguing for the continuing desirability of a liberalism conceived in the eighteenth century (so original and up to date am I), an idea slowly implemented after 1776, with many hesitations and false turns. I began to realize around 2005 or so that a liberal “rhetoric” explains many of the good features of the modern world compared with earlier and illiberal régimes – the economic success of the modern world, its splendid arts and sciences, its kindness, its toleration, its inclusiveness, its cosmopolitanism, and especially its massive liberation of more and more people from violent hierarchies ancient and modern. Progressives and conservatives and populists retort that liberalism and its rhetoric also explain numerous alleged evils, such as the reduction of everything to money and markets or the loss of community and God or the calamity of immigration by non-Whites and non-Christians. But they are mistaken.

From the Philippines to the Russian Federation, from Hungary to the United States, liberalism has been assaulted recently by brutal, scare-mongering populists. A worry. Yet for a century and a half the relevance of liberalism to the good society has been denied in a longer, steadier challenge, by gentle or not-so-gentle progressives and conservatives. Time to speak up.

It is an optimistic book, piercing the sky-is-falling gloom which seems always to command a ready market. The pessimism is expressed innocently, even proudly, by good-hearted scholars and editorial writers. But then it is appropriated by bad-hearted tyrants in order to push people around. First, absolutely terrify the people. The terrorists are coming. Even my good friends the good-hearted – the slow socialists and moderate conservatives – call up pessimisms about the economy or the environment or the greatness of the nation, with similar consequences. Look at American politics after 9/11 or during Trump, or look as far back as British politics in the Gordon Riots or in the age of the French Revolution. Terrorism works with more than guns and bombs and guillotines.

The point here is to convert you to a “humane true liberalism,” which you probably harbor anyway. Modern liberalism. You don’t really favor pushing people around with a prison-industrial complex, or with regulations preventing people from braiding hair for a living, or with collateral damage from drone strikes, or with a separation of toddlers from their mothers at the southern US border, do you? I’ll bet not. As someone put it: Do unto others as you would have them do unto you.

I try here to follow also another old rule for liberalism, an intellectual version of the Golden Rule, articulated in 1983 by Amélie Oksenberg Rorty – to listen, really listen, to your questions and objections. The book includes therefore interviews by journalists and other

earnest doubters, who sometimes put forward well-intentioned but often illiberal objections to a free society.

The origins of the essays in varied audiences leave a residue of repetition, which I hope does not excessively grate. I've tried to keep forward motion despite the repetition. And some of the repetitions are healthy, things you really, really need to know – chiefly that according to the scientific consensus in economic history, the much-maligned “capitalism” has raised the real income per person of the poorest since 1800 not by 10 percent or 100 percent, but by over 3,000 percent. Cheap food. Big apartments. Literacy. Antibiotics. Airplanes. The Pill. University education. The increase is a factor of thirty. That is, 30 minus the original, miserable, base of 1.0, all divided by the base is 29/1, to be multiplied by 100 to express it per hundred – or a 2,900 percent increase over the base. Three thousand near enough. I will keep saying it, and keep dazzling you with my prowess in arithmetic, until you feel it on your pulse.

It is the greatest, yet regularly overlooked, fact about the modern world. Most people by actual questionnaire think that since olden days the real capacity of poor people to buy goods and services has increased maybe 100 percent, at the outside 200 percent, a doubling or a tripling. They're quite wrong. The increase has been much, much greater. If we appreciate it, the appreciation will transform all our politics. For example, the fact of the Great Enrichment is a crucial element in showing that humane true liberalism of the modern sort I advocate here is good and enriching, in every sense.

The Great Enrichment doesn't mean, of course, that there's nothing more to do in helping the poor, especially by ending the numerous, monstrous, and yet politically popular policies that in fact damage them worldwide. But it does mean that it is mischievous to attack, as many political theories do, a “capitalism” that has done more than anything else to help the poor. The Great Enrichment doesn't mean that little bits of other systems – a soupçon of socialism for worthy public projects, a cup of Christian charity for the poor, a tablespoon of encouragement to worker-owned cooperatives, such as law and accounting firms – are to be scorned. But it does mean that replacing “the system” as a whole would be disastrous for the poor, as it has been shown to be in the USSR after 1917, in Venezuela after 1999, and over and over again in between.

The book was not through-written, unlike my economic-historical trilogy backing up many of the factual claims made here. To make consecutive reading smoother I've arranged the whole into a moderately coherent argument, the skeleton of which you can discern by reading slowly through the table of contents. Notice that part III is a detailed inquiry into the leading illiberal worry nowadays, the alleged rise of inequality, just to show that detailed inquiries are possible and yield liberalism-favoring results. Part IV deals in less detail with various other illiberal worries. Part of the thrilling drama of the present book is watching the rather obvious liberal ideas retailed here, peddled by me in essays from a miscellany of newspapers and magazines over the past few decades, seep into my slow-thinking economist's mind. The seeping took place during my mad, program-less life from my early fifties on, changing gender, becoming a progressive Christian, embarking on explaining the nature and causes of the wealth of nations, seeing the eighteenth-century light.

Except for the long, introductory part I, which has circulated a bit in a shorter version as “Manifesto for an American Liberalism,” most of the essays are “occasional,” that is, occasioned by this or that invitation to sound off. The variety of audiences I was asked to address makes the prose not uniform in tone, though I’ve edited it here and there to approach uniformity. I have included a couple of my more open-handed academic pieces defending the foundations of a free society, from *The Bourgeois Virtues: Ethics for an Age of Commerce* (University of Chicago Press, 2006), the first volume of the Bourgeois Era trilogy on history, economics, and literature. I’ve written a good deal for the *Wall Street Journal*, the *New York Times*, and the *Financial Times*, but most of the journalistic pieces here are from *Reason* magazine, because *Reason* is the leading voice of true liberalism in the United States. You need to know it, and to subscribe. Get woke, and reasonable.

In other words, each chapter has its own little arc of argument and often its own style, about political philosophy or gay rights or economic history or economic policy or Thomas Piketty. The beginning of each provides a sentence or two of context. The endnotes and Bibliography give sources for the quotations, and the backing for many of the facts and ideas. When an assertion is made in the text without a reference you can usually assume either that it is referenced elsewhere in the book or that I am taking the assertion to be obvious on its face, or obvious in light of current economic and historical knowledge. The book is not an academic tome, but it tries earnestly to sustain a serious standard of truth telling, based on actual facts and coherent ideas. Well . . . you judge.

If there’s anything erroneous here, I blame the people who have advised me. The wretches should have saved me from my errors. But, seriously . . . I thank Professor Jason Briggeman for brilliant editorial advice. My editors at Yale, Seth Ditchik in acquisition and Karen Olson and Kelley Blewster in production, gave me more advice, most of which I followed. So I get unwarranted credit for their good ideas. Katherine Mangu-Ward, the editor of my beloved *Reason* magazine, played a similar role in many of the essays, though most are revised from their published form. The blog of my friend the liberal economist Donald Boudreaux, Café Hayek, has provided scores of leads to true liberal thinking, which I have boldly stolen. In the Bourgeois Era trilogy I thanked in more detail the embarrassingly large number of people on whom I have depended in slowly getting my science right and then realizing my true and modern liberalism.

I urge you to reconsider your politics, as I did, by listening, really listening, to new facts and ideas, or reconsidering the old ones. Staying open minded is usually a good plan. The economist and true liberal Bryan Caplan asks, “Who ever made an enemy by contradicting someone’s belief about what is wrong with his car?” Yet enemy-making is commonplace in our debates about politics, such as about abortion or the minimum wage or trade protectionism. Caplan continues: “For practical questions [such as auto repair], standard procedure is to acquire evidence before you form a strong opinion, match your confidence to the quality and quantity of your evidence, and remain open to criticism. For political questions [such as whether we should be left or right or liberal], we routinely override these procedural safeguards.”

I want you to become less self-satisfied in your progressivism or your conservatism or even your relaxed middle-of-the-road-ism – a political identity whatever it may be acquired at age twenty or so and never seriously questioned thereafter. I want you to realize that the conventional opinions all depend on turning the government's monopoly of coercion on your good neighbors, and then on yourself. Often enough – to revive a useful word, a favorite of the eighteenth-century essayist and conversationalist Samuel Johnson – the conventional opinions are mere “cant,” which is to say routinely repeated yet unexamined ethical claims, often wrong or bad. Johnson would say, “My dear friend, clear your mind of cant!” Good advice.

I want you to espouse modern liberal rhetoric, sweet talk, peaceful exchange, toleration of the other, and to see their good consequences. I want you to become much less certain that The Problem is “capitalism” or the Enlightenment; or that liberty can be Taken Too Far; or that hating other people is jolly good fun; or that governmental programs of war, socialism, expropriation, protection, subsidy, regulation, nudging, and prohibition are usually innocent exercises by our wise mothers and fathers in government to better the lives of us all.

With an open mind and a generous heart, dear friends, I believe you will tilt toward a humane true liberalism. Welcome, then, to a society held together by sweet talk among free adults rather than by coercion applied to slaves and children.