

Revised Socialism on the Horizon [From *The World & I*]

In a recent letter to *The New York Times*, sociologist Amitai Etzioni of George Washington University (signatory to Bill Clinton's list of "economists" supporters during his presidential campaign) wrote to complain about some concerns that various Clinton appointees lack proper training in the science of economics. In particular, Robert Reich, formerly Michael Dukakis's economic advisor and a professor at the John F. Kennedy School of Government of Harvard University, and now secretary of labor, is, in fact, trained not in economics but in law.

Etzioni is one of the leaders of the newly launched ideological movement of communitarianism, as well as a prominent figure in the field of socioeconomics - a hybrid of sociology and economics as well as a new excuse to guide American economic policy toward democratic socialism. He does not like what mainstream (neoclassical) economic science teaches. According to him this field involves entirely unrealistic assumptions, namely, modeling and mathematical analyses, as well as a market place of perfect competition and full equilibrium.

Because of this, Etzioni argues, such mainstream economics miseducates people to embrace free markets and supply side macroeconomic policies. Since, however, the basic tenets of neoclassical economics are misguided, it cannot be that the free markets and supply-side public policy would be healthy for the American economy. Instead we need to adopt the approach championed by socioeconomists and communitarians, namely, a good deal of government intervention in the economy.

But Etzioni's lamentations about the alleged errors of neoclassical economics, both in his letter and in his books *The Moral Dimension* (MD) and *Public Policy in a New Key* (PPNK) on the topic, simply go too far. As he notes, with reference to privatization efforts in former Soviet colonies, "To urge post-Communist societies to shift to raw capitalism is to ignore the inherent social instability (which led all Western countries to welfare capitalism) of such a system, and to invite social tensions that are explosive and will contribute to removing both democratic institutions and the drive to capitalism." (PPNK, p. 14)

It has been one of Etzioni's projects to discredit classical liberal political theory by caricaturing it as having nothing else but the *homo economicus* conception of human nature going for it. The publication Etzioni edits, *The Responsive Community*, devoted a two part essay to this effort in 1992, by means of Thomas S. Spragens, Jr.'s paper, "The Limitations of Libertarianism." As Professor Aeon

Skoble makes evident in his poignant deflation of this effort, "Another Caricature of Libertarianism" (*Reason Papers*, No. 17 [1992]), the piece is a medley of straw man arguments, as are most of Etzioni's not so subtle efforts to tar and feather individualism and classical liberalism. (Oddly enough, a similarly inaccurate and ignorant analysis is offered by someone who has seemed to be a friend of libertarianism, namely, Richard Cornuelle, in "New work for invisible hands," *Times Literary Supplement* (April 5, 1991), reprinted some months ago by Cato Institute's *Policy Journal*.)

As regards this constant reference to the neoclassical economic approach to understanding human economic life, we must keep in mind that the modeling and mathematical analyses which neoclassical scholars conduct are mostly promising for the understanding of a free market and of what might be expected from government intrusions upon market activity. As Nobel laureate Milton Friedman has explained, the model is to the actual world of human economic life what theoretical physics is to the actual world of physical events. If people would only keep this in mind when they infer public policy from the results of the analysis, things would not go astray. This approach may not be fully adequate to understanding human economic life. It has, however, offered up some valuable insights and explanations of, for example, why command economies, government regulation, debt financing, minimum wage legislation, rent control and similar government boondoggles fail. Furthermore, it is by no means the only way classical liberals and libertarians approach their analysis of human community life. Economic imperialism is not even fully embraced by most neoclassical economists, let alone by all those who find the classical liberal polity a sound way to organize the basic legal structure of human community affairs.

Thus, even if the neoclassical approach were flawed, it does not follow at all that free markets and supply side policies must be. They may well be justified on other grounds - for example, because freedom is generally better for human beings than widespread involuntary servitude, something that communitarians champion, though of course not in those terms. (They like to disguise this goal by reference to such high sounding terms as "responsible," as if one could act responsibly if one were forced to behave as others think one should!)

Sometimes, of course, the neoclassical economists claim more power for their approach than it actually possesses. For example, Professor Gary Becker, the 1992 Nobel Prize winner in economics, claims to be able to understand nearly all aspects of human community life - family, marriage, crime, suicide - by applying the methods of economic science. Yet what social science avoids imperialism?

Etzioni's alternative, socioeconomics, is a confused mess and, more importantly, a (perhaps unintended) cover for reintroducing various mercantilist and command-economic ideas. Robert Reich and Professor Etzioni, both members of this "new" school, really favor the old fashioned social democratic public policy, whereby "we" - namely, those in power in Washington and other headquarters of government - dictate to everyone what is important for "the community" - meaning, of course, their own vision of what the community ought to do and look like. They are hostile to the idea that the best community arrangements are those made voluntarily, by the members of the community, rather than imposed on them from above, by leaders - Congress, regulatory bodies, the president, cabinet members, etc. They think that "community" means some organic body, as if people could not handle personal sovereignty.

Thus these people would tolerate extensive subjugation of such members, in the name of community values. Indeed, what the concept "family values" does for a Dan Quayle type conservative, namely, justify imposition of various forms of private and social conduct on possibly unwilling persons, the concept "community values" does for Etzioni and Reich in the realm of human economic life. That is one reason that such major conservative figures in history as David Hume and Edmund Burke are heroes both of the conservatives and the communitarians.

Despite some of the excesses of the neoclassical school of economics, in a free society we are safer in their hands than in those of the socioeconomists. The former mostly wish to understand the economy and set the limits to government involvement in it so government is roughly analogous to an honest rather than a corrupt umpire in a baseball game who does not distort his adjudicative function.

Don't get me wrong, communitarians are not socialists, certainly not of the Marxist-Leninist variety. They have learned at least this much: trying to regiment all of society in virtually every respect is a hopeless dream. Yet a dream it does remain, for communitarianism is edging clearly toward such an objective.

The major feature of communitarianism is actually negative: it is to demean the idea of individualism. Communitarians want to stress how thoroughly bound up we all are in society. Accordingly, we are all supposed to be dependent on other people. We cannot think, talk, and, in short, live our lives except as members of a community. And as a result there is very little left that can be left to our own, individual discretion.

And here is where things turn rather ugly with communitarianism. Etzioni, whose newest book *The Spirit of Community* (Crown, 1993) is a pop manifesto of communitarianism, illustrates this clearly in a letter to the editor to *Reason*, which

gave a rather critical review of his work. Etzioni protests the reviewer's placing the term "public" in quotation marks, claiming that other than "extreme libertarians ... acknowledge that the free market will not attend (or not sufficiently) to some goods--basic research, for instance. Because the yield of basic research is available to one and all, those who heed only private interests will rationally free ride."

This is the familiar public goods idea that many widely desired goods which, when produced, can be enjoyed by other than those who may have paid for it, will not be produced by free men and women. Therefore, not terribly surprisingly (again and again) freedom must be restricted. People must be taxed to the hilt in order to make them pay for such production. They must be made to serve these goals involuntarily, even if they would rather not, thinking they should devote their own efforts and wealth to something else.

But then this is exactly what motivated socialists: the public just does not know what is good for it, so the state must force it to behave properly, to support, in the case of the Marxist-Leninist version, industrialization, agricultural collectivization, uniformity in the arts, education, and sports, and whatever other straight jackets the socialist leaders deemed to be vital to the common good!

Communitarians are now revamping this argument, most often in the face of environmental and community values -- e.g., conservation and social stability, respectively. Yet the ploy doesn't wash.

There are but a few genuine common or public goods. (The two do not mean exactly the same: common goods could be something very general such as the virtue of honesty, whereas a public good is something that truly benefits every member of the public in his or her role as a citizen.) Is basic research one of these, as Etzioni claims? What does such research focus on?

AIDS research benefits, first of all, those who are at risk. Others have no stake in it, except indirectly, as a means to avoid various levels of risk, as a concern for some friends in the high risk groups, as a matter of their concern for the overall quality of their community. But then we all have such an indirect stake in nearly everything. That, in turn, would imply, given Etzioni's line of thinking, that we should all be forced to contribute to the production of everything. Indeed, the communitarian thesis thus comes to nothing other than outright socialism, the thesis that is founded on the view that we are all first and foremost social (or, *a la* Marx, "specie") beings and such notions as individual rights are mere ideological efforts to disguise this beautiful fact about us, one that justifies the tyranny we have witnessed via national and international socialism during this century and via feudalism

before, all the way to tribalism, the most primitive type of political life human beings can experience.

In fact, basic research and similar ideas are vague notions and Etzioni and Co. use them carelessly, making it possible, thereby, to provide support for socializing all sorts of diverse scientific activities, with all kinds of different beneficiaries. Consider the fact that even roads aren't quite precisely characterizable as public goods - certainly one could treat them as private without radical change. In some cases they are, for instance, where they have (and at one time, in certain places, had quite a few) private turnpikes as well as roads (e.g., Disneyland, retirement and other residential villages). Environmental efforts, too, are often deemed to be public measures, whereas in fact they are often to serve strictly private concerns that some, albeit maybe many, people hold dear. Public schools, public parks, public beaches, public forests, and, indeed, nearly everything else now designated as "public" are, indeed, private or special interest projects in support of which the rest of us are placed into involuntary servitude. The few *bona fide* public projects, such as crime prevention, national defense - that is, the protection of our individual rights - are neglected.

Etzioni states in his latest missive that "If the Sierra Club is fighting for untrampled ski slopes for its members, it is acting as a special interest group. If it is acting to preserve clean drinking water for one and all, it is acting on behalf of the public." Actually, appealing as this sounds, it is wrong. Even skiing can be made out as a general good, if one considers its health benefits, etc. And clean water, in turn, is a private good for those who prefer drinking from the taps, not for those who are willing to drink from bottles. To repeat, the only truly public good is the protection of individual rights, nothing else. Human beings are too differentiated, far too individual in their make-up to be able to lumped into a homogenous group pertaining to virtually any possible endeavor, except as far as each adult requiring his or her sovereignty.

So, *pace* Etzioni, the reason "public" should often be placed into quotation marks is that it does not really mean what it says. Most of it is private gained on the backs of an over-taxed, over-regulated citizenry.

The Etzionis of our world want to regiment not only the economy, thus piling up the likes of Robert Reich as leaders of our country, but also society as a whole, which explains their fascination with such programs as spot checks of automobiles in crime ridden areas, programs that gradually establish the public policy that whenever enough folks in a community have a worry, they can violate anyone's rights in the (usually totally futile effort) to remedy them. Oonsider, for example, that the

goals Etzioni asserts make it desirable to move from “raw capitalism” to the welfare state -- a picture that is historically quite inaccurate -- have been far from achieved by means of the welfare state. To the contrary, the welfare state has spawned more social instability, more social tension than we find in the near-capitalism of the early United States of America (apart from the obvious case of tensions produced by unambiguously *anti-capitalist* vicious institution of chattel slavery). Consider this from columnist A. M. Rosenthal of *The New York Times*:

[E]very law-abiding American, rich or poor, knows that the right to live without terror is so massively violated every day that the domestic tranquillity of the nation, its general welfare and the government’s ability to guarantee either are all being destroyed. (Op-Ed, April 19, 1994)

Etzioni’s blind faith in the value of the welfare state’s policy of making the laments of any politically sizable group matters of “public” (i.e., political) concern could use some study of Charles Murray’s analysis of the nature of state paternalism (e.g., *Losing Ground*). Etzioni’s one reference to Murray is to tarnish him with the label of economic reductionism, placing Murray’s complex cultural, social-psychological analysis on the same footing with the admittedly curious and problematic tautological approach taken to the understanding of human community life by Gary Becker and Richard Posner.)

The communitarian approach, which reduces ultimately to nothing more than warmed over socialism (with all kinds of disclaimers, of course), has by now been proven to be a destroyer of the economic performance and humane living conditions in communities across the globe. Capitalism and individualism, although not utopian, promise solutions that are clearly far superior. Etzioni and Co., including Bill and Hillary Clinton, might've learned something from this vital lesson of not only recent history but also the growing and improving literature of classical liberal social analysis.

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