

Interview for *Letras Libres*

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1. You explain that the capitalist process progressively raises the standard of life of the people, that the standard of life for the American people is four times higher than in the early 1940s. So perhaps the problem nowadays is not the standard of life but the levels of inequality and the (false) idea that progress is a zero-sum game?

Yes, the *idea* is the problem, though not the “levels of inequality.” That is, people believe that we – Spaniards, Americans, Hungarians – are no better off than we were (pick a date) in 1975 or 2000 or 1989, or that many people are no better off, or the rich are getting richer for no good reason. People do believe in a zero-sum game, though everywhere the poorest have in fact been getting better off, even in countries where people believe such gloomy fairy tales. The beliefs are uniformly mistaken, for which see the great book by Hans Rosling *Factfulness* (2018), or my own book with Art Carden, *Leave Me Alone and I’ll Make You Rich* (2020).

Rational optimism does not mean we cannot still help the remaining poor, mainly by giving them permissions they do not now have – to enter occupations freely, to buy where they wish, to sell what they wish, to consume what they wish. Those liberties have historically always, and at present, been the real source of economic growth and the rescue of the wretched of the earth. Growth has been the Great Welfare Program – by a shocking 3,000 percent over Spanish real income per person in 1800, for example. *Three thousand percent!* Show me the redistributive program with such an effect.

And to stay with facts, inequality in the world as a whole, measured ethically by *individuals*, has fallen dramatically in the past three decades or so, and continues to fall. Why would it be ethical to think of equality in Spain alone, or in Barcelona, or in Pedralbes? Surely we care for all human souls. As China and India and other countries get better off, the share of appallingly poor people in the world has fallen dramatically. In 1960 one could speak of the bottom 4 billion of the 5 billion on the planet. Now it is 1 billion out of over 7 billion, and falling every year, the horribly poor who still cook over a campfire, say, or are in daily risk of starving.

2. I am very interested in your opinion about the elites. You have a strong (bad) opinion about governmental elites but nowadays most socialists have a bad opinion of economic elites and free markets instead, whereas they trust governments even when they see corruption and poor standards of governance... Are they wrong to give so much power and importance to the role of government in driving growth and providing a solid infrastructure for economic growth?

I was once a socialist, and have many socialist friends. The dear, dear good-hearted elitist socialists of my acquaintance believe, against the evidence, that the State of Illinois, or *Lo Stato d'Italia*, or most governments aside from Sweden or Minnesota or New Zealand, are composed of good and wise people with excellent ideas on how you should live your life. Yet no sentient Italian, for example, actually believes it. But she will vote for giving *lo stato* more and more power. I just read an essay in the British magazine *Prospect* by the eminent historian at Oxford, Timothy Garton Ash, who proposes to save liberalism by increasing the scope of the government, spending for example on a universal basic income. With such "liberals," who needs socialists?

The statist is mistaken that the state should "drive" the economy (a metaphor they always use, and you used here). No one should drive a car if they do not know how to drive, and the truth is that we know next to nothing about "driving" an economy. The knowledge, as Friedrich Hayek pointed out in 1945, is dispersed in the billions of people and their skills and local circumstances. An economy is not a household. And it's hard enough to run even a household well! Humility is in order. The greatest sin against the Holy Spirit, we Christians say, is pride. Alberto Mingardi and I just published a little book about the prideful economists offering to "drive" the economy, and offering to decide on "infrastructure," that magical but meaningless word). Mingardi and I focus on the prideful ideas, as an example of the breed, of the Italian-American economist Mariana Mazzucato, who is a follower of John Maynard Keynes – a fascinating "*señorito satisfecho*" (died 1946), who could never be accused of proper humility in the face of our ignorance on how to drive.

3. By appealing to identity, it is easy to design and implement policies following exclusively ideological and identitarian criteria, they facilitate the implementation of policies as an instrument for doing the "glorious public things" that some specific collectives want. In your book, you observe the implementation of identity policies in Chicago and suggest that liberal policies are best suited to defend and empower minorities. Is this postmodern vision giving an answer to the real problems of developed and post-industrial societies such as...the problem of inequality, minority rights and wealth...?

You are speaking of nationalism, essentially. The glorious projects of, say, Franco's tomb, or high-speed rail from Madrid to minor coastal cities, or numberless other glories of the state are indeed loved by many people, because they do not count the cost, in the money they pay indirectly or in the insult they may or may not want to give to other identities. Sibelius's "*Finlandia*" has a splendid English translation we often sing in my church. The first verse says how wonderful Finland is (with, say, all those lakes and forests, lakes and forests, lakes and forests). But the second verse says that all other nations feel the same way about their nations, and that we should honor them, too, and get along together. I get tearful when I sing it, so noble is its liberal sentiment. In Muslim Spain's most glorious periods there was such *convivencia*.

We need to accept that people have nationalistic feelings (I do love the USA, for example); and the feelings, too, of solidarity (I do often love my poor neighbor), which socialism elevates to the single virtue, with results in hideous coercion similar to the wars that nationalism inspires. As liberals we need to point out gently to our nationalist and socialist friends that liberalism, too, can honor Home and Fraternity – but allows people to pursue them in their own ways, instead of forbidding Moslem women, say, to wear a head scarf.

A liberalism of permissions does solve many of the problems we worry about. It has since 1800 or so. There have always been but two master problems in the world, proud tyranny and its pathetic child, poverty. If we get rid of that evil little family, we can have our own idiosyncratic families, prospering in body and soul.

4. You have suggested that economists and historians have failed to understand the importance of the Great Enrichment, and how people did it, not the governments. And you have suggested a move towards “humanomics.” Can you give us more information about this process of development and what it requires?

It requires liberty, alone. I show in my trilogy on the Bourgeois Era that liberalism, born in Holland and then Britain, and which came to Spain in 1812, gave ordinary people permission as the British put it “to have a go” (it is a sporting metaphor). And go they did. It was not investment that was causal, and certainly not state “driving.” It was new ideas – the submarine, the cable car, the modern university, the autobahn, containerization, penicillin, and on and on. They came from human creativity, released in free societies. Hitler gets the credit for the autobahn, but it was in fact devised under the Weimar Republic.

5. We live in democracies where more and more populist parties promote adherence of a voter with an emotional-passive character. "Poverty out of tyranny, not 'capitalist' inequality, is the real problem," you said, but perhaps some people would choose equality over freedom nowadays. Are liberals misunderstanding people's choices? Perhaps we should ask ourselves if a postmodern man is a type of man who pursues individual freedom...? (I am thinking of what La Boétie said in his discourse of voluntary servitude.)

Yes, people do frequently choose Home Soil or Class Solidarity over liberty. And they find rulers who are willing to supply such comforts to them. It is the child's choice. Liberalism could also be called adultism, Ortega y Gasset's “project of life.” We liberals must gently preach to them, to encourage them not to fear liberty, and to instead grow up. Once upon a time, when peasants were ignorant and childlike, or when the proletariat was ignorant and childlike, the aristocrat's or the commissar's theory that he was a natural father to such children might possibly have made a little sense. I don't think so, but you can see why it was a dominant idea for most of human history. But,

Ortega y Gasset's pessimism to the contrary, the modern, educated human is suited to liberalism.

6. Talking about planned and industrial policies, you said that “any attempt by a single agency to steer an economy constitutes a case of the blind leading the sighted.” But many of us underestimate the potential of narratives and myths, like the myth that collectivism promotes solidarity between people and individualism is synonymous with atomization, selfishness and indifference... How can we fight against the power of narratives?

By having other narratives – for example that of the adult who accepts liberty joyfully. We do our political thinking not in books of political philosophy, mainly, but in the newspapers and, especially, in popular culture. Movies, novels, rock music, television dramas, political speeches. They can corrupt us, and make us into children accepting of tyranny. Or they can inspire us to such nobilities of liberalism as Spain after Franco, or what is happening in the streets of Minsk right now.

7. Curious: the left wants to distribute wealth, but limits itself when thinking about how to make societies wealthier. It despises capitalism, innovation, even when they benefit from it. Is a world of paradoxes in which defensivism is combined with Marxist utopias (still crying for the loss of them). According to some economists, the mistake of mourning the end of utopias is to continue looking for them in politics, when now they are born in the market. What would be the utopia of the free market, and which countries (economies) are the best examples of this market utopia?

Last first: Switzerland, New Zealand, Hong Kong until this year, the United States in some moods, and indeed a once-poor Spain now become relatively rich by letting people “have a go.” I want you to understand, though, that the very word “capitalism” is misleading. It directs attention to the accumulation of capital as the cause of our riches. But human creativity, released in free societies, is what enriches us, materially and spiritually. Accumulation is merely a means, like rainfall or the existence of a labor force, or the arrow of time, or any of an infinitude of necessary, or at any rate helpful items, intermediate inputs, so to speak. They are gears in a mechanical watch. The spring imparts the motion, and the spring in the modern world has been liberty.