

How to Promote Libertarianism

In a webbed [essay](#)¹ some years back, my son Patri argued that most of the standard approaches to changing the world in a libertarian direction, such as policy studies and persuasion, were tactics that had worked in the hunter-gatherer bands in which humans spent most of their evolutionary history but not in modern, large population societies. To do better it is necessary to change the incentives that generate political outcomes, the dynamics of the system. He described a variety of approaches to doing so, ranging from seasteading to crypto-anarchy. It is an interesting and persuasive essay and to a considerable extent correct, but I believe he is missing some important alternatives. None is likely to get us all the way to the world Patri and I would like, but any might move us in that direction.

I like to describe democracy as equipped, like a microscope, with a coarse control and a fine control. The fine control is special interest lobbying, the coarse control majority voting. Since voters, unlike the interest groups that lobbyists represent, have no incentive to acquire the information needed to do an adequate job of controlling government, how they vote is largely driven by free information — what everyone knows. Whether or not it is true.

In 2008 President Obama, faced with a financial crisis, claimed that there was agreement among the vast majority of informed economists that the way to prevent something on the scale of another Great Depression was massive stimulus. He got it — and the unemployment rate ended up higher than what he had predicted it would have been without the stimulus.

Thomas Sargent, who got a Nobel prize for his work in macro, wrote that “President Obama should have been told that there are respectable reasons for doubting that fiscal stimulus packages promote prosperity, and that there are serious economic researchers who remain unconvinced.”² A survey that asked economists whether the net effect of the stimulus was positive found that, of the thirteen who had worked extensively in macro, six agreed, six were uncertain, one disagreed.³

True or false, a lot of people believed it. That made it politically possible for Obama and the Democratic majority in Congress, with some help from the Republican minority, to engage in a program of vastly expanded government spending financed mostly by a substantial increase in the national debt, a program that would not have been politically viable five or ten years earlier. Twelve years later, when Covid produced a rise in the unemployment rate for reasons unrelated to the 2008 recession, both parties agreed, with little protest, on trillions of dollars more of deficit spending.

For another example of the effects of free information, consider the issue of free trade vs protectionism. All economists know that tariffs usually injure the country that imposes them as well as its trading partners. Everyone who is not an economist knows that tariffs help the country that imposes them by protecting its industries from the threat of foreign competition, are bad only to the extent that other countries retaliate. One reason they believe that is that the wrong analysis of foreign trade is easier to understand than the right analysis, which is why the right analysis did not appear until David Ricardo worked out the theory of comparative advantage in the early 19th century. The result of the mistaken popular understanding is to lower the political cost of passing

¹ <https://www.cato-unbound.org/2009/04/06/patri-friedman/beyond-folk-activism>

² <https://www.nysun.com/national/new-nobel-laureat-warned-against-stimulus-package/87512/>

³ <https://www.stlouisfed.org/on-the-economy/2014/october/what-do-macroeconomists-think-about-the-impact-of-fiscal-stimulus>

tariffs, often politically profitable since they benefit a concentrated and politically influential interest group — the protected industry. In the two hundred years since Ricardo, almost all countries have had tariffs.

Since people's beliefs affect the political cost of alternative policies, one way of influencing outcomes is by altering that free information. Patri's grandfather provides a striking example. His writing, speaking, and television programs had a substantial effect on what large numbers of people believed. One of my contributions to that project, on a much smaller scale, was to come up with an intuitive explanation of the principle of comparative advantage. For evidence of how widely it gets quoted, google with the search string "growing Hondas" (in quotation marks).

What I did added nothing to what Ricardo had worked out almost two hundred years earlier. But putting the argument in an entertaining and intuitive form changed, if only by a little, the content of the free information available to voters. The result is that more of them see support for a tariff as a reason to vote against a politician, fewer as a reason to vote for him, which makes it a little harder to get tariffs passed.

Finding a way to change the incentives that generate law, along the lines Patri suggested, is one approach to making the world more libertarian. An alternative within the present legal framework, for academics, novelists, newspaper columnists, anyone able to produce ideas and information and put them into circulation, is to try to alter the mix of free information that drives the coarse control mechanism of democracy.

The Uses of Money

Some years ago I had a conversation with an entrepreneur who wanted ideas for how to use his money and talents to spread liberty. It is not an easy question to answer. I offered him three different approaches:

1. *Political*. Identify and support candidates who agree with your views and will try to implement them, in the hope of getting them elected.

Barack Obama spent eight years demonstrating the limits of that approach. In 2008 I viewed him as the least bad of the three serious major party candidates,⁴ in part because he seemed less inclined to military adventures abroad than Clinton or McCain. By the end of his two terms he had launched airstrikes or military raids in at least seven countries and there were still U.S. troops in Iraq, Syria, and Afghanistan. Another reason I preferred him to Clinton was that she supported, and he opposed, making health insurance mandatory — until he got elected.

Obama did expand the size of government, something many of his supporters may have hoped for and expected. But the reason was not the policies he ran on but the fact that the financial crisis provided excuses to spend lots of money. I expect McCain would have done much the same, just as Obama's predecessor, with a different set of excuses, did.

If you want to make use of the political system for libertarian purposes, more promising strategies may be to support candidates who have no chance of winning but attract attention to libertarian ideas or to work for initiatives in states where that is an option. Passing a ballot initiative requires a majority to agree with you on only one issue — and an initiative, once passed, is law.

⁴ <http://davidfriedman.blogspot.com/2008/05/thoughts-on-democratic-nomination.html>
and <http://davidfriedman.blogspot.com/2008/05/thoughts-on-obama.html>

2. *Intellectual*. Promote your ideas in colleges, in newspapers, in any way that will spread them, ideally to people likely to be influential in passing them on.

This is a valuable approach, along the lines of my earlier argument, but not a good answer to the question put to me, since the crucial resource in spreading ideas is not money but people. One H.L. Mencken or Adam Smith or Ayn Rand or, on the other side, George Bernard Shaw, is worth many millions of dollar spent subsidizing ideological magazines or college lecture series. Some money spent in this way helps, but more than is already being spent on it probably doesn't help much.

And there is a potential down side to subsidizing such activity. Rice Christians were Chinese who converted to Christianity because the missionaries had rice. The political equivalent are people who adopt an ideology because doing so gets them a good job, government or private grants, and the like. If you are the party in power your missionaries have a lot of rice, which increases the number of converts but reduces their average quality. The same thing can happen, to a more limited extent, with private subsidies.

3. *Indirect*. Find ways of spending your money that will encourage changes in the world whose effects go in the direction you want.

The most successful example that occurs to me is the invention of the birth control pill. Its development was subsidized by a donor who thought a reliable form of female contraception would have social effects she approved of.⁵ I do not know how nearly the effects fitted her intentions, but that particular technological development had very large effects on the society at the cost of a trivial investment.

A libertarian example that brings us back to Patri's essay is his seasteading [project](#). The idea is to develop an inexpensive technology for floating housing. That would make taxpayers more mobile, hence governments more competitive, while creating a competitive market of small scale floating polities outside the control of existing governments. My guess is that, like most clever ideas, it won't work. But if it does, it could have very large effects over the next few decades in a direction that I would approve of.

A related approach is the development of free zones within existing polities, inspired by the success of Hong Kong and the enterprise zones of post-Mao China. It is less radical than Seasteading so more likely to happen; the usual model is for the host state to control criminal law in the zone while letting the entrepreneurs control civil law. Like Seasteading, it is a way to make the political ecosystem of the world something closer to a competitive market.

Another possibility is the development of what Tim May labeled crypto-anarchy,⁶ stateless interaction online enabled by technologies based mostly on public key encryption. I discussed that idea in some detail in several chapters of my [Future Imperfect](#). Some of it is happening, in particular the development of cryptocurrencies such as Bitcoin. It has the potential to considerably reduce the ability of governments to control people, especially in their online activities.

⁵ Katherine McCormick, heir to the International Harvester fortune and a crusader for women's rights, contributed a total of about two million dollars to fund the research.

⁶ <https://www.activism.net/cyberpunk/crypto-anarchy.html>. For my version, see "A World of Strong Privacy," http://www.daviddfriedman.com/Academic/Strong_Privacy/Strong_Privacy.html, *Future Imperfect*, and "From Imperial China to Cyberspace: Contracting Without the State," http://www.daviddfriedman.com/Academic/Course_Pages/analytical_methods_08/china_to_cyberspace.htm

Yet another approach is exemplified by the Free State Project. The idea there is to get enough libertarians to move to New Hampshire to shift its state politics in a libertarian direction. About five thousand people have done it so far and another twenty thousand are pledged to join them. That would still be a small fraction of the state population, but a considerably larger fraction of the politically active.

One advantage of that approach is that, in addition to producing the public good of making a small part of the world a little more libertarian, it also provides private benefits to the participants. Moving to a new state is a lot easier if there are thousands of people there you can readily connect with, people who have something substantial in common with you. Living in a new place is pleasanter if there is a social network you can readily plug into. Having unusual political views is less uncomfortable, makes you feel less isolated, if you are in contact with lots of other people who share them. In the case of the Free State Project, contact includes two big libertarian get togethers each year. One of them, Porcfest, is sufficiently fun so that I have several times flown across the country to attend.

The project of changing the world, whether by libertarians or other people, faces a public good problem: The people who do it collect only a tiny fraction of the benefit, so unless the payoff is enormously greater than the cost, doing it looks like a net loss to them. The solution, as with some other public good problems, is side benefits. Working to elect a candidate or push an initiative puts you in contact with people who share your values, gives you an opportunity for friendly interactions and the making of new friends. Some may end up as more than friends — mate search is one of the main human activities, especially among young adults. That is one reason I regard the low ratio of females to males in the libertarian movement as a problem.

One commenter on my blog offered a project less obviously political than Seasteading or the Free State Project but one that could have a substantial effect in undermining both the government's near-monopoly of K-12 schooling and the existing system of higher education:

a testing program for academic subjects that would cover a continuous range of levels from 3rd grade to college.

Such a program could be used by any school that wished to work to defined standards, home schoolers, employers, individuals or colleges should they care to give up SAT. If well done and cheap it would provide a world- or at least nation-wide standards for any style of education.

There may be other such projects that sufficiently clever libertarians could devise.

The Libertarian Party

Hard core libertarians want to reduce the size and scope of government to something between a minimal state and no state at all, but “libertarian” can also refer to one of the much larger number who favor less radical reductions in government involvement in both economic and social matters. A libertarian in the second sense is probably in favor of legalizing medical marijuana, possibly of decriminalizing marijuana use, probably not of complete drug legalization. He is likely to view education vouchers favorably, is probably opposed to national health insurance and may support some privatization of social security, but is unlikely to take seriously proposals for a fully private system of schools, health care, or old age insurance.

Libertarian Party membership consists mostly of hard core libertarians. Their preferred campaign strategy has been to spread their views, appeal to those who share them, hope for some votes from soft core libertarians who see voting for the LP as a way of pressuring the major parties to shift in a libertarian direction. In 1980, when Ed Clark, the presidential candidate, described libertarianism as “low tax liberalism,” and again in 2008, the party tried a different tactic. Bob Barr, the 2008 presidential candidate, an ex-Republican congressman whose past views were libertarian in some respects, anti-libertarian in others, ran as a moderately libertarian conservative. As a Republican he had introduced legislation to block the legalization of medical marijuana in D.C., as a libertarian he supported the right of states to legalize medical marijuana. He criticized the War on Drugs as a failure but proposed only the end of federal involvement, not full legalization.

The optimistic view of that year’s strategy was that it would finally get the LP a significant number of votes. If Barr ended up at five to ten percent that would give the party major party status, making it easier to get its candidates on the ballot and putting pressure on both major parties to modify their positions in a libertarian direction. The pessimistic view was, first, that it wouldn’t work, which turned out to be correct — Barr received .40% of the vote and eventually returned to the Republican party — and second that, if it did work, it would send the wrong message about what libertarianism was. Barr’s positions, after all, were already held by quite a lot of people in the major parties. A few years ago I suggested to a local Democratic congresswoman that one way in which her party could pull libertarian voters out of the Republican party was by coming out in favor of a federal policy of respecting state medical marijuana laws. She replied that she and some colleagues had already introduced a bill to do so.

Whether to run a hard core or soft core candidate for president continues to be an issue for the LP. In 2012 and again in 2016 the candidate was Gary Johnson, who had been a popular Republican governor of New Mexico, arguably the candidate most qualified to be president that the party had ever run. In the second of those elections, both major party candidates were disliked by many in their own parties. Johnson got a good deal of media attention, with some commenters suggesting that he could pull substantial numbers of voters away from Clinton and Trump. But many libertarians were concerned that, in trying to make libertarianism sound less frightening and more attractive, he, like Clark and Barr, had substantially watered down its content. He ended up with 3.18% of the vote, the best result an LP presidential candidate ever managed but still well below what his supporters had hoped for.

In every future campaign, the Libertarian Party will face the same issue, whether to present a moderate version of libertarianism in the hope of getting more votes or a radical version, in the hope of spreading ideas. The poster child for the latter strategy is the Socialist Party of America in the first half of the 20th century. It won almost no elections, in part because it supported extreme positions. But most of those positions were eventually adopted, and implemented, by the major parties.

Another issue for the Libertarian Party and libertarians more generally is whether and to what degree to ally with one of the major parties or the movements behind them. For a long time, libertarians were seen, by themselves and others, as part of the conservative movement, mostly linked to, and voting for, the Republican party. My wife tells the story, from sometime early in our relationship, of someone describing me to her as more conservative than my father, to which she replied “Conservative? The man is an anarchist.”

My early political writing, much of which ended up in my first book, was done as the token libertarian columnist on *The New Guard*, the magazine of Young Americans for Freedom, a conservative student group. Robert Schuchman, the first national chairman of YAF, was a libertarian, but the alliance between libertarians and traditionalists broke up in 1969 at the group's national convention in St. Louis, with most of the libertarians leaving to form their own organization. Many libertarians continued to think of themselves as part of the broad conservative movement, however, and some still do. The Republican party long offered a mix of conservative and libertarian ideology in its official positions, most notably its support for reducing the size of government, rarely reflected in policy when the party was actually in power. That changed in 2016 when Donald Trump took control of the Republican party, focussing two issues, trade and immigration, on both of which he was on the opposite side from libertarians. Even if he eventually loses control of the party, there is no good reason to expect it to abandon positions that won one election for him and came fairly close to winning another.

If libertarians no longer have a home on the right, the obvious alternative is the left. In the late sixties Murray Rothbard pushed the idea of an alliance with the New Left. That project died with the collapse of SDS in 1969, but Rothbard and others continued with an attempt to sell libertarian ideas to liberals, a policy for which they were fiercely attacked by, among others, Edith Efron, as discussed in Chapter XXX.

They were never very successful in selling libertarian ideas to liberals, but Trump's conversion of the Republican party from a conservative/libertarian coalition to a populist one has to some degree revived interest in the idea and controversy over it. The latest version of the latter was a *National Review* article by Jonah Goldberg, a conservative with libertarian sympathies,⁷ responding to an article by Brink Lindsey proposing a libertarian-liberal alliance.⁸ Goldberg correctly pointed out that extreme libertarian positions — permitting hard core porn on Saturday morning television was his example — are unlikely to get much political support, also that many hard core libertarians are interested mostly in some single issue, such as drug legalization or the Second Amendment. But while both claims are true, they are irrelevant to the case for such an alliance, since the proposal is neither to get the Democrats to adopt extreme libertarian positions nor to get hard core libertarians, a large fraction of whom don't vote anyway, to support the Democratic party.

Lindsey had cited a Cato piece which estimated that about 15% of the electorate is libertarian leaning. Very few of those are hard core libertarians. What the authors of the piece were looking at were voters whose views were similar to those of conservative Republicans on economic issues and to those of liberal Democrats on social issues. Liberal Democrats do not support Saturday morning broadcast porn any more than conservative Republicans support complete laissez-faire and zero taxation, but there appears to be a sizable block of voters who want at least moderate change in the direction of less government involvement in both social and economic matters.

In 2000, most of them voted for Bush; in 2004, a majority still voted for Bush but a sizable minority voted against him. That pattern suggests that a Democratic party that made efforts to look at least a little more libertarian than the Republican party — never very hard, and even easier now —

⁷ December 2006, no longer webbed.

⁸ "Libertarians," <https://www.cato.org/publications/commentary/libertarians>

could eventually pull a substantial voting block over to their side. It was a point I made, without the benefit of the data from the Cato article, in a blog post back in 2005 and another in 2008.⁹

If Republicans supported less government instead of more, which for a long time they claimed to do, they would be natural allies for libertarians. Since Republicans at the moment support more government, more even than Democrats did as of the last time they were in power, it is worth looking for other allies.

I am writing this passage a few days before the 2020 election, which raises interesting possibilities for libertarians if not for the Libertarian Party. Suppose Trump loses, as I think he probably but not certainly will. What happens to the Republican party?

One possibility is that they continue their present course as a populist party, with or without Trump as the leader. Another is that they revert to their pre-Trump status, lose the blue collar Democrats who Trump pulled in but recover the traditional Republicans he drove out, including at some libertarians.

The most interesting possibility is that the party will reform around a different coalition. A Democratic party dominated by Alexandria Ocasio-Cortez and her Woke supporters may prove uncomfortable for the traditional liberals that used to make up the core of the Democratic coalition. The result might be a future Republican party with room in it for libertarians — of the soft core, if not the hard core, variety, or a new party built on a new coalition, what the Liberal Democrats in the U.K. attempted and, for a while, seemed to be succeeding at.

We will have to wait and see.

⁹ <http://davidfriedman.blogspot.com/2005/12/howard-dean-to-white-courtesy-phone.html> and <http://davidfriedman.blogspot.com/2008/02/thoughts-for-obama.html>