

INTRODUCTION BY STEFAN KOLEV

# The Humane Economist

A WILHELM RÖPKE READER

PAPERBACK

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EDITED BY  
DANIEL J. HUGGER

## THE HUMANE ECONOMIST: A WILHELM RÖPKE READER

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STEFAN KOLEV

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*“This volume is a great place for students of society to start to learn about the humane economy and its relevance for the twenty-first century.”*

*– Peter Boettke, GEORGE MASON UNIVERSITY*

Nobel laureate Friedrich Hayek once warned that “the economist who is only an economist is likely to become a nuisance if not a positive danger.” As an economist and theorist of liberalism, Wilhelm Röpke was acutely aware of this danger. His combined commitments to sound economic analysis, the importance of social institutions, and

the moral and religious framework of the Christian tradition make him a unique figure in the history of economic and social thought. This anthology, through carefully chosen selections from Röpke’s writings, introduces the contemporary reader to this most humane economist and theorist of the free and virtuous society.

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# Religion & Liberty

ACTON INSTITUTE'S INTERNATIONAL JOURNAL OF RELIGION,  
ECONOMICS AND CULTURE



## What does Black Lives Matter believe?

My life under  
democratic socialism

Modern Monetary  
Theory: the science  
fiction of socialism

From slave to congressman



## EDITOR'S NOTE

Rev. Ben Johnson EXECUTIVE EDITOR

We long intended to dedicate an issue of *Religion & Liberty* to democratic socialism. At that time, Bernie Sanders led the Democratic primaries, Elizabeth Warren attempted to outbid him, and Alexandria Ocasio-Cortez had been hailed as the future of her party and the Roman Catholic Church. In the intervening months, however, the locus of the U.S. socialist movement has shifted from organized political campaigns to diffuse, mass movements.

Our cover story documents, in a straightforward way, the public platform adopted by Black Lives Matter. As it states, "The racially tinged socialism espoused by the *organization* Black Lives Matter should concern everyone who cherishes freedom." Ismael Hernandez of the Freedom and Virtue Institute helps readers properly distinguish between the BLM organization, the movement, and the slogan.

Grand Rapids became one of the cities afflicted by the riots that erupted after the death of George Floyd. Dan Hugger describes the scene and details the forces that change a protest from "peaceful" to "mostly peaceful."

The duplicitous and deceptive nature of socialism lies at the heart of Acton Institute Co-founder Rev. Robert Sirico's column. "Whether putatively democratic or autocratic, all socialism is, in the end, bureaucratic," he notes.

Philip Booth shares his story of growing up under the "democratic socialist" policies of the pre-Thatcher UK. He offers a powerful, cautionary tale.

Editor-at-large John Couretas says American supporters of programs like a universal basic income promote "nobility for a few and serfdom for the masses. And their policy prescriptions for our future would lock that system into place."

If you read nothing else, please review the life of Robert Smalls in this issue's "In the liberal tradition." All Americans should be inspired by the slave-turned-legislator's story of overcoming crippling obstacles and rising to the pinnacles of power in his day – and dispel the notion that the American dream of equal opportunity is dead in our own.

This issue has been made possible in part thanks to a generous donation from Jeffrey and Cynthia Littmann. Jeffrey and Cynthia Littmann are champions of conservation and the good stewardship of our natural resources as a gift from God.



(Cover Photo: Black Lives Matter on July 26, 2020. Photo credit: Julien Leschov / Shutterstock.com)

### COVER STORY

#### 07 What does Black Lives Matter believe?

Rev. Ben Johnson



### ESSAY

#### 03 My life under democratic socialism

Philip Booth



### ESSAY

#### 15 Modern Monetary Theory: the science fiction of socialism

Daniel Lacalle



### IN THE LIBERAL TRADITION

#### 10 From slave to congressman

Rev. Ben Johnson

#### 02 Acton Briefs

#### 05 Three keys to resisting 'soft despotism'

#### 11 Black Lives Matter: the proposition, the organization, and the movement

#### 13 What turns protests into riots?

#### 14 Straddling the border of 'democratic' socialism

#### 17 Challenging monopolies: the National Health Service (NHS)

#### 18 Democratic socialism: Back to the feudal future

#### 20 Humankind: a hopeless history

#### 22 The deceit of 'democratic socialism'

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## Study: Socialism turns people into liars

Rev. Ben Johnson

ACTON INSTITUTE

"We must develop among Soviet people Communist morality," said Nikita Khrushchev in 1959, "at the foundation of which lie ... honesty, and truthfulness." But does socialism make people more truthful? A team of five researchers from the U.S. and Germany, led by Dan Ariely of Duke University, conducted an experiment to find out.

They rewarded Germans who correctly predicted dice rolls but gave them the option to lie. They found those raised in socialist East Germany "cheat significantly more" than those who grew up in capitalist West Germany. "Moreover, our results indicate that the longer individuals had experienced socialist East Germany, the more likely they were to cheat."

The team speculated the reasons behind this discrepancy in a similar 2014 study: "In many instances, socialism pressured or forced people to work around official laws." Only the black market provided life's necessities, and those who failed to toe the party line in public disappeared. "Unlike in democratic societies, freedom of speech did not represent a virtue in socialist regimes, and it was therefore often necessary to misrepresent your thoughts to avoid repressions from the regime."

Lying is the least of Marxism's failures. Yet this study proves, once again, how comprehensively wrong Karl Marx was when he wrote to his father that people living under socialism would gladly make "sacrifices for the benefit of all; then we shall experience no petty, limited, selfish joy, but our happiness will belong to millions." Those reared under his philosophy would not even forsake goods they never earned.

In a free and virtuous economy, being known as an honest broker furthers the seller's self-interest. Lies, which cripple social interaction, have an eternal significance in the Hebrew and Christian Scriptures. Proverbs 6:16-19 calls "a lying tongue" an "abomination," and Jesus brands liars as children of the devil (St. John 8:44). Any society interested in its own success, much less the moral fabric of its citizens, must jettison socialism.

## Sweden's bland 'lunch-lady equality'

Joseph Sunde

ACTON INSTITUTE

In 2012, Sweden's sweeping emphasis on equality reached a new frontier: its school cafeterias. City officials in Falun ordered Annica Eriksson, the head cook at a local school, to pursue a bit more mediocrity in her cuisine. Her food was good – too good.

Eriksson became popular among students by offering fresh-baked breads and lunch buffets with up to 15 different fresh vegetables, not to mention a range of high-quality proteins. Government officials branded her dedication both "unfair" and out of compliance. "The municipality has ordered Eriksson to bring it down a notch since other schools do not receive the same calibre of food," according to *The Local*. "From now on, the school's vegetable buffet will be halved in size and Eriksson's handmade loafs will be replaced with store-bought bread," local media reported. "Her traditional Easter and Christmas *smörgåsbords* may also be under threat."

Eriksson was perplexed. She says this was not an economic decision; her meals were always well within the municipality's budget. "It has been claimed that we have been spoiled, and that it's about time we do as everyone else," she said. "I have not had any complaints." But Katarina Lindberg, who is responsible for school diet regulations, explained that "a menu has been developed" as part of "a collective effort on quality, to improve school meals overall and to try and ensure everyone does the same."

After global backlash, Lindberg backed down – and blamed Eriksson for the purported miscommunication. "Annica misunderstood us," Lindberg said. But Eriksson said she was told in no uncertain terms that "I had to cook like the rest of Falun's schools." Government blame-shifting "feels like a stab in the back."

It's a bit of a humorous tale, but with more than a bit of a dystopian edge. The city's sentiment aligns well with the country's basic ethos. As the economy goes, so goes the culture – and back again. If socialists are lucky enough to avoid gulags and mass starvation, "Mediocre Lunches for All" may be another byproduct.

## 'Democratic socialist' policies made the poor poorer: Study

Rev. Ben Johnson

ACTON INSTITUTE

A report from the European Central Bank analyzed 13 European nations and found that the higher the level of social welfare programs – the sort of entitlements many equate with "democratic socialism" – the less wealth people owned.

"[T]he degree of welfare state spending across countries is negatively correlated with household net wealth," because government benefits became "substitutes for private wealth accumulation," the report said. Rather than accrue resources to care for their families, recipients simply became dependent on the government. However, the impact is less pronounced if the family is already well-to-do. Thus, "an increase in welfare state spending goes along with an increase – rather than a decrease – of observed wealth inequality."

A prime example of a government policy that benefits the upper-middle class is the UK's Help-to-Buy program, introduced in 2013 by Prime Minister David Cameron's coalition government. Homebuyers pay as little as a five percent down payment on a newly built (but not an existing) home, borrow 20% in a shared equity loan from the government, and finance the remaining 75% with a traditional mortgage. The 20% government loan is interest-free for five years.

Analysts find the program raises housing prices by five to eight percent. As housing prices rise, the poor cannot afford even the down payment.

Who benefits? The wealthy. The program is not means-tested, so twice as many government loan recipients earned £100,000 a year (placing them well within the top five percent of UK income earners) as made less than £30,000 annually. Nearly two-thirds of all recipients said they could have afforded to purchase their home without the program, according to the National Audit Office.

The United States' more modest housing policy has yielded similar results. "The Fannie Mae and Freddie Mac policy of easing requirements for purchasing homes since 1996 was found to be associated with a small rise in housing prices," according to the Heritage Foundation.

Social welfare programs leave the most vulnerable citizens more destitute in order to make the well-to-do even better off.





ESSAY

## My life under democratic socialism

Philip Booth

**D**emocratic socialism has had a global resurgence. As many as 70% of millennials say they are “likely” to vote for a socialist candidate. The problem is that the youth of today – and for that matter Bernie Sanders – do not know what democratic socialism looks like.

I do know. I lived it. And it was not pleasant.

Back in 1979, the state owned the energy, steel, coal mining, shipbuilding, automobile, and virtually every other important industry you can imagine. My first car, which I bought used in 1985 from the

then-nationalised automaker, has been described aptly by one source as “the worst car of all time.” People had to wait months to have a telephone installed. I would regularly do my homework by candlelight, because there was no electricity.

These privations did not take place in the Soviet Union, Cuba, or Venezuela. They occurred in the United Kingdom. (That first car was a 1978 Austin Allegro.) They resulted from decades of policies which the Labour Party described as democratic and socialist – the very policies many today wish to enact across the transatlantic region.

Of course, there was more to postwar British socialism than state-owned companies. As in many communist countries, the government placed currency controls on industry, investors, and foreign-bound tourists. As late as the 1960s, UK citizens were prohibited from going on holiday with more than £50 of foreign currency.

Not only did the government control foreign exchange, it also controlled wage and price increases. In 1976, the UK’s so-called incomes policy restricted pay in-

creases to £6 a week – with no allowance for productivity, performance, supply, or demand. And rent control more or less completely destroyed the market for rented houses. It was under these policies that inflation rose to 27%.

Like the modern-day United States, the 1970s in the UK were a time beset by civil conflict. In the so-called Winter of Discontent of 1978-1979 – when every industry seemed to be on strike – the dead went unburied, and the garbage piled up on city streets. As many as 30 million working days were lost to strikes in 1979, a figure which has since fallen by a staggering 99%.

Britain did not fall to the same level of social dislocation as Venezuela, but it was on that path until Margaret Thatcher became prime minister. So, what did Thatcher do so differently? If you go to a typical state school in Britain, you will be told that Thatcher dramatically increased unemployment, destroyed large swaths of British industry, and fractured society. As with today’s description of socialism, there is more to the story.

(Photo: Garbage piles up on the streets of London. Photo credit: Paul Townsend. This photo has been cropped. CC-BY-SA 2.0)

Let us begin in good faith: The fact that unemployment rose and large amounts of industry were laid waste cannot be denied. For example, between 1979 and 1988, employment in the steel industry fell from 156,000 to 55,000. But let us add appropriate context: In 1967, the same industry employed 269,000 people. The decline of this and other industries predated Thatcher. And the amount of steel produced increased considerably during her years in 10 Downing Street. Employment in manufacturing fell as productivity rose – a condition known as increased productivity, a building block of prosperity.

It is also forgotten that Thatcher was unlucky. The combination of inefficient, heavily subsidised, nationalised industries and inflation so high it had never been seen in peacetime was difficult enough to deal with. As a Protestant Christian with a strong work ethic, she was privately devastated by these high levels of unemployment. But when oil was discovered in the North Sea at the same time, the value of sterling rose significantly, making UK exports less competitive and causing even more job losses.

When politicians like Sanders and Alexandria Ocasio-Cortez say that they want socialism, they always point to Sweden. If you want higher taxes, then perhaps Sweden is the country to emulate. However, Sanders and company need to know that Sweden and its Scandinavian neighbours are not socialist countries – at least, not today. A democratic socialist country does the kind of things that the UK did before Thatcher (and which Sanders, et. al., advocate today): The state controlled markets to the point of emasculation. Sweden, by contrast, has almost total free trade, lower corporate tax rates than the U.S., no wealth tax, and no minimum wage. Yes, the Swedes have high marginal tax rates, but their tax and welfare systems do not redistribute much more than the UK's present welfare state. A number of economic freedom indices suggest that, on several dimensions, Scandinavian countries are less socialist than the U.S. And it cannot be considered progressive that Sweden's high Value Added Tax ensures that the less-well-off shoulder a large share of the nation's tax burden.

Before Thatcher, the UK followed many of the policies that the Left in the U.S. supports. From 1979 to 2000, governments under PMs Thatcher, John Major, and Tony

Blair undid the damage – though, in truth, reform of the state in the UK began a little before the Labour government left office in 1979. Again, with shades of Venezuela, the IMF had to bail out the British government in 1976 and, as part of the bargain, it forced policies on the Labour government that its successors continued.

Under Thatcher and her successors, Britons became free to buy foreign exchange and invest abroad. So many companies were privatised that the concept itself became a British export. Top marginal tax rates were reduced from a punitive 98%, and a range of other free-market measures revived the stagnant economy.

Alas, what Thatcher did not do was reform the welfare state, schooling, or the National Health Service. Her successors, both Conservative and Labour, restructured welfare and schooling to some extent. But our NHS today remains run largely like our steel industry of old. This is unlike Sweden, where both private and local authorities provide a significant share of the nation's healthcare.

Friedrich von Hayek suggested that the proponents of socialism cannot agree on what central planning should look like. Young people can understand this if they have ever tried to get a large group to agree on eating at one restaurant. Extrapolating that to every facet of society makes clear how centralization gins up conflict. The increasing politicization of society and disagreement over desired outcomes – and, let us be frank, battles over power at the top – create social unrest. As it happens, various cultural and historical reasons explain why small, homogenous, Scandinavian countries have such high levels of social capital – conditions that do not exist in large, multicultural nations that are already fragmenting, like the United States.

However, the evidence from the Left in the U.S. is that self-identified “democratic socialists” do not really know what socialism looks like. I do. It is not something I wish to experience again.

*Philip Booth is the professor of finance, public policy, and ethics at St. Mary's University, Twickenham. [R&L](#)*



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# Three keys to resisting ‘soft despotism’

Joseph Sunde

Throughout the recent battle for the Democratic presidential nomination, the party's drift from liberalism to progressivism has become abundantly clear, aptly representing our growing cultural divide between ordered liberty and what Alexis de Tocqueville famously called “soft despotism.”

During the recent primaries, Sen. Bernie Sanders routinely defended the Cuban Revolution and Chinese communism, insisting that he was only praising the putative “goods” of socialism while rejecting its more “authoritarian” features. “I happen to believe in democracy,” he said, “not authoritarianism.”

Yet Sanders’ preferred policies and programs rely on government intrusions, restricting a range of individual and institutional freedoms (including voluntary charity). Democratically conceived or not, this amounts to despotism.

In a speech to the 2020 National Religious Broadcasters convention, Attorney General William Barr examined society’s trend toward these policies. He explained how milder manifestations of authoritarianism are bound to prevail if we fail to secure fundamental freedoms and cultivate virtue within civil society.

Although the speech’s conclusion focused on the freedom of the press, Barr connected it to his larger theme: the sources of political and social division, the mediating influence of religious and com-

munal life, and the importance of Christian anthropology in shaping a healthy vision of political and economic liberty.

To illuminate the problems with democratic despotism, Barr contrasted the “liberal democracy” of the American founding with the “totalitarian democracy” of the French Revolution. Although many of us typically associate words like “authoritarian” or “totalitarian” with regimes that openly promote state-sanctioned violence or political persecution, the underlying impulses are more prevalent than that:

This [totalitarian] form of democracy is messianic in that it postulates a preordained, perfect scheme of things to which men will be inexorably led. Its goals are earthly, and they are urgent. Although totalitarian democracy is democratic in form, it requires an all-knowing elite to guide the masses toward their determined end, and that elite relies on whipping up mass enthusiasm to preserve its power and achieve its goals.

Totalitarian democracy is almost always secular and materialistic, and its adherents tend to treat politics as a substitute for religion. Their sacred mission is to use the coercive power of the state to remake man and society according to an abstract ideal of perfection.

The virtue of any individual is defined by whether [he or she is] aligned

with the program. Whatever means used are justified because, by definition, they will quicken the pace of mankind’s progress toward perfection. ... All is subsumed within a single project to use the power of the state to perfect mankind, rather than limit the state to protecting our freedom to find our own ends.

To counter these forces, Barr urged a return to the framework of liberal democracy, one which recognizes human imperfection and human dignity while limiting government and “preserving personal liberty”:

Precisely because [liberal democracy] recognizes that man is imperfect, it does not try to use the coercive power of the state to recreate man or society wholesale. It tends to trust, not in revolutionary designs, but in common virtues, customs, and institutions that were refined over long periods of time. It puts its faith in the accumulated wisdom of the ages over the revolutionary innovations of those who aspire to be what Edmund Burke called “the physician of the state.”

Liberal democracy recognizes that preserving broad personal freedom, including the freedom to pursue one’s own spiritual life and destiny, best comports with the true nature and dignity of man. It also recognizes that man is happiest in his voluntary associations, not coerced ones, and must



be left free to participate in civil society, by which I mean the range of collective endeavors outside the sphere of politics.

There are three keys, Barr emphasized, to preserving such a vision and resisting the “slide toward despotism”: religion, “decentralization of government power,” and freedom of the press.

“The sad fact is that all three have eroded in recent decades,” he said. “If we are to preserve our liberal democracy from the meretricious appeal of socialism and the strain of progressivism ... we must turn our attention to revivifying these vital institutions.”

Religious life strengthens civic resilience in a number of ways, primarily by instilling moral values. “Experience teaches that, to be strong enough to control willful human beings, moral values must be based on authority independent of man’s will,” Barr said. “In other words, they must flow from a transcendent Supreme Being. Men are far likelier to obey rules that come from God than to abide by the abstract outcome of an *ad hoc* utilitarian calculus.”

A transcendent vision of the human person and humanity’s purpose gives us a “built-in antidote to hubris,” enabling us to resist the conceits of “messianic secular movements.” By putting first

things first, we realize our “mission is not to make new men or transform the world through the coercive power of the state,” Barr explained. “On the contrary, the central idea is that the right way to transform the world is for each of us to focus on morally transforming ourselves.”

By infusing virtue and humility, religion empowers us to properly take our roles in a decentralized society and fully appreciate the diversity and flourishing that it brings. The principle of subsidiarity explains “that matters ought to be handled by the smallest, lowest competent authority.” And, far more important than spurring economic growth, decentralization paves the way to a more vibrant, diverse, and cooperative society. Whereas top-down government edicts “undercut a sense of community and give rise to alienation,” decentralization (paired with religion) creates an environment “where communities can coexist and adopt different approaches,” Barr explained. With the loss of decentralized civil society, we lose diversity, and “that, too, erodes an important check on despotism.”

This all ties into Barr’s final point about freedom of the press and free speech. As Tocqueville observed, a free press does much to prevent oppression and authoritarianism. In early American life, “a free and diverse press provided

another form of decentralization of power that, as long as it remained diverse, made it difficult to galvanize a consolidated national majority.”

In assessing Barr’s recommended solutions, I’m reminded of one of the key arguments from Yuval Levin’s *The Fractured Republic*: “We face the problems of a fractured republic, and the solutions we pursue will need to call upon the strengths of a decentralized, diffuse, diverse, dynamic nation.” While modern progressives see fragmentation as an opportunity for conformity and control, we ought to strive for a renewed cultural unity that comes from the bottom up. We have the chance to renew civil society and public life. Far from yielding to the latest iteration of “milder” authoritarianism, we ought to start by better participating in our own communities and protecting the very freedoms that allow us to create and collaborate in the first place.

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FEATURE

## What does ‘Black Lives Matter’ believe?

Rev. Ben Johnson

Thanks almost entirely to the killing of George Floyd, Black Lives Matter’s approval rating has more than doubled from where it stood four years ago, surging from 27% in 2016 to 57% today. While the slogan wins public support, the racially tinged socialism espoused by the organization Black Lives Matter should concern everyone who cherishes freedom.

BLM proudly proclaims its belief that all black Americans should receive a guaranteed minimum income and “free” healthcare, schooling, food, real estate, gender reassignment surgery, and abortion; bring an “an end to all jails” as we know them; dismantle the traditional family; demand reparations on behalf of foreign nations; and form a “global liberation movement” that will “overturn US imperialism [and] capitalism.”

Americans could be excused for not knowing that BLM is a political organization with an agenda no less comprehensive than reshaping the entire world. The media have not reported its aims — at least, not

Photo: Black Lives Matter on July 26, 2020. Photo credit: Jillian Leskovy / Shutterstock.com.)

in context of the recent riots. In the public imagination, Black Lives Matter is nothing more than a ubiquitous black square on social media platforms. Americans rightly outraged by incidents like the indefensible killing of George Floyd by a police officer with a long history of complaints adopted the slogan to demand proper treatment under the law – one of cornerstones of Western civilization. They often protest to this end and, as long as those protests are peaceful, they are exercising the first freedom enshrined in the Bill of Rights.

However, they have no inkling that “Black Lives Matter” is not just a maxim or a graphic to be posted online. It is a radical pressure group that embraces a vista of controversial, extremist positions. Those who march under its banner are unwittingly putting themselves in a position to be identified by BLM’s activists as endorsing these beliefs.

BLM activists have made no secret of their views. “When we started Black Lives Matter, it wasn’t solely about police brutality and extrajudicial killing,” one of BLM’s three co-founders, Opal Tometi, confessed to *The New Yorker*. The issue was just “a spark point” to begin “calling for the defunding of police, a moratorium on rent, a moratorium on mortgages and utilities” and issuing “demands” relating to “housing and education and health-care systems.” Another of its founders, Patrisse Cullors, admitted to the Real News Network in 2015, “We are trained Marxists.”

To present their “demands” more completely, the Black Lives Matter Network joined dozens of like-minded groups to found the Movement for Black Lives, sit on its “united front,” and adopt its policy platform. “[T]he U.S. is a country that does not support, protect or preserve [b]lack life,” the M4BL original statement says. “And so we seek not reform but transformation.” While the planks often amount to little more than platitudes, replete with grammatical errors, the platform offers a clear demand for socialism under the cover of racial reconciliation. The steps these organizations propose include:

**Reparations through racial socialism:** The M4BL platform, which BLM endorses, states, “We demand reparations for past and continuing harms,” including both “corporate and government reparations” for a litany of ills that include “food apartheid” and “racialized capitalism.” Government reparations will take “the form” of

“a guaranteed minimum livable income for all Black people.” M4BL/BLM’s “universal health care” policy mandates that “wealthy residents pay for a portion of their services while low-income and working class folks receive free services.” The new system will be modeled on France or Germany. Black Americans will also receive government-funded “control of food sources, housing and land.” Robust reparations programs will include “full and free access for all Black people (including undocumented and currently and formerly incarcerated people) to lifetime education” at any university, community college, or technical education facility, as well as “retroactive forgiveness of student loans.”

**Replacing education with indoctrination and social welfare:** Under the M4BL/BLM manifesto, public schools would be transformed from centers of education to the delivery points of intersectional/multi-cultural studies and comprehensive welfare programs, including free abortion for minors (without specifying a minimum age):

A constitutional right at the state and federal level to a fully-funded education which includes a clear articulation of the right to: a free education for all, special protections for queer and trans students, wrap around services, social workers, free health services (including reproductive body autonomy), a curriculum that acknowledges and addresses students’ material and cultural needs, physical activity and recreation, high quality food, free daycare, and freedom from unwarranted search, seizure or arrest.

“To ensure an intersectional approach,” the group continues, the public schools’ budgeting process must include “representation from specific populations of people,” including “formerly and currently incarcerated” people.

**Defunding the police and ending prisons:** BLM’s best-known demand is to “defund the police.” M4BL also proposes an “end” to arrests of any black students, and “an end to all jails, detention centers, youth facilities and prisons as we know

them.” House arrest would be promoted equally with imprisonment. The government would also expand Pell grant funding to educate inmates and “[a]llow access to gender affirming surgeries” in penitentiaries at taxpayers’ expense.

**Dismantling the family:** Black Lives Matter endorses two contradictory policies: “We make our spaces family-friendly,” it states. It then looks forward to the destruction of the traditional family:

We disrupt the Western-prescribed nuclear family structure requirement by supporting each other as extended families and “villages” that collectively care for one another, especially our children, to the degree that mothers, parents, and children are comfortable.

Children raised in fatherless homes are more likely to drop out of school, abuse drugs or alcohol, be victims or perpetrators of physical and sexual abuse, live in poverty, commit crimes, and go to prison than those raised in intact, two-parent households – the “nuclear family structure” BLM wars against. Two out of every three black children live in single-parent families, making them 271% more likely to do so than non-Hispanic white children. To leave this out of racial disparities calculations is reckless, as Thomas Sowell has noted. “Without loving families, no society can long govern itself,” says Jennifer Roback Morse, the founder of the Ruth Institute

and a frequent collaborator with the Acton Institute. BLM agrees but chooses to outsource much of the parents’ responsibilities to the government.

**Leading a “global liberation movement” to overthrow capitalism:** “The interlinked systems of white supremacy, imperialism, capitalism and patriarchy shape the violence we face,” the M4BL/BLM platform states. “As op-

pressed people living in the US, the belly of global empire, we are in a critical position to build the necessary connections for a global liberation movement. Until we are able to overturn US imperialism, capitalism and white supremacy, our brothers and sisters around the world will continue to live in chains.”

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**The racially tinged socialism espoused by the organization Black Lives Matter should concern everyone who cherishes freedom.**



The BLM-endorsed document adds that its “struggle is strengthened by our connections to the resistance of peoples around the world fighting for their liberation. ... The movement for [b]lack lives must be tied to liberation movements around the world.” It does not list the foreign “liberation movements” with which it wishes to align. However, they will hold the United States and Israel in contempt.

“America is an empire,” and “American wars are unjust,” the M4BL manifesto states baldly. And “Israel is an apartheid state.” America’s “alliance with Israel” makes the U.S. “complicit in the genocide taking place against the Palestinian people....it makes US citizens complicit in the abuses committed by the Israeli government.” BLM does not state what punishment it would mete out to civilians complicit in “genocide.” However, it demands lawmakers cut “the US military budget by 50%, which will lead to the closure of the over 800 U.S. military bases the U.S. [operates] around the world” and the return of troops deployed overseas — a move many Americans, especially libertarians, support.

**Raising taxes, with a specifically racial focus:** The group writes confusingly that governments “have increasingly decreased the use of progressive taxation.” As a result, “the wealthiest Americans and powerful corporations continue to evade their fair share of taxes,” it says. In reality, the top 1% of U.S. income earners pay 37% of federal income taxes; the top 10% pay 47% of all taxes; and the bottom 44% pay nothing. “Begin by raising the top marginal rate first to 50 percent and then gradually up to 80 percent,” M4BL suggests. The federal government should focus on “taxing ‘bads’ not ‘goods.’”

BLM would increase the death tax, the capital gains tax, impose new taxes on real estate transfers and financial “speculation,” and create a national wealth tax. Each state would follow suit by imposing a heavily progressive state income tax on individuals and corporations and 50 state wealth taxes. Furthermore, all “tax reform legislation” must be drawn up “in accordance with racial equity goals” to “help build the wealth of households of color.”

**Reparations for drug dealers:** M4BL/BLM would legalize prostitution and the “possession and sale of all drugs, no matter the quantity.” Prisoners convicted of these crimes would be released and their

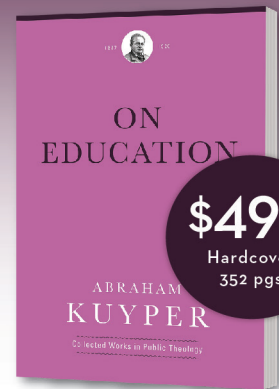
records retroactively expunged. But that’s not far enough for Black Lives Matter: Any government savings “must be invested into reparations to all people who have been adversely impacted by the drug war and enforcement of prostitution laws.” The government “must also ensure that people criminalized by the ‘war on drugs’ are able to participate in legal drug markets where decriminalization has already taken place.” Many libertarians support decriminalizing some or all drugs (and prostitution), but they typically envision government regulations on the manufacture and sale of narcotics. One of their most resonant selling points is that “repeal of drug prohibition will take the drug business out of the cartels’ hands.” BLM would guarantee the Medellín cartel a piece of the action.

**Reparations for foreign nations and terrorist states:** The M4BL/BLM’s thirst for racialized wealth redistribution doesn’t stop at the water’s edge. Their manifesto demands reparations for foreign nations, as well. The group insists the U.S. make “reparations to countries and communities devastated by American war-making, such as Somalia, Iraq, Libya and Honduras.”

**Letting incarcerated prisoners, illegal immigrants, and felons vote:** The M4BL’s voting reforms demand universal voter registration, as well as “pre-registration for 16-year-olds, enfranchisement of formerly and currently incarcerated people, local and state resident voting for undocumented people, and a ban on all disenfranchisement laws.” Felon disenfranchisement laws date back to ancient Greece. M4BL’s drive to “expand the range of eligible voters” sleights the rule of law while favoring core Democratic Party constituencies, which favor more expensive government welfare policies.

This list of policy proposals is far from comprehensive. If anything, BLM’s “demands” are more expansive and government-expanding yet. However, this gives an accurate flavor of the platform Black Lives Matter would implement if given the opportunity. It is not one that should be shared by people of faith or supporters of limited government, unalienable rights, and equal justice under the law.

*Rev. Ben Johnson is an Eastern Orthodox priest and the executive editor of Religion & Liberty.* **R&L**



## On Education

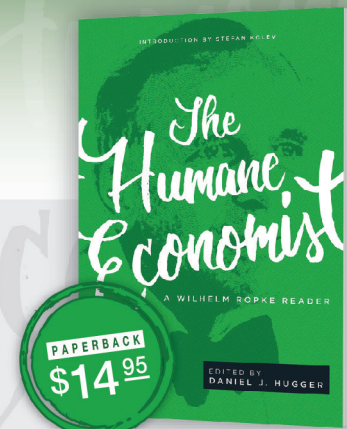
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# ROBERT SMALLS

REV. BEN JOHNSON

Robert Smalls was born a slave on John McKee's plantation in Beaufort, South Carolina, on April 5, 1839. When Smalls turned 12, owner Henry McKee sent him to Charleston to be hired out. McKee let Smalls keep \$1 of his \$15 monthly wages to buy candy and tobacco – which Smalls sold at a profit.

Smalls got a job in the Charleston port and, when the Civil War broke out, his ship became a Confederate naval ship, the *CSS Planter*. Smalls carefully memorized the captain's signals. On May 13, 1862, as the *Planter*'s white crew went ashore, Smalls and his fellow slaves sailed for freedom. The 23-year-old donned the captain's uniform, pulled a hat across his face, and prayed, "O Lord, we entrust ourselves into Thy hands. Like Thou didst for the Israelites in Egypt, guide us to our promised land of freedom." Smalls used his knowledge to gain passage through five Confederate checkpoints – including Fort Sumter – before surrendering to the Union Navy.

Smalls persuaded President Abraham Lincoln to let blacks serve in the U.S. armed forces and recruited 5,000 black soldiers. Soon, Smalls became commander of the newly renamed *USS Planter*. After the war, Smalls purchased McKee's plantation at Beaufort, where he was born a slave. When his former owner's wife arrived at his home, delirious and convinced she still lived there, Smalls let her stay and tended to her until her death.

Smalls believed black progress required education, opportunity, and self-control. He led a boycott to de-



segregate Philadelphia's streetcars, opened a school for black children, and ran a store for freedmen.

His fame and knowledge of the Gullah dialect powered him into politics. He strongly supported the Republican Party, "which unshackled the necks of four million human beings." He served in the South Carolina House of Representatives from 1865 to 1870 – where he helped ratify the 1868 constitution – and the state Senate from 1871 to 1874. He promised to "guide the ship of state ... past the rocks, torpedoes, and hostile guns of ignorance, immorality, and dishonesty."

Robert Smalls served five non-consecutive terms in the U.S. House of Representatives (1875–1879, 1881–1887). He introduced legislation desegregating the U.S. Army and restaurants in the nation's capital, and he passed a provision allowing citizens to buy land the Union seized

during the war. By 1890, blacks owned 75% of the land in Beaufort County, giving them access to capital.

In 1876, the governor sent Smalls to break a strike of the Combahee rice workers, which threatened to erupt into racial violence. He convinced seven men to turn themselves in for whipping two scab workers. A witness testified that Smalls defused the situation and told the rest "that if they did not want to work for [their pay] no one could make them; that they were free people and at liberty, and if they had made a contract they must fulfill it; that they must be peaceable and not interfere with any person's property or trespass on any person's place." The planters peacefully acceded to the strikers' demands.

But by 1876, Reconstruction waned, and ex-Confederate "Redeemers" crept back into power. In 1877, he was convicted of accepting a bribe on flimsy evidence in what is acknowledged to be a political prosecution; two years later, he was pardoned.

After failed runs for U.S. Senate, Smalls served as the U.S. Collector of Customs in Beaufort from 1890 to 1893, then again from 1898 until Woodrow Wilson, an ardent segregationist, fired him. He died in 1915.

"My race needs no special defense, for the past history of them in this country proves them to be equal of any people anywhere," Smalls said. "All they need is an equal chance in the battle of life."

*Rev. Ben Johnson is an Eastern Orthodox priest and the executive editor of Religion & Liberty.*





ESSAY

# Black Lives Matter: the proposition, the organization, and the movement

Ismael Hernandez

**W**e must assess three issues surrounding the Black Lives Movement (BLM) if we are to understand and respond to it. These are the proposition, the organization, and the movement itself.

One must strain to find anything objectionable with the proposition that “black lives matter.” It ought to be obvious that the lives of blacks matter, because blacks are human beings made in the image and likeness of God. They matter because they are human, just as the members of every other human racial group matter. In effect, race itself is a social construct that magnifies certain biological differences but

cannot create a break in nature. Humans remain humans regardless of divisions that have been created over the course of history. Blacks are among the natural sons and daughters of God, with an ineradicable intrinsic dignity. The intrinsic dignity of blacks is a truth based on the general idea of human worth.

At certain times, emphasizing one subset of humanity might assist us in addressing practical realities. A good example is when we say that the unborn matter. That statement is not exclusive, as if to imply that people who have been born are not important. Some situations demand specificity.

Still, we might ask if an otherwise unobjectionable proposition like “Black Lives Matter” can be misused. One possibility is that one means to say that *only* blacks matter. One might betray this by trying to prevent others from focusing on other subgroups, by demanding that everyone focus only on one’s own agenda. For example, attacking those who say “Blue Lives Matter” as more police officers are killed or attacked in the line of duty would seem to imply opposition to highlighting the problems of any other group. When one group wants to fill all of the air in the public square, especially in a pluralistic society, we must be careful about the agenda that might lie behind it. In short, the proposition “Black Lives Matter” is unobjectionable and true, but it can be misused.

When we move from the proposition to the BLM organization, however, things get

more complicated. The organization has loaded the phrase with its own ideology. Historically, BLM created its slogan within the ideological context of Marxism-Leninism. Its origin expressed this basic ideological framework through its focus on race, gender, and economic issues as understood by radical progressive politics. It was not human dignity, the natural law, special Christian revelation, Christian anthropology, or basic historic understandings of justice that gave rise to the slogan. It was the plight of blacks filtered through the prism of a detrimental secular ideology that motivated the creation of a social media campaign.

The movement gave rise to an organization from within a radical ideological understanding of oppression. In the hands of that group, the proposition, now a slogan, became instrumental to their ideological goals and a way of framing the question of black life in America: Blacks are the perennial victims of America. Black life is enclosed within the construct of systemic racism, which is in essence a revolutionary system of thought, not a reformist one. Blacks are said to be victims of the systemic nature of a society that is fundamentally racist, whose inherent purpose is to perpetuate white supremacy and black exclusion, which results in discrimination against minorities – even if none of its policies or institutions are explicitly racist. Eliminating overt systemic discrimination, in this view, does not make a dent in a system that is by definition racist. There is no

(Photo: BLM protest on May 31, 2020, in Miami. Photo credit: Tverdokhina / Shutterstock.com.)

compromise with that system, even if, for tactical reasons, reform might momentarily serve their purposes.

If one is not in alignment with that ideological understanding of black life in America and with the goals necessarily resulting from such understanding, it is reasonable to ask what the organization is doing with an otherwise fine proposition. After all, as noted, propositions converted into slogans can be misused, especially as they can reflect deeper ideological suppositions. A proposition can be correct but become negative when it is weaponized to serve an ideology.

How can we know? Its founders are open about the origins, history, mission, vision, and goals of the Black Lives Matter organization. One is hardly expressing prejudice or defaming the group by taking their assertions as accurate representations of their views. In doing so, we can offer an objective assessment of the organization, and those of us who reject Marxism and Leninism can confidently assess – and reject – the organization.

That brings us to the movement itself. Movements tend to have a center and a periphery. The center is without a doubt the BLM organization and its aims. We know this, because the organization that created the slogan and generated the movement still reaps enormous financial benefits, conducts and channels the movement's activities, and perpetuates a narrative through the movement. BLM began in rage at what it calls "rampant and deliberate violence inflicted on us by the state." BLM describes its origins this way: "In 2013, three radical [b]lack organizers – Alicia Garza, Patrisse Cullors, and Opal Tometi – created a [b]lack-centered political will and movement building project called #BlackLivesMatter. It was in response to the acquittal of Trayvon Martin's murderer, George Zimmerman." The radical movement became an organization and then a "united front."

On the periphery of this movement, there are multitudes of people allured by the truth of the proposition. However, this proposition is not a free-floating examination of anthropological realities or a general affirmation of dignity seeking *systematic* (rather than systemic) reform. It is a proposition converted into an instrument. Those on the periphery are being influenced by and unwittingly

cooperating with the organization at the movement's center.

It is reasonable to expect that people who defend the proposition but do not accept BLM's ideology would try to detach the movement from its center. However, this is an impossible task. The gravitational pull of ideological movements is quite powerful, and everything that challenges the center is expelled. Those who openly reject the center are denounced and said to oppose their goal of "justice." Once one is within the whirlwind of that hurricane, it is impossible to leave.

Many people of goodwill join movements out of desire to "do something." Once a movement starts, however, it is difficult to resist its luring enticements, especially when the system becomes a parasite living off of genuine historical wrongs. It camouflages its true colors by looking like another necessary step on the long American journey for racial justice. This camouflage works, despite the founders of the movement telling us their ideology, because people long for the promised justice and hope to isolate the center from its periphery. But this is impossible.

This is complicated by what we know of Black Lives Matter's ideology and the Leninist concept of its united front. We can find the idea in Marx but the "united front" emerges fully with Lenin and his theory of imperialism as the highest stage of capitalism. Once Russia outlawed the Communist Party and Lenin had to go into exile, the Bolsheviks chose to utilize broader movements and causes to advance their revolution, abandoning the idea that such alignments polluted the cause. In his work *Two Tactics*, Lenin rejected the Menshevik call for extreme revolutionary opposition by the proletariat through its vanguard and proposed to "march side by side with liberal and monarchist bourgeoisie without merging with either." Lenin decried the refusal of Communists to participate in elections, to join larger causes to advance revolution, and to create movements around certain problems that could bring fellow travelers alongside the proletariat. Lenin called the Communist refusal to compromise with the bourgeois parties "childish" and said movements designed to be used for tactical efforts were an essential part of the Communists' ultimate victory.

History shows that fronts in the countries experiencing "colonialism" or "imperialist oppression" kept widening to include more and more non-Marxist sectors. The Communists grew whenever they properly employed deceptive "united front" tactics with other movements. They gained mainstream status and acceptance and were looked upon as the most active unifiers of those fighting injustice. The BLM movement has all the elements of a sophisticated united front.

Taking into consideration these three aspects, one who desires to proclaim the truth and do justice but without becoming a tool of political extremists who cunningly manipulate people must seriously pause before embracing the BLM movement. The best attitude is one of healthy skepticism toward the BLM movement. The best way to affirm the truth of the proposition that "black lives matter" is instead committing to get involved with non-ideologically motivated organizations that are accomplishing positive results within the black community.

It is also important that we understand the issues at hand and learn of the competing forces within the civil rights movement, which created two diametrically opposed understandings of black reality in America – one integrationist, personalist, and reformist; and the other separatist, dialectical, and revolutionary. The early civil rights movement was not infected with the seeds of dialectical materialism as its interpretive model of black reality. The movement was imbued with a reformist embrace of the American ethos and a natural law understanding of the human person and the social order. Early in the movement, Martin Luther King Jr. approached the microphone of Holy Street Church in Montgomery, Alabama, to proclaim black dignity and demand a generational change. "When the history books are written in future generations," he declared, "the historians will have to pause and say, 'There lived a great people – a black people – who injected new meaning and dignity into the veins of civilization. This is our challenge and our overwhelming responsibility.'" This generation must not betray these honorable aims.

*Ismael Hernandez is the founder and president of the Freedom and Virtue Institute in Ft. Myers, Florida. [R&L](#)*



# What turns protests into riots?

Dan Hugger



On Saturday, May 30, the riots that swept the nation after the death of George Floyd came to Grand Rapids, Michigan – the home of the Acton Institute. Vandals looted and damaged 100 businesses and destroyed seven police cars. Businesses already struggling as a result of lockdowns are now grappling with damage and theft inflicted by looters. The National Guard was mobilized, and the city issued a 7 p.m. curfew which expired on June 2. Things became relatively quiet once these measures took effect.

The same experience played out in more than 100 American cities. But why?

I was born in Grand Rapids, lived my life here, and I will die here. This is my home. The tragic death of George Floyd and the catastrophic failure of our institutions and elites to uphold the common good have played their part in this tragedy, but rioters have failed in their basic duty to respect the persons and property of their neighbors and communities. The Lord commands that we “work to see that the city where I sent you as exiles enjoys peace and prosperity. Pray to the Lord for it. For as it prospers, you will prosper” (Jeremiah 29:7). What happened here in Grand Rapids that Saturday – and what continued to happen in cities across this country – actively sins against those cities.

Many are trying to make sense of these actions. Some are even trying to defend the rioters’ actions. This is a mistake.

We often think riots are caused by any number of injustices which are prevalent in society. But those injustices were with us before the violence and vandalism, and they will be with us after they have ceased. It is every person’s duty to work for justice and live peaceably to promote the common good.

Riots are episodic social phenomena triggered by good and bad news alike. “Many mob actions, like European soccer riots or the increasingly predictable civil meltdowns in the home cities of National Basketball Association champions, are triggered by good news, and not obviously related to social injustice or existential anomie,” David D. Haddock and Daniel D. Polsby have convincingly argued in their 1994 paper, “Understanding Riots.”

As soon as the Minneapolis riots commenced, Minnesota Gov. Tim Walz and Minneapolis Mayor Jacob Frey tried to pin the blame on “outside agitators.” Mayor Frey later acknowledged the majority of arrests had been Minnesotans. Haddock and Polsby explain that, while “there is definitely a leadership niche in the ecology of a mob, it seems to become important only after the crowd has assembled. Riots are not, as a rule, plotted and scripted affairs.”

Using categories of economic analysis, Haddock and Polsby point to the importance of expectations and not explicit instructions in coordinating mob behavior. “It is a signal that tells a person what *other people* will *probably* do,” they write:

As word spreads of a conventional triggering event – whether it is shocking (like an assassination) or rhapsodic (a three-peat) – crowds form spontaneously in various places, without any one person having to recruit them.

A significant number of the crowd’s members must expect and desire that the crowd will become riotous. That is, there has to be a critical mass of people in the crowd who are making accurate judgments, not about their own desires and intentions, but about the riotous desires and intentions of other members of the crowd.

Thus, someone has to serve as a catalyst – a sort of entrepreneur to get things going – in Buford’s account usually by breaking a window (a signal that can be heard by many who do not see it). This is not the same logic as that of peaceful protesters:

In civil rights, anti-war or anti-abortion marches, it is probably pretty common to find participants eager to expose themselves to arrest in exchange for the chance to optimize the desired impact of their protest. This sort of self-sacrifice is certainly rare in ordinary riots, where potential rioters’ behavior is consistent, we suppose, with something like the following calculation: “If somebody else gets the riot started, I can participate without much risk. But if I stick my neck out and nobody follows, I’ll be the only one arrested. So I’ll wait for somebody else to go first.”

Curfews and increased police presence change the risk calculus of would-be rioters by making arrest more likely. Riots, as Haddock and Polsby argue, “are apt to be a more or less recurrent, if unpredictable, feature of social life,” not because of persistent injustice but because of the perverse incentives of rioters and poor public policy:

It is odd that our law enforcement apparatus seems to be designed for a world in which riots do not occur at all. With some imagination, public administrators could ensure that these destructive episodes become rare indeed.

Let us pray that this national tragedy can serve as a catalyst for reform so that we can “rejoice, set things right, be encouraged, agree with one another, live in peace, and the God of love and peace will be with you” (II Corinthians 13:11).

Dan Hugger is librarian and research associate at the Acton Institute.

R&I

Photo: (Riots in Grand Rapids. Photo credit: AB Photo / Shutterstock.com. Editorial use only.)

# Straddling the border of 'democratic' socialism

Trey Dimsdale

The thin ice separating purportedly "democratic socialism" from authoritarianism is melting in Serbia. It is impossible to understand the modern political landscape of the Balkans without understanding the region's enormous historical complexity. It literally has been the crossroads of East and West – the place where Western Christianity, Eastern Christianity, and Islam have collided over the course of 1,000 years, creating often-hidden fault lines that produce dramatic consequences in the present day. The Yugoslav Wars, which were so brutal they were marked by war crimes, ended less than 20 years ago, so much of this complexity does not emanate from ancient history.

Serbia's president, Aleksander Vučić, emerged from this period having been a leader in the Serbian Radical Party (SRS) before joining the newly formed Serbian Progressive Party (SNS). Many members of the SRS have been suspected – or, like their founder and present leader, convicted – of war crimes by international tribunals. It is with this baggage that Vučić comes to the presidency of the largest nation in the region. Each of the Balkan states is diverse, with many minority ethnic groups having strong nationalist bonds to others scattered across the region. Given this history, it is easy to understand why so many citizens of Serbia distrust the president, his party, and the government that he has formed.

Freedom House, a U.S.-based non-profit that monitors global democracy, described Serbia as "free" as recently as 2018. But it noted troubling developments. In 2019, Serbia was downgraded from "free" to "partly free" due to election irregularities, attacks on the free press, and Vučić's accumulation of power exceeding his constitutional role.

Unfortunately, 2020 has not brought improvement. The free press and political

opposition groups face continued harassment and, most troubling, this year's parliamentary election was plagued by serious questions of fraud. The elections had been scheduled for April 2020, but due to a state of emergency declared as a result of COVID-19, they were delayed until June 21. With so many extraordinary measures in place due to the pandemic, Vučić had significant opportunities to manipulate many facets of the process. By mid-May, the leaders of several opposition parties called a boycott of the elections, and less than 50% of Serbs turned out to vote. Vučić's party ended the night holding more than two-thirds of the seats in parliament, giving it absolute and unfettered control of the country. Predictably, there have been riots across Serbia and calls to invalidate the results in favor of a new election.

Unfortunately, this type of leadership is not uncommon in the region. Some Balkan states are more stable than others, but all have measures of corruption, instability, and unresolved ethnic tensions. Leaders like Vučić and others in his party manipulate these ethnic resentments only to sow fear and distrust. In the process, they trade a prosperous future for a turbulent but self-serving present.

Frankly, there is no Balkan nation that exerts influence beyond the region. Each competes with the others for resources, influence, and prestige. A prominent place on the international stage for these nations is admittedly elusive. Within the European community, these nations toil in the shadow of the prosperous nations of the north; no Balkan nation has a population that exceeds seven million; and all have relatively low per capita GDPs.

But it is not a small population or distance from the centers of international power that have handicapped Serbia. It is the type of postwar leadership provided by leaders like Vučić. They have exploited ancient internal prejudices for their own agendas, created corrupt governments, and presided over an underperforming economy that makes it virtually impossible for the nation's civil society to develop. Communist governments intentionally and systematically destroy competing institutions, and the Yugoslav Wars created so much chaos that voluntary associations never bloomed. But even in postwar Serbia, there is government resistance, if not outright hostility, to the evolution of a healthy and independent civil

society that would allow citizens to identify problems and work together to find solutions without the leaders' intervention.

The culture in the Balkan states is highly relational. Every city and town, no matter how small, has coffee bars where friends, acquaintances, and even strangers socialize well into the early morning hours. They value social bonds in ways that are certainly absent in the United States and even in other parts of Europe. While generalizations always fall short, as a group the people of these nations are well-educated, inquisitive, and innovative.

Culturally and socially, Serbia and the other Balkan states provide fertile ground for cultivating a powerfully strong civil society. In addition to the structural aspects of the states that impede their flourishing, there is a surprising lack of national confidence that lies beneath what outsiders (and even insiders) perceive as nationalistic hubris. "We are such a small country," they commonly tell their American friends in their unguarded moments, "and we have such a violent past."

Nations at their best are political communities oriented toward a common good which all citizens see as an authoritative common vocation, and which they express uniquely through their individual vocations. To realize this, politicians must seek to be inspirational leaders who unify their citizens rather than ambitious demagogues who sow discord and distrust as part of their strategy to divide and conquer.

Political legitimacy is dependent upon trust, or else it will be replaced by political power backed up by force. So far, postwar Serbia has not enjoyed the peace and prosperity that is the fruit of virtuous leadership but has been plundered by leaders like Aleksander Vučić, leaders who pursue sectarian and tribal priorities at the expense of the common good. A free, stable, and strong Serbia is not an unrealistic vision, but it is unattainable unless Serbs invest in the types of civil society institutions that are stifled at present. They have survived and sometimes even thrived through communism and a decade of brutal conflict. Just imagine what the nation could be with leaders virtuous enough to recognize their own nation's potential.

*Trey Dimsdale is a Texas-based attorney and an associate fellow at the Centre for Enterprise, Markets, and Ethics, a free-market think tank in Oxford, England. He holds a law degree from the University of Missouri-Kansas City, as well as degrees in ethics and political science.* **R&L**



# Modern Monetary Theory: the science fiction of socialism

Daniel Lacalle

When democratic socialists propose sweeping new government programs, people ask the same question: “How will you pay for it all?” The answer given by Alexandria Ocasio-Cortez and a growing number of her fellow travellers is Modern Monetary Theory. That is lamentable because, of all the insane economic theories, MMT is probably the worst.

MMT says, in essence, that the government can pay for programs without raising taxes simply by printing more money. Politicians need only raise taxes when inflation threatens the nation's economic health. The theory's proponents tend to argue that they only document and analyze the reality of the current fiat currency monetary system. However, this is incorrect. Its proponents use an upside-down view of the economy to promote policies that incentivize massive government intervention in the economy. It is not a coincidence that the vast majority of these propositions are adopted by the radical Left. Using the subterfuge of some aspects of today's monetary system, the main defenders of MMT and the politicians who support it basically call for never-ending monetary expansion to support ever-increasing government spending.

The twin fallacies of MMT are the belief that 1) when politicians increase debt, they create both a reserve and a liability; and 2) through higher debt, these reserves drive economic growth. However, MMT proponents miss a fundamental reality. Debt is only a reserve asset when the demand for the country's currency is higher than its supply, and the reliability of the government (its institutions, security of private property, and rule of law) assures investors that the debt will be repaid. Governments do not create reserves which, in turn, create savings.

Governments are allowed to issue debt, because savers perceive that these instruments of debt will ultimately generate a higher total return than inflation throughout the life of the instrument.

MMT turns this on its head. It assumes that governments create wealth and savings by issuing more debt and currency. But supply does not dictate demand. The opposite is true: Savers and investors dictate whether a unit of currency is an asset. If governments created wealth by increasing debt and printing money, then Argentina, Venezuela, and Greece before the euro would have been the richest countries in the world.

One of the main principles repeated by MMT proponents is based on a fallacy: that a country with monetary sovereignty can issue all the debt it needs without the risk of default. Yet a report by David Beers at the Bank of Canada has identified 27 sovereigns involved in local currency defaults between 1960 and 2016. The Bank of Canada explains:

A long-held view by some investors is that governments rarely default on local or domestic currency sovereign debt. After all, they say, governments can service these obligations by printing money, which in turn can reduce the real burden of debt through inflation and dramatically so in cases like Germany in the 1923 and Yugoslavia in 1993–94. Of course, it's true that high inflation can be a form of de facto default on local currency debt. Still, contractual defaults and restructurings occur and are more common than is often supposed.

More than 100 fiat currencies have failed due to excessive inflation and citizens abandoning their own currency, most recently the Sucre in Ecuador. The case of the Sucre is particularly interesting, because, like most other fiat

currencies, it collapsed when the vast majority of citizens stopped accepting it as a means of payment and seeing it as a store of value. This is evident also in the Argentine peso and the Venezuelan Bolivar.

Another key claim of MMT proponents, that a country with monetary sovereignty can issue all the currency it needs, is also a fallacy. Monetary sovereignty is not something the government decides. Confidence in and the use of fiat currency are not dictated by the government, and political control over the money supply does not give said government the power to do what it pleases with impunity.

Most countries need to issue bonds in foreign currency precisely because few domestic and international investors trust their monetary policies and do not accept local currency risk. According to the Bank of International Settlements, the outstanding amount of dollar-denominated bonds issued by emerging and European countries in addition to China has doubled between 2008 and 2018. Some 48% of the world's \$30 trillion in cross-border loans were priced in U.S. dollars in 2018, up from 40% a decade ago, according to the BIS.

Given that the world of currencies is a relative one, the average citizen of the world will prefer gold, cryptocurrencies, or other paper currencies – U.S. dollars, euros, or yen (despite their own imbalances) – over their own currencies. Why is this? When governments and central banks worldwide try to implement the same mistaken monetary policy followed by the U.S., Europe, or Japan without paying attention to real currency demand – their investment security, institutions, and capital freedom – they weaken their citizens' trust in the purchasing power of their own currency.

Photo: Alexandria Ocasio-Cortez at a Bernie Sanders presidential rally. Photo credit: Matt Johnson. CC BY 2.0.)

Supporters of the MMT respond that all that is needed is stable and trustworthy institutions. This, too, is misguided. The first crack that chips away public trust in institutions is precisely currency manipulation to finance bloated government spending. Average citizens may not understand monetary debasement, but they certainly understand that their currency is not a valid reserve of value – because the value of the currency is not dictated by the government, but by the latest purchase agreements made with such means of payment.

Countries don't borrow in foreign currency because they ignore MMT, but because savers do not want to run the risk of government currency debasement, no matter what the yield. The first ones who avoid domestic currency exposure tend to be domestic savers and investors, who fear the inevitable: that governments will try to cover their fiscal and trade imbalances by devaluing their currency, which destroys its purchasing power and makes all savers poorer. Again, this is not because countries do not want to issue local currency but because there is little real demand. As such, governments cannot unilaterally decide to issue "all the debt they need in local currency."

Historically, these events follow a predictable cycle: The central bank or government's perverse incentive to devalue at will creates a lack of confidence. As reserves dry up, government ministers blame the fallout on "economic warfare" and "foreign interference." But they know what is really happening: Monetary imbalances are soaring as investors run away.

Many MMT proponents attempt to solve this problem by saying that inflation would be solved by taxation: When the volume of currency is too high, simply raise taxes to reduce it. This only intensifies the government's transfer of wealth from savers to the political sector. First, politicians benefit by creating new money and massively increasing government imbalances. Then they blame the inevitable inflation on investors and the private sector. Finally, they "solve" the problem they created by taxing citizens again. The government makes a transfer of wealth from savers to the political sector, then it increases taxes formally. This represents double taxation. "Infla-

tion is taxation without legislation," as Milton Friedman said.

Excessive inflation and high taxes attempt to hide a level of government spending so enormous that it has acted as a brake on economic activity. This happens when politicians consider spending not as a service to facilitate economic activity, but as an end in itself.

The government does not have a better or more accurate understanding of the needs and demand for goods and services or the productive capacity of the economy. In fact, it has all the incentives to overspend and transfer its inefficiencies to everyone else. As such, the government simply creates larger monetary imbalances to disguise the fiscal deficit created by spending without real economic return. Along the way, it creates massive inflation and economic stagnation, causes productivity to collapse, and impoverishes everyone.

The overspending driving the inflation ultimately undermines confidence. No debt instrument is an attractive asset if it is imposed on savers through repression. Even if the government imposes the confiscation of savings to cover its imbalances, capital flight intensifies. The solution is like making a human body stop breathing in order to conserve oxygen. That debt is simply impossible to assume when investors and savers know that the government will destroy purchasing power at any cost to continue "inflating its way out of debt."

When anyone shows the logical failures of MMT, its defenders will tell you the same thing they say about socialism: Its theory is sound, but it has never been implemented properly. In the case of MMT, they argue that any country where massive inflation triggered an economic crisis was not truly sovereign. Even if we buy this specious argument, it proves all the points above: *No country is truly sovereign over its monetary supply*, because its power to issue currency will evaporate as confidence in and the attendant demand for the currency disappear.

The reality is that currency strength and real long-term demand for bonds are the ultimate signs of the health of a monetary system. A monetary illusion may delay the inevitable crisis, but the crash comes faster and harder when imbalances are ignored.



The idea that a country's debt is not a liability but simply an asset that will be absorbed by savers no matter what is incorrect, as it does not consider three factors. No debt is an asset because the government says so, but because there is a real demand for it. The government does not decide the demand for that bond or credit instrument; savers do. And savings are not unlimited; hence, deficit spending cannot be endless, either.

The socialist idea that governments artificially creating money will not cause inflation, because the supply of money will rise in tandem with supply and demand for goods and services, is simply science fiction. MMT is not a panacea to pay for socialism. Both lead to economic ruin.

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# ESSAY

# Challenging monopolies: the National Health Service

Rev. Richard Turnbull

In March, I joined millions of others in standing outside my house and applauding the doctors and nurses serving the nation during the global COVID-19 pandemic. While many of us directed our heartfelt gratitude and commendation toward the medical staff and essential workers who kept us safe from the coronavirus, the government set about praising itself. London landmarks lit up in the colours of the nation's single-payer healthcare system, the National Health Service. It was reminiscent of the opening ceremony of the 2012 Olympics, which many viewed as almost a worship service of socialized medicine.

This bout of self-congratulations masks a problem. By any objective standard, the revered NHS is at best average, perhaps even mediocre – or worse. We spend most of the time in the UK measuring *inputs* (how much government spending is dedicated to the system) rather than *outputs* (health outcomes). This is the wrong way around. The fact that UK health results are poor relative to the level of resources consumed only underscores our system's weakness.

There is no perfect healthcare model. No health infrastructure in the world could be prepared for the COVID-19 outbreak, and all faced buckling under its strain. Yet in the UK, we cannot even debate whether we are best served by the NHS, nor question whether we might fare better under an alternative system, even a public-private hybrid. Pointing out the failings of the present arrangement renders one highly suspect in the eyes of the public. Any suggestion that the private sector (much less the church) might play any role in healthcare provision is met with derision and ridicule from our metropolitan socialist leadership. Yet the British public profits nothing from our unwillingness to debate the alternatives and acknowledge the human costs rather than rejoice over the ever-increasing level of public spending.

There are at least three issues we must debate concerning the National Health Service.

## 1. Should service be free at the point of use?

The most celebrated advantage of the single-payer NHS model is that it is free to all at the point of use. This provides financial protection for individual patients from the consequences of ill-health. But every civilised society makes some provision for the most disadvantaged, regardless of its healthcare system.

The NHS model places enormous strains on the healthcare system. Appointments are missed on a significant scale, since there are no penalties. Emergency departments are overwhelmed by minor cases, as the “worried well” flood the system. And those facing genuine health concerns often cannot get the help they need because of the requisite rationing that accompanies any national healthcare model. At a minimum, this

points out the need for reforms in certain practices which a single-payer healthcare system may not be equipped to make.

## 2. Why does the NHS underperform in the health outcomes of key diseases?

In 2018, the King's Fund, the Institute for Fiscal Studies, and others produced a report titled, “The NHS at 70: How good is the NHS?” They found things are not well, not well at all. “The truth about the NHS is that by international standards it is a perfectly ordinary healthcare system, providing average levels of care for a middling level of cost,” summarized Paul Johnson, director of the IFS. “Access is good and people are protected from high costs, but its performance in treating people with cancer is poor, and international comparisons suggest too many people in the UK die when good medical care could have saved their lives.”

The NHS performs below average in the treatment of eight out of the 12 most common causes of death, including heart attacks and a variety of cancers. When compared to 18 other developed countries, the NHS has the third-worst mortality rate for conditions in which medical treatment could have saved lives. In addition, the UK has a higher rate of infant mortality. These afflictions have increased despite the fact that the percentage of GDP that the UK spends on the NHS has risen from 2.14% to 7.35% since 1948. One might have hoped for better results.

## 3. Should the free market play any role in healthcare provision?

The UK simply refuses to address whether the present healthcare system should be liberalised in any way. This is not for lack of real-life concerns. Around 10% of the population have some form of private healthcare. This could stimulate fruitful debate about multiple-payer models, the role of employers in providing healthcare, and devolving health services (not just ancillary services) to market providers. Instead, conversation is stilled.

Let me give an example, which illustrates the unwillingness of so many to focus on outcomes rather than inputs. Oxford has world class hospitals, where I have personally benefited from excellent treatment. In March 2019, it was proposed to outsource the performance of certain scans to a private health company, which has considerable expertise in the area. The furore that broke out was a prime example of the irrationali-

(photo: UK lights display for the NHS in June 2020. Photo credit: Chaz Bhorj / Shutterstock.com.)

ty which characterises so much of the UK healthcare discussion. The NHS trust that ran the hospital complained, many citizens objected that they already received high-quality treatment, and ideologues screamed about creeping “privatisation.”

Few pointed out that the proposal would reduce costs to the taxpayer, increase efficiency, offer environmental gains by diverting traffic away from the main hospital, and – most importantly – potentially improve health outcomes. Instead, there was no dialogue, and the proposal was quashed. Stifling proper debate could be detrimental to the health, even the lives, of British patients.

Having a near-monopoly provider of healthcare demonstrably raises costs and increases health risks. The UK system lacks incentives and competition, which would increase efficiencies and improve results. Here are just a few concrete proposals to correct the NHS's current imbalance, even slightly:

- Charge patients for attendance at the doctor's surgery;
- Impose a penalty for missed appointments;
- Outsource X-rays, scans, and blood tests to private companies;
- Allow patients to access a wider range of medicines; and
- Encourage and incentivise employers to provide private healthcare.

This is not an argument that the U.S. health system is better than that of the UK. However, the monopolistic, socialized healthcare system exemplified by the NHS has a number of identifiable failings which, at the very least, could be improved through market mechanisms.

The divine status attached to the NHS damages patients' well-being and potentially shortens their lives. Considering the amount of money spent on the system, one might expect that outcomes would be better. But they are not. These are merely suggestions for reforms of the existing system, and any or all of these proposals should be vigorously debated. But we must stop suppressing this discussion.

Let the debate begin. Lives may depend on our standing together one more time to break the silence.

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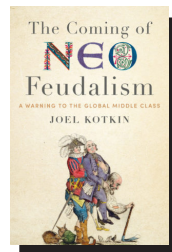
BOOK

# Democratic socialism: Back to the feudal future?

*The Coming of Neo-Feudalism: A Warning to the Global Middle Class*

Joel Kotkin | Encounter Books | 2020 | 224 pages

Reviewed by John Couretas



California has long been regarded as a cultural bellwether, a place where America's future gets its trial run. But given what has happened to the Golden State in recent years, we might want to revoke this status.

Writing in 2018, the demographer and social critic Joel Kotkin observed that California was reverting to a form of twenty-first century feudalism, with rigid social structures and an appalling lack of opportunity for those in the middle and working classes. “The real problems lie with policies that keep housing prices high, an education system that is a disgrace, particularly for the poor, and a business climate so over-regulated that jobs can be created either in very elite sectors or in lower-paying service professions,” Kotkin wrote. “Even in the Bay Area in coming decades regional agencies predict only one in five new jobs will be middle income; the rest will be at the lower end.”

Kotkin – the presidential fellow in urban futures at Chapman University in Orange, California – applies his feudal-future paradigm to the entire nation in *The Coming of Neo-Feudalism: A Warning to the Global Middle Class*. He reviews the rigid class structures of the Middle Ages and finds analogs – if not directly, then in “salient features” – in a hardening, technocratic caste system that looks more and more like nobility for a few and serfdom for the masses. And their policy prescriptions would lock that system into place.

Borrowing a term coined by Samuel Taylor Coleridge, Kotkin identifies today's “influential cognitive elite” as the “clerisy” – a modern-day analog to the medieval clergy, the First Estate. “Today's clerisy are the people who dominate the global web of cultural creators, academia, the media, and even much of what remains of traditional religious institutions,” Kotkin writes. The clerisy shares much of the beliefs of a ruling oligarchy on such definitive issues as environmentalism, globalization, and immigration.

Kotkin identifies today's Second Estate, the nobility, as those who reap benefits from an increasingly unequal economy. These Second Estate oligarchs are overrepresented in these industries, with large numbers of tech millionaires and billionaires, but membership is not exclusive. Those of all backgrounds and nationalities may join.

Still, Silicon Valley may be telling the nation something about its future. “Once among the most egalitarian places in the country, Silicon Valley has become extraordinarily divided between rich and poor, and with a diminished middle class,” Kotkin writes. “Some 76,000 millionaires and billionaires call Santa Clara and San Mateo counties home but nearly 30 percent of Silicon Valley's residents rely on public or private assistance; the real wages of the largely Latino and African-American working class actually have dropped in the midst of the ‘boom.’”

Kotkin writes that the working and middle classes will remain stuck in place. He points to concentration of wealth at the top as evidence of the failure of liberal capitalism and one of the causes of deep pessimism in the West about the future of liberal democracy.

Kotkin labels our present Third Estate the “yeomanry” and divides this class into two parts. “There is a property owning middle class, analogous to the old English yeomanry but with the same spirit of independence transported into an urban or suburban context,” Kotkin writes. “Historically the yeomanry played a critical part in overturning the feudal order – but today their counterparts are being squeezed beneath the oligar-



chy. Second, there is a working class who are becoming more like medieval serfs, with diminishing chances of owning significant assets or improving their lot except with government transfers.”

The intellectual Left is now more aligned with fellow members of the clerisy than the working class, which it promoted in the “class struggle” of old. That explains why tech titans are so enamored of things like a universal basic income. The UBI will be paid for, of course, not by their own wealth but by the public treasury and tax receipts from those in the middle- and lower-income brackets.

Kotkin notes that leaders of the clerisy “have taken aim at things like suburban homes, cars, and affordable airfare. The lifestyles of the middle and working classes are often criticized by the very rich, who will likely maintain their own luxuries even under a regime of ‘sustainability.’”

This is a global phenomenon, and it explains much about shifting political alliances. Kotkin writes:

Across Europe, traditional parties of the left now find their backing primarily among the wealthy, the highly educated, and government employees. Germany’s Social Democrats, France’s Socialists, and the British and Australian Labor parties have been largely “gentrified” as has America’s Democratic Party, despite the resurgence of “democratic socialism” as part of its ideology. They have shifted their emphasis away from their historic working-class base, toward people with college and graduate degrees.

Alienated elements of the middle and working classes are responding with what might be likened to a modern peasants’ rebellion. It can be seen in a series of angry votes and protests against the policies championed by the clerisy and oligarchy – on climate change, on global trade, and migration. This anger was expressed in the election of President Trump, in the support for Brexit, and in the rise of the populist parties across Europe.

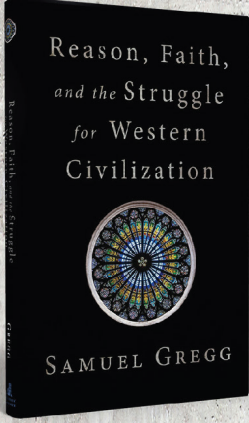
Kotkin writes there is a conservative branch of the “clerisy” today: some journalists, academics, and workers at think tanks. But they have little influence in the dominant mainstream media, the universities, or the wider culture. Citing Thomas Piketty, Kotkin puts the cultural power and influence in the “Brahmin left” rather than the “Merchant right.”

Up until now, the policies advocated by the progressive Left “have come mostly at the expense of the lower and middle classes.” But in a prescient observation, Kotkin assess that progressives have become bolder and now resemble something more like the French Jacobins or Chinese Communist Red Guards. “Over time, our fashionably left-leaning oligarchs may discover that their apparent political allies and even their own employees are rebelling against them,” Kotkin warns.

Indeed, you don’t have to go far back in history to see that play out. Consider the case of Mikhail Khodorkovsky, the Russian oligarch who was once reputed to be Russia’s richest man. After Russian President Vladimir Putin suspected he was a political threat, Khodorkovsky was arrested, convicted, and imprisoned for tax evasion and other alleged crimes. After years in jail, he is now free and an activist for a more democratic Russia.

Silicon Valley titans, take heed.

*John Couretas is editor-at-large at the Acton Institute. R&I*



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(Photo: Michelangelo's depiction of the fall of man (in Public domain).)



BOOK

# Humankind: a hopeless history

*Humankind: A Hopeful History*

Rutger Bregman | Little, Brown and Co. | 2020 | 480 pages

Reviewed by Josh Herring

The West has described the human race as living in various stages of depravity since the Book of Genesis. This is erroneous, writes Rutger Bregman, who contends in *Humankind: A Hopeful History* that “most people, deep down, are pretty decent.” He frames this as a “radical idea,” and over the course of 18 chapters, he attempts to show both how civilization has mistakenly condemned humanity as depraved and how a new era of kindness awaits if we would but overthrow this false idea to embrace the inherent decency of the human race. The first part focuses on a theoretical structure built on several key ideas. Bregman contrasts Thomas Hobbes’ pessimistic view of humanity in the state of nature with Jean-Jacques Rousseau’s positive portrayal of the “noble savage” before the evils of private property and cities.

Some books make a specific argument and dedicate the central chapters to the case, leading the reader to accept the necessary and unavoidable nature of the argument. Other books take a winding journey through the thought process the author took to arrive at his conclusion. While this second category of book is less persuasive in a demonstrative, logical sense, such a book allows the reader to understand the author and his perspective in a deeper way. This is such a book.

Bregman offers a clear thesis and marshals an impressive amount of research to support his claim. The arrangement of his book and the exclusion of pivotal contradictory evidence, however, are not conducive to forming an unassailable argument.

His argument is based on an evolutionary timescale: “The first thing to understand about the human race is that, in evolutionary terms, we’re babies.” This timescale has two impacts on his argument: The past 10,000 years of human history is analogous to the final 15 minutes on a 24-hour clock. The vast majority of humanity’s existence lies in the murky darkness of prehistory.

Secondly, Bregman coins a term to describe domesticated, civilized humanity, in contrast to our evolutionary predecessors:

What dogs are to wolves, we are to Neanderthals. And just as mature dogs look like wolf puppies, humans evolved to look like baby monkeys. Meet *Homo puppy*.



Kindness, sociability, and cooperation are the primary evolutionary attributes of *Homo puppy*, and they are what allowed for human beings to surpass previous iterations of the human evolutionary process, resulting in civilization. Bregman argues that, contrary to received tradition, humans are not especially violent. He moves between anthropological studies of tribal peoples and historical studies of weapons used in World War II, concluding that, nine times out of 10, humans will avoid fatal conflict with other human beings.

He then moves into an argument about “the curse of civilization.” Following Rousseau, Bregman contends that with the development of private property, “the 1 percent began oppressing the 99 percent, and smooth talkers ascended from commanders to generals and from chieftains to kings. The days of liberty, equality, and fraternity were over.” These “days” are the pre-civilizational past, when nomadic hunter-gatherer tribes lived in relative peace, harmony, and prosperity, solving all issues through tribal collaboration.

Now, the painful saga of accursed civilization has commenced. “The rise of private property and farming brought the era of proto-feminism to an end,” he writes. “It’s no accident that female virginity turned into an obsession. Where in prehistory women had been free to come and go as they pleased, now they were being covered up and tethered down. The patriarchy had begun.”

Bregman finishes this section by narrating two different versions of the saga of Easter Island – a device that becomes the norm of his central chapters. He first narrates the story as it has been reported in the *status quo*, primarily referencing Jared Diamond’s account in *Collapse*. This version describes an ancient island imploding under the weight of greed and lust for power (thus disproving Bregman’s thesis). Bregman then brings forth more recent research, arguing that Easter Island has been misunderstood: There never was a great civilization in the numbers Diamond projected. Instead, there were smaller tribes which, through collaboration, achieved impressive results with fewer people.

Throughout the central chapters of the book, Bregman then follows the same pattern with some of the key psychologi-



cal experiments of the twentieth century: Phillip Zimbardo's Stanford Prison experiment, Stanley Milgram's Shock Machine experiment, and the reporting of the death of Catherine Genovese. He first tells the public version of the story, which shows the inherent evil latent within people; then he highlights new research that reverses the story.

The final sections of *Humankind* are dedicated to exploring what would happen if we flipped the assumption. Creating human institutions based on trust rather than distrust, Bregman suggests, could unlock new horizons for civilization. He cites examples in the business world (Jos de Blok's *Buurtzorg* health care company), education (Sjef Drummen's Agora, a school built on concepts of student trust that sees play as self-directed learning), and politics (the participatory budget method used in Torres, Venezuela). These three examples support what Bregman calls "a new realism."

The core of Bregman's argument is that civilization suffers from a misunderstanding of anthropology. If we change that misunderstanding, the ills that flow from a false premise will be gone. The argument is clear; the question remains whether his methodology should gain the reader's trust.

Bregman is an excellent storyteller. His career has focused on public writing rather than academic writing, and his ease of communication shows throughout this book. He has a knack for finding popular stories that resonate with an educated, non-academic audience, but then proving that there is more to the story than the reader expects. He opens with a real-life *Lord of the Flies* story, showing that in this case, anarchy failed to erupt. Instead, school boys worked together to survive. Stories of researchers, psychologists, and historical snapshots taken from both world wars abound, illustrating his overall argument.

Generally, Bregman focuses on stories that show discrepancies in academic literature. His analysis of the Stanford Prison experiment does this particularly well. His second rendition of the story explains that, after gaining archival access, contemporary scholars learned that Zimbardo had instructed his guards to act in certain ways, thus destroying the legitimacy of the experiment.

Bregman also has a strong suspicious streak in regards to the dominant news media narratives. He records multiple occasions when reporters ignored details, suppressed complications, and refused to print counter-narratives in order to increase the sensationalism of their reports. These narrative aspects are the best parts of *Humankind*.

Ultimately, how one judges this book depends on answers to four questions. Is proving the thesis the criteria of a book's success? Can the social sciences (psychology, sociology, anthropology) definitively explain human behavior? Why are certain qualities deemed good and others bad? Is civilization a curse?

Bregman does not ultimately prove his thesis. He proposes a universal claim – humans are basically decent – to replace the universal claim that humans are basically depraved. He does show the reader that examples of human decency abound. He does not, however, show that human decency is the universal template for the human soul. His many examples of bad psychological research being overturned prove merely that psychology is less stable than it often claims to be. One might even argue that the obfuscation or falsification of records itself contradicts Bregman's thesis.

The theoretical framework of *Humankind* depends on the assumption that anthropological study of twentieth-century tribal peoples can tell us how prehistoric peoples lived. If this premise is flawed, then Bregman's primary reasons for asserting that civilization is cursed fall apart. He asserts that, because certain groups live in certain ways that are antithetical to modern problem areas, those antagonistic regions are unique to modernity. Ultimately, Bregman asks the reader to assume that anthropologists are able to know with confidence what prehistoric human societies were like. This assumption is unwarranted, and without it, Bregman's case fails to persuade.

Along the journey of *Humankind*, Bregman informs the reader that he grew up in a Christian home, eventually rejected his Christian faith, and became a disciple of Bertrand Russell. Bregman fits in the tradition of atheistic thinkers who no longer have a philosophical framework for value judgements. Yet

throughout *Humankind* he continues to assert that certain values are good, and others are bad.

He writes about "the best facets of human nature – loyalty, camaraderie, solidarity" and "deeper societal evils like racism, gang rape, honor killings, support for terrorists and dictatorial regimes, even genocide." He connotes that supporting Donald Trump for president in 2016 and favoring Brexit were both bad. Why these ideas, actions, and connotations are either good or bad, Bregman does not explain; he simply asserts. Without clarifying his position on these moral matters, Bregman falls into the trap of inserting his personal preferences in the guise of scientifically supported contentions.

As *Humankind* concludes, Bregman becomes more and more radical. He indicts property rights and capitalism as the evils of civilization, and he calls for a soft communism to replace them. He does not close with a policy suggestion, instead urging his readers to live by trusting in the kindness of their neighbors.

His failure to understand communism as it was practiced in the USSR and the People's Republic of China is disturbing. While Bregman defines communism from the *Oxford English Dictionary*, he purports to show examples where any kind of corporate or municipal property is an outgrowth of communism. If his analysis had grappled with how communism was applied in any of its negative, real-world applications, his argument would be stronger. It might also be impossible.

Bregman shows that humans are complex creatures. A simplistic dismissal of humans as evil and selfish is insufficient. His encouragement to trust every human being's innate decency, however, is equally insufficient.

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COLUMN

## THE DECEIT OF ‘DEMOCRATIC SOCIALISM’

Rev. Robert A. Sirico

There is often as much concealed as revealed in our language. Context and framing are key. The serpent, the subtlest of wild creatures, knew this well when he tempted Eve by asking, “Did God say, ‘You shall not eat of any tree of the garden?’” (Genesis 3:1). Careful readers note that he was misquoting God. But the trap was baited. So too with socialism’s modern apologists, who recently added the modifier “democratic” – as though to disassociate the contemporary version from the historic one. “This time it’s different,” they insist. That old authoritarian socialism of the past was never the real thing, you see; it was not “authentic” socialism. True socialism is democratic.

It’s really an old trick and a persistent temptation. The ancient Greek word *pharmakon*, from which we get the English word “pharmacy,” has a double meaning of both “poison” and “cure.” This ambiguity is founded on the reality that the properties and purposes of things depend largely on whether they are used or misused, on their administration and measure. Such ambiguity can obscure reality, as in the case of “democratic socialism,” which is packaged as its own counteragent. The excesses of utopian totalitarian socialism are supposedly rendered inert through democratic constraints. But are they?

What is socialism in the first place? Is it a noble attempt to express the reality that people are more than individuals? Its bottom line is simply government ownership and administration of the means of production. The stewardship of all of the world’s resources, the deployment of all of the world’s labor, and the coordination and calculation required to discern all the world’s needs and ascertain the most efficient way to meet them cannot be conducted by a show of hands. Such decisions can only be made by individuals from moment to moment because, in the end, they alone truly know their needs and resources.

Whether putatively democratic or autocratic, all socialism is, in the end, bureaucratic. Even the best and brightest – and bureaucrats are rarely either – will make mistakes in a world of risk and uncertainty, where no person has perfect information. That is the world in which we live, a world in which human frailty and finitude often lead to mistakes.

This is why markets are necessary. Economic exchange, the innumerable decisions of everyday life, generates tremendous amounts of information in the form of prices. But that information is only reliable to the extent that the prices are arrived at freely. Through them we learn of the relative demand for the world’s resources and the most useful employment of human labor. Only with market-generated prices can the coordination and calculation necessary to meet the innumerable needs of consumers come together with the service, resources, and talent of those able to meet those needs.

In a market economy, stewards of resources are rewarded by their best use in meeting human needs through – get ready for it – profit. After all, poor stewards reap losses. Even the Lord echoed this principle in the Parable of the Talents, when He said, “For to everyone who has will more be given, and he will have abundance; but from him who has not, even what he has will be taken away” (St. Matthew 25:29). Entrepreneurs and businesses which fail to meet their customers’ needs quickly find themselves without customers or profits. But bureaucrats who fail to meet the needs of their constituencies simply demand more funding.

It is the logic at the center of socialism that is itself fundamentally flawed. No amount of rebranding or rhetorical obfuscation can alter its deficient anthropology and defective morality. Socialism by any other name is just as ruinous.

*Fr. Robert A. Sirico is the co-founder of the Acton Institute. [R&L](#)*