American Enterprise Institute for Public Policy Research



December 2006

Where Preparation Meets Opportunity: The Future of Freedom

By Charles Murray

The twenty-fifth anniversary of the Atlas Foundation provided Charles Murray with an occasion to consider the influence of classical liberal ideas on policy and also to speculate on what lies ahead.

In the midst of the Republican meltdown and gloomy times for those us us who cherish the principles of limited government, the Atlas Foundation's twenty-fifth anniversary inspires a useful corrective. Let us think back not to the late election, but back twenty-five years to 1981; not ahead to the prospect of House Speaker Nancy Pelosi, but ahead twenty-five years to 2031.

Twenty-five years ago on November 16, here was the *New York Times* on Ronald Reagan under the headline, "Does the Emperor Know?"

More and more people are looking past the smile and worrying about the substance of issues. And more and more are asking whether the President is able to deal with substance.... The evidence of chaos in both foreign and domestic policy-making has been so overwhelming lately that solid Republicans are voicing their concern.... It is this context of growing doubt about Mr. Reagan's grip on events that makes the Stockman affair so awkward politically. For people are bound to start wondering whether the President understands what his Budget Director has so dramatically admitted, that the economic miracle he promised does not exist and never will.

I did not have to go searching through the archives looking for a dismissive quote for this speech. I just searched for "Reagan" in the *New York Times* for November 16, 1981, and bingo. Those of a certain age will recall that relentless drumbeat of pressure during the winter of 1981–82 to change course that was being pounded every day, in an era when a few like-minded newspapers and magazines and three television networks dominated what the American people heard and read.

Twenty-five years ago, we were coming off double-digit inflation, Jimmy Carter's malaise, and a conviction among the intelligentsia—including even Henry Kissinger—that the best we could hope was to delay the inexorable Soviet advance. We lived in an era in which the phrase "free market" was treated as derisively as the word "Reaganomics."

Think of the change. Think of the night-andday, world-turned-upside-down change that has occurred since then. The current political mess is trivial in comparison with the transformation that we have witnessed since the year in which the Atlas Foundation set up shop.

In giving thanks for that change, let those of us who have the luxury of ignoring practical politics pay tribute to the two towering practical politicians who made it happen: Ronald Reagan and Margaret Thatcher. Every time I hear it said that large historical forces govern history, I recall that in March 1981 the ricocheting bullet from John Hinckley's gun penetrated to within a fraction of

Charles Murray is the W. H. Brady Scholar in Culture and Freedom at AEI. This article is adapted from his speech at the Atlas Foundation's twenty-fifth anniversary dinner on November 16, 2006.

an inch of Ronald Reagan's heart, and I try to imagine what the world would be like today if it had gone one inch farther.

But the large historical forces are important too. It is said that luck is what happens when preparation meets opportunity. Reagan and Thatcher were the opportunity. Friedrich A. Hayek and Ludwig von Mises and Milton Friedman, and others like them, were the preparation. And that is where we find the mission of the Atlas Foundation; my own home, AEI; our many sister institu-

tions in the United States; and the dozens of think tanks around the world that Atlas has fostered. It is our job to do the spadework for the next great transformational step in the direction of freedom. What are the resources that we have for accomplishing that task? When our successors meet to celebrate Atlas's fiftieth anniversary in 2031, what will be the counterpart of *The Road to Serfdom* that will have inspired a new generation? What will that book have said?

The Struggle of Ideas

Here are three themes that I think will play a part in shaping the struggle of ideas: first, a transformation in tools; second, a coming crisis in the moral foundation of the Left; and third, a shift in the focus of freedom, from markets and economics to fr

freedom, from markets and economics to freedom as the basis for living a satisfying human life.

The transformation in tools is already upon us. Every change in information technology gives the individual more power over his own life and more independence from centralized institutions, whether those institutions be libraries, the downtown office building, CBS, or the post office. Every change in information technology also undermines the authority of the state. Yes, in one sense the new technology gives the government more potential for keeping us all under closer surveillance than ever before. But in practice, the race between the power of the state and the power of the individual is determined by the computer geeks and nerds, and all the talent works for one side-the individual. Brilliant chip designers and programmers and hackers do not want to work for the government. So I have no doubt that the government will try to regulate the Internet, for example, and am just as confident that spontaneous revolt in the private sector

will foil those attempts in all important respects. When it comes to the action in tools, the government is on the outside looking in.

And what action we are going to see. Eric Schmidt, the CEO of Google, is on record predicting that we are only ten to twenty years away from having handheld devices that give us instantaneous, searchable Internet access to the sum total of human knowledge—not just access to the references, but to the actual text, images, and sound of the information. It sounds crazy, except

Every change in
information technology
gives the individual
more power over his
own life and more
independence from
Every change in
formation technologyning the complet
Oxford, Stanford
the rate of severa
And that is just on
nary applications
or twenty years f
eleven of which
I predict that ever
more power in the
and, in practice,
the government
The coming of
dation of the Lee

also undermines the ^{year} "eq authority of the state. acc

Google right now is in the process of scanning the complete libraries of Harvard, Oxford, Stanford, and other institutes at the rate of several thousand books a week. And that is just one of a dozen extraordinary applications that will be available ten or twenty years from now, the other eleven of which are not even imaginable. I predict that every one of them will put more power in the hands of individuals and, in practice, make it more difficult for the government to coerce.

The coming crisis in the moral foundation of the Left is not as obvious, but it is even more certain. For the last forty years, the battle cry of the Left has been "equality," measured and promoted according to this premise: any differences among groups in the important outcomes of life—income, occupations, health, edu-

cation, and the like—are the result of bad and/or evil human behavior. Everything we associate with the phrase "politically correct" eventually comes back to the equality premise. The proliferation of college courses that frame every issue—from the American Revolution to the analysis of Shakespeare's plays—according to race, gender, and class derives from that premise. And at second hand, the penumbra of the equality premise will be visible in just about every legislative proposal that the new Democratic majorities will put forth in the coming session of Congress.

That premise is within about a decade, perhaps less, of being as discredited as the notion that the earth rides on the back of a turtle. The explosive growth of genetic knowledge means that not long from now science will begin to report precisely how it is that women are different from men, blacks from whites, poor from rich, and, for that matter, begin to describe the biological tendencies that distinguish English professors from engineers and Dutch from Italians. There is no reason to fear this new knowledge. Differences among groups will cut in many different directions, and everybody will be able to weigh the differences so that their group's advantages turn out to be the most important. Dutch and Italians will both continue to be quietly thankful that they are not the other, as will men and women, blacks and whites, English professors and engineers. But groups of people will turn out to be different from each other, on average, and those differences will also produce group differences in outcomes in life, on average, that are not the product of discrimination and inadequate government regulation, but simply the product of human beings behaving as they see fit.

People with whom I discuss this often say to me that the new scientific knowledge will not make any difference; the Left will just ignore it. I disagree. Over time,

new knowledge about the way the world works—hard new knowledge, not a matter of political opinion—changes the premises that people bring to their opinions. In 2031, the Larry Summers affair at Harvard will appear ridiculous to everyone, including the Left. In the interim, a void will have developed in the moral universe of the Left. If social policy cannot be built on the premise that group differences must be eliminated, what can it be built upon?

The answer is one that we have always known: differences in groups tell us nothing about what the person before us has brought to the table. The premise that we must reinvigorate is that people must be treated as individuals, not as members of groups. The success of social policy is to be measured not by equality of outcome for groups, but by open, abun-

dant opportunity for individuals. It is to be measured by the freedom of individuals acting upon their personal abilities, preferences, and aspirations to pursue happiness.

Substituting this premise will not end the Left's passion for redistributing wealth. Indeed, the new scientific knowledge about the genetic sources of differences will give the Left a new argument for redistributing money as a way of compensating for nature's unfairnesses. But that is not the point. Redistributionist policies may raise our taxes, but they are not nearly as dangerous to freedom as the state that insists on micromanaging how employers hire and fire, that tells high schools how they allocate their funds for their sports programs, and that puts a regulatory straitjacket on every form of freedom of association. Do not underestimate the degree to which the Left's agenda has been founded on the equality premise. Do not underestimate the degree to which losing that premise will throw the Left into disarray. Science is about to give us the opening to reinstall individualism as the moral basis for thinking about the purpose of government. Seizing that opportunity will be one of the crucial tasks facing the advocates of liberty over the next twenty-five years.

The New Case for Limited Government

Now I come to what I see as the central change in the argument for liberty between the last quarter century

and the next quarter century.
Most of the great proponents of classi-

cal liberalism in the twentieth century were economists. They understood the full ramifications of freedom, just as Adam Smith knew that The Wealth of Nations and The Theory of Moral Sentiments were two elements of a unitary vision. Nonetheless, much of the practical political appeal of classical liberalism has been based on the economic advantages of free markets. So while you and I may know all about natural rights and the principled case for freedom, the reason free markets made such dramatic progress over the past quarter century has had mostly to do with the pragmatic fact that giving people at least a certain amount of freedom tends to be associated with faster growth in GDP.

As wealth continues to increase in the advanced West, the economic incentives

to expand freedom lose much of their force. Politicians around the world are getting better and better at doling out the amounts and types of freedom that will keep their economies growing without seriously interfering with the intrusiveness of government. Meanwhile, electorates that are increasingly wealthy are less energized by economic arguments for limited government.

So how is the case for limited government to be made? In thinking of the answer, a good place to start is by thinking about this proposition: the real problem advanced societies face in the next twenty-five years has

The premise that we

must reinvigorate is

that people must be

treated as individuals,

not as members of

groups. The success of

social policy is to be

measured not by

equality of outcome for

groups, but by open,

abundant opportunity

for individuals.

nothing to do with the usual list of social problems, such as poverty or health care. The real problem is how to live meaningful lives in an age of plenty and security.

Throughout history, much of the meaning of life was linked to the challenge of staying alive. Staying alive required being a contributing part of a community. Staying alive required forming a family and having children to care for you in your old age. The knowledge that sudden death could happen at any time required attention to spiritual issues.

Life in an age of plenty and security requires none of those things. Being part of a community is not necessary. Marriage is not necessary. Children are not necessary. Attention to spiritual issues is not necessary. It is not only possible but easy to go through life with a few friends and serial sex partners, earning a good living, having a good time, and dying in old age with no reason to think that one has done anything more significant than while away the time.

Perhaps, as the song says, that's all there is. Such seems to be the attitude of an increasing number of European young adults. Secular, childless, preoccupied with the length of their vacations and the security of their pensions, they appear to have decided that the purpose of life is indeed to while away the time as pleasantly as possible, and that the proper function of government is to enable them to do so with as little effort as possible.

I don't buy it. In the long run, I don't think any thoughtful person buys it. Life can have transcendental meaning, whether we define "transcendental" according to the great religions or the great philosophers. But that meaning must, by definition, be acquired through our engagement with the world around us. Furthermore, the varieties of engagement are limited. Let me make an ambitious claim, and invite you to see if you can tell me why I am wrong.

Four Vital Institutions

When all is said and done, there are just four institutions through which human beings imbue their lives with meaning: vocation, family, community, and faith.

It is not necessary for any individual to make use of all four. Some people who live deeply fulfilled lives are in love with their vocation and are indifferent to family, community, and faith. Others live for spouse and children. For others, faith is everything. I do not array the four institutions in a hierarchy. I merely assert that these four are all there are. If the human beings in a society are to pursue happiness, those four institutions must be vital and rich, for it is through them that happiness is pursued. Seen in this light, the purpose of government is to ensure that they are vital and rich.

And here comes the paradox: the only way that government can achieve that goal is leaving those institutions alone—protecting them against predators, yes, but otherwise leaving them alone.

If you want a symbol of what happens when government tries to help, I invite you to drive through rural Sweden, as I did a few years ago. In every town was a beautiful Lutheran church, freshly painted, on meticulously tended grounds, all subsidized by the Swedish government. And the churches were empty—even on Sundays. Or take a look at the countries with the most extensive networks of child allowances, free day-care centers, and generous maternity leaves. You are also looking at countries with fertility rates far below replacement, plunging marriage rates, and soaring illegitimacy ratios. Go to countries in which the jobs are most carefully protected by government regulation and mandated benefits are most lavish. You are also looking at countries in which work is most often seen as a necessary evil, and the proportions of people who say they love their jobs are the lowest.

The more government tries to help, the feebler the four institutions become. The explanation for the paradox is simple: the real problem with the welfare state is not that it is inefficient in dealing with social needs (though it is), nor that it is ineffectual in dealing with them (though it is), nor even that it exacerbates the very problems it is supposed to solve (as it does). The real problem with the welfare state is that it drains too much of the life from life itself. Children do not become deep sources of satisfaction *despite* the difficulties of raising them, but *because* of them. A vocation does not become a deep source of satisfaction because it is easy, but because it is challenging. A community does not become a deep source of satisfaction because it is subsidized, but because it has responsibilities that only the community can meet.

The modus operandi of the welfare state is to say, "We will take the trouble out of that" when "the trouble" it wants to take out is in fact not trouble at all, but the stuff of life—the elemental events associated with birth, growing up, raising children, death, comforting the bereaved, celebrating success, dealing with adversity, applauding the good, scorning the bad—coping with life as it exists around us in all its richness.

The Lessons of Maturity

It is no surprise that the advanced world has evolved toward the welfare state. It is human nature, especially in the early stages of life, to take the easy way out if it is offered. But, thankfully, it is also human nature for adults to think about what constitutes a life well-lived. The

clichés of American English reflect the lessons we learn as we mature: "nothing worth having comes easily," "he pulls his own weight," "he is a stand-up guy," "you take out what you put into it." There is a reason clichés become clichés: they express truths. In this case, the truth is that for life to have meaning, one's life must be spent doing important and challenging things, and taking responsibility for them.

I do not think that falls in the category of an argument that has to be made. It falls in the category of things that all of us instinctively understand. I even think that agreement crosses party lines that if Nancy Pelosi and I went out for a few drinks and got to talking, she and I would find a lot of agreement—with these provisos: the Nancy Pelosis of the world will agree that these are truths about their own lives, but we cannot expect them to apply to everyone; and

that it is okay for people with money and education to live by these principles, but we must make exceptions for the less fortunate.

In response to that objection, advocates of liberty are going to have to adapt to some realities of a world that is growing ever richer. I am already trying to do my part. Last spring, I published a book entitled *In Our Hands*, in which I proposed replacing all transfer payments with, in effect, a guaranteed floor income for every American citizen age twenty-one and older. It is Milton Friedman's negative income tax on steroids. Some of my libertarian friends have taken exception to my proposal. But here are the realities that have to be faced: some

It is no surprise that the advanced world has evolved toward the welfare state. It is human nature, especially in the early stages of life, to take the easy way out if it is offered. But, thankfully, it is also human nature for adults to think about what constitutes a life well-lived.

people really do get the short end of the stick on a variety of dimensions over which they have no control. They are legitimate objects of our concern. And whereas we may be convinced that the best way to respond to their condition does not require the intervention of government, another reality is that we are never going to convince a majority of our fellow citizens

> of this. Western societies are simply too rich for a political coalition to come to power that proposes doing away with income transfers to people whom everyone agrees really are in need.

If we are to speak persuasively to our fellow citizens, we will have to come up with a grand compromise in one way or another, offering our opponents big government in terms of providing economic resources to the less fortunate if they will offer us small government in terms of the government's ability to stage-manage people's lives. I think a universal, no-strings grant is the best way to do that, but I am open to alternatives.

My point is this: we are not going to achieve the next great movement toward liberty by promising tax cuts. We are not going to do it by promising higher economic growth rates. We are not going to do it by economic arguments, period.

Rather, we are going to do it by convinc-

ing people that what is true of their own lives is also true of others' lives.

When Nancy Pelosi, after those couple of drinks, agrees that her life has been given dignity and meaning by vocation, family, community, and faith, we cannot let her off the hook when she says, "But we cannot expect everyone to be like that." Everybody *is* like that.

The great task—and the great opportunity—for the advocates of liberty over the next twenty-five years is to say that we are all truly brothers and sisters under the skin. To say that human dignity is for everyone. That a life with meaning is for everyone. That the route to that dignity and to that meaning is freedom.

- 5 -