

## **2020: The Year Libertarianism Finally Died**

by Nick Gier

*There is no such thing as society; there are just individual men and women*  
—Former British Prime Minister Margaret Thatcher

*There is no I taken in itself, but only the I of the primary word I-Thou.*  
—Martin Buber, *I and Thou*

The watchwords of the American and French Revolutions were liberty, equality, and, for the French, fraternity. Redefining fraternity as traditional community values, I see today's conservative and liberals attempting to balance these three principles.

America's conservatives focus on traditional values and economic liberty, whereas liberals place greater weight on equality and personal liberty, especially with regard to private interactions. Libertarians agree with liberals on the latter, but they champion unfettered economic liberty at the expense of equality and community.

### **Ignoring “Mixed” Economy Success**

Libertarians are just as stubborn and intellectually dishonest as Marxist ideologues on the left. The latter ignore the devastation brought on by completely planned economies, but the former refuse to admit that the world's pragmatic “mixed” public-private systems have been successful. When most European Communists eventually acknowledged that the Soviet Union was an abject failure on civil liberties and the “command” economy, they joined democratic socialist parties instead.

To her credit, libertarian-leaning Margaret Thatcher did not privatize either government health care or the railways. (The later privatizing of the latter has been a disaster.) With better results than in the U.S., government doctors in Europe serve their patients well, but everywhere it has been tried, government farming has been a failure.

### **Europe: High in Innovation/Competitiveness**

Contrary to libertarian critiques, high taxation in Europe and elsewhere has not destroyed economies there; indeed, these nations are prospering with much better social and health outcomes. In 2019 the World Economic Forum found that six of these nations ranked in the top ten for economic competitiveness.

With regard to economic innovation, seven European welfare states stand in the top ten, according to Bloomberg Business. With the most libertarian economy, especially under Trump's deregulation regime, the U.S. has dropped to 11<sup>th</sup> in this survey after ranking first for many years.

### **Depression and War Demand Big Government**

Just think what would have happened if libertarians had been in power during the Great Depression. Massive government intervention was necessary to save the nation, just as it was to win World War II. (Most libertarians are isolationists.) Government secured home loans and

college grants allowed returning soldiers to enter the workforce as professionals or workers with high union salaries. With government help they built the middle class.

When Ronald Reagan fired the unionized Air Traffic Controllers in 1981, major law firms engaged in union busting on a large scale. Private union membership has fallen from over 30 percent at its highest to below 9 percent today. As a result, the middle class has eroded as income and wealth inequality have risen.

### **The Well-Regulated Economy**

Given the wide-spread empirical disconfirmation of libertarian economic theory, I'm even more convinced that the founders should have added another amendment to the Constitution. The Second Amendment calls for a well-regulated militia to prevent the vigilantism of the sort we now see in support of Trump. We also should have had a provision for a well-regulated economy to prevent the economic vigilantism of modern-day robber barons. We should continue the public-private system that has served all liberal democracies so well.

### **The Cares Act Saved the Economy**

Government intervention and deficit spending is necessary in times of depression, war, and now the coronavirus pandemic. The vote for the Cares Act in March 2020 was overwhelming, but 40 House Republicans and 8 Senate Republicans, enthusiastically led by cocky libertarian Rand Paul, voted against it. Just think of where we would be today if they had prevailed.

This bill saved millions of jobs and gave the economy a huge boost—a 33 percent increase in the Gross Domestic Product in the third quarter. For six months Sen. Mitch McConnell refused to consider more aid, and the government, primarily because of Trump's incompetence in controlling the virus, ended 2020 in recession with a GDP loss of 3.6 percent.

### **Biden Invests in Human Capital**

The Democrats proposed a second bill in May insisting that the first was only a down payment. After Memorial Day the pandemic raged out of control and the Republicans finally, after losing their Senate majority, agreed to only \$900 billion relief legislation. The new Senate has now passed a bill that will make up for the disastrous six-month delay.

### **Trump's Failure as a "War" President**

Containing a pandemic can be compared to fighting a war, and for about week Donald Trump called himself a virus war president, but he quickly lost interest in what that would actually entail. It would have at least required of him to listen to his public health "generals," engage the Defense Production Act, and coordinate with the states instead of fighting with their governors. One year and tens of thousands of unnecessary deaths later, President Joe Biden is finally doing what Trump and the Republicans should have done.

### **Vaccines: A Private-Public Partnership**

Libertarians boast about the record setting roll-out of vaccines, but these companies were primarily motivated by the big profits that they will reap. The World Health Organization

is calling on the major manufacturers to end their monopolies, share their technology, and waive all intellectual property rights. This would lead to increase in world-wide distribution and a reduction in price for poor countries.

These drug companies would also have to concede that years of research at the National Institutes of Health and public universities such as the Massachusetts Institute of Technology, the University of Pennsylvania, and Oxford University have made their vaccines a success. Private-public partnerships have always been a key to many human achievements.

### **“Confucian” Capitalism Succeeds**

As I have shown in a previous column (ISJ, 6/5/20), “Asia’s Virus Champs Don’t Blame China: They Simply Get the Job Done,” these countries took aggressive, early action and have kept the virus in check. Deaths from South Korea to Singapore have been limited to several thousand.

Some of these nations have been described as economic “tigers,” and the key to their success is what some have called “Confucian capitalism.” Strong cultural traditions that carefully balance the “I” and the “We” prevent the disruption of libertarian instincts. Asians are faithful mask wearers and they are amazed that this simple precaution has been politicized in the U.S.

### **European Virus Failures**

At the lower end of the Pacific Rim, Australia and New Zealand, culturally similar to Europe and built by Social Democrats, have had remarkable success with the virus. Out of 30 million people, the Aussies (909) and the Kiwis (25) have suffered only 934 deaths. In stark contrast, most European countries have experienced a horrible winter surge in cases.

Early in the pandemic some young people in Europe held “corona” parties, and even some adults were not exempt. The leader of Italy’s Democrats (no connection to the U.S.) held his own festivities. Youth in the Netherlands are now rioting because of a virus curfew, so it just shows that libertarian instincts are present in Europe as well.

In Germany, where there were good results early on, the issue has now been politicized. Just as in the U.S., Germany’s hard right party has been the source of the most resistance to virus restrictions. Sweden’s “light touch” policy and appeals to personal responsibility has led to one of the highest death tolls in Europe.

### **Deficits Spending Necessary in this Crisis**

Contrary to what people may think, the U.S. has pumped more money into its economy than the Europeans. The result is lower budget deficits (9% vs. U.S.’s 15%), but higher unemployment (8.3% vs. 7.6%) and deeper recession (-7.6% vs. -3.6%).

It is ironic to see the U.S. wisely embracing deficit spending in a time of crisis when the Europeans are more prone to do this. In 2009, Republicans convinced Obama/Biden to have a small stimulus, and the result was the slowest economic recovery in since World War II. Biden promises that he will not let that happen again.

In 2017, the GOP argued that their huge tax cut would “pay for itself,” but most companies bought back their stock rather than investing the tax savings. The result was a budget deficit that rose from Obama’s 3.4 percent (he reduced it from 9.8 percent over 8 years) to 4.8 percent, and now it is 15 percent because of the pandemic and the stimulus bills. Trump gave corporations a huge break, but Biden’s deficient spending will save the economy, invest in human capital, and eventually pay for itself.

### **Would You Trust a Libertarian Government?**

Would you trust a libertarian government during war, economic depression, or plague? The former Soviet Union was a horrible government which oppressed and murdered its people and ran its economy into the ground. It did, however, organize its citizens and military forces to defeat Nazi Germany, at the cost of 26 million casualties on the eastern front.

Libertarian idol Ayn Rand believes that selfishness is the supreme virtue, but I hope we all agree that this is no way to organize human society—either morally or economically. The Asians know this better than any other people.

Ronald Reagan would have been 110 years old on February 6, and libertarians celebrate his “nine most terrifying” words: “I’m from the government, and I’m here to help.” I’m sure that tens of millions of Americans were glad that this year the government did knock on their doors.

Nick Gier taught philosophy at the University of Idaho for 31 years. For more on libertarianism and Reagan see [webpages.uidaho.edu/ngier/liberalism.htm](http://webpages.uidaho.edu/ngier/liberalism.htm) and [/reaganmyths.htm](http://webpages.uidaho.edu/ngier/reaganmyths.htm). Read more on the Third Way between communism and capitalism at [webpages.uidaho.edu/ngier/ThirdWay.htm](http://webpages.uidaho.edu/ngier/ThirdWay.htm). Email him at [ngier006@gmail.com](mailto:ngier006@gmail.com).