The Political Theory of Conservative Economists

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Part Two

Market-Based Politics: Revising Political Arguments to Fit Economic Theory
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Chapter Three

Freedom

The generality of labourers in this and most other countries have as little choice of occupation or freedom of locomotion, are practically as dependent on fixed rules and on the will of others, as they could be on any system short of actual slavery.


And effective freedom depends on power; it is freedom to use power possessed and has content only insofar as the person has ‘means.’


Definitional Assumptions and Politics

Politics is uniquely linguistic. Even in authoritarian systems people ultimately control and manipulate others with words and ideas. Though using the same terms, liberals, conservatives, socialists, and authoritarians give them different meaning and content. Basic ideas and values, such as freedom, justice, equality, and democracy are “hurrah” words that are almost universally approved. Even the most ruthless dictators claim to be “restoring” the conditions for democracy. Each of us values freedom, but we debate its meaning: being left alone, or having resources for choice and/or self-development, or willing acceptance of necessity. Justice is always the basis of the good life. But as Aristotle noted in his Politics, there are many competing interpretations of justice, each arming its holders with some partial and legitimate claim to recognition. Socrates and Thrasy白马aus discuss justice in the first two books of The Republic, but mean radically different things by it. Realization of either conception of justice must annihilate the other.

It matters how people define or conceptualize important political ideas. Words and ideas are not neutral but have consequences and symbolic importance. We perceive, explain, and understand the world through ideas and concepts; they construct and may constrict reality. Words control what people
consider to be a problem, legitimate means to address that problem, and ac-
ceptable policy options. Frequently, definitions are actually moral claims and
assumptions about basic political values and provide the gauge to measure and
judge behavior, people, and institutions. A policy or proposal may be explo-
itative, a threat to freedom, acceptable in a democracy, or unjust depending
upon how one conceptualizes these values. Radically different policies, or
entire political systems, result from different images of commonly held beliefs
and values. If others accept our interpretation of the essence of freedom or
the meaning of democracy, we have gained significant control over their politi-
cal perspective and behavior. Though normally definitions are useful, given
a particular purpose, and not necessarily true or false, conservatives’ defini-
tions follow from their economic assumptions and support their policy and
political claims.

This and the next three chapters explicate the conservative economists’
understanding and use of political ideas that have been contested for cen-
turies; ideas that are pivotal in the history and operation of western liberal-
democratic systems. Conservative economists attempt to monopolize public
debate by recasting traditional political ideas to conform to their market model.
They assert that their definitions are not convention or convenience but are
given by nature or at least human nature, virtually a form of natural history.

Human nature and the political market reveal the meaning of key ideas; any
other interpretation will replace the competitive economic order with coercive
political conflict, destroying freedom and the most productive possible economy.
Moreover, conservatives’ definitional claims are interrelated, so that one opens
or closes possibilities and alternatives for the others, forming an integral part
of the economists’ policy claims. For example, if democracy requires little
popular participation or if it means choosing among rival elites, then people
do not need extensive freedom or much equality. If equality is the right to
attempt to compete, then one does not need more freedom than the right
to compete.

These definitions have consequences for political discourse and control
the range of legitimate policy options. In C. B. Macpherson’s term, market
economics sets “the inescapable requirements, of the political system.” Though
starting from a significantly different perspective, Milton Friedman claims the
free market “defines the role that government should play in a free society.”
The conservative economists’ definitions are inescapable. If they are successful
in convincing the public that freedom means being left alone, especially in
market relations; that democracy has little to do with political participation
and that currently low levels of participation should be further reduced; or
that equality and inequality are the result of natural economic processes into
which the public cannot constructively intervene, then their policy proposals
and government model follow logically. These redefinitions, which flow from the view of human nature and economic and political markets discussed in chapter 2, set the framework for understanding the conservative economists’ challenge to public provision of welfare, regulation, and intervention into the economy and are the basis for reconstructing contemporary liberal-democratic welfare states.

Debating the Meaning of Freedom

Freedom is one of the most important and contentious concepts in western political discourse. Even within the same normative tradition, such as liberalism, there is unending controversy over the content and meaning of freedom as well as what factual situations promote or retard freedom. In defining freedom differently, rival economists either condemn or applaud the welfare and/or interventionist state; limit or expand the scope of government and group action; and attack or defend democratic politics and equalization policies.

The perception of freedom has never been static. It has continually expanded to include more people and areas of life, adapting to problems, challenges, and opportunities. Freedom may refer to rights, liberties, powers, immunities, national independence, or being left alone. For the ancient Greeks, freedom pertained to the polis and its independence from foreign rule, not the individual—a meaning it still retains in many twentieth century national liberation movements. Early modern theorists such as Locke emphasized the relation between the individual and government in defining freedom. Nineteenth-century theorists such as John Stuart Mill added oppressive social situations, majorities, and holders of economic power as dangers to freedom. During the 1930s, freedom in the United States increasingly came to include protection against economic disaster and concentrations of economic power.

It is a virtual truism that no value, not even of life, is absolute, uncompromisingly dominating and overcoming all other values in all circumstances. Freedom’s meaning is no different. It too is hedged in by other values, beliefs, traditions, and interpretations of what constitutes an obstacle that should be overcome for its promotion. The question is not whether there will be any limits to freedom—classical theory always emphasized that freedom is possible only under the law—but rather what encompasses and constrains freedom, what trade-offs are legitimate between freedom and other desirable values, and what policies are likely to implement whatever one conceives as freedom. Such limits must be defended and justified in one of several ways. Limits may be imposed to protect another desirable value, as when the conservatives protect their economic freedom by criticizing democracy. Or, limits may be based on
the claim that people are not yet ready to enjoy the value—such as Lenin's assertion that the proletariat was not ready to revolt or govern and therefore needed strict party leadership to enforce success. Limits may also be imposed on the ground that the value does not mean what it appears to mean, such as the frequent eighteenth-century claim that the political equality implied by widely accepted natural-law arguments did not include women, the poor, or slaves.

An adequate theory of freedom must address a number of questions: what is the general meaning of freedom; what are its source and justification; to what areas of life does it apply; if there is conflict between different arenas for freedom, which is dominant and by what criteria; is freedom a negative or positive concept, or both; who has freedom—individuals, groups, or both—and under what circumstances; what are the obstacles to realizing freedom and why; and what is choice.

Conservatives' Freedom

Freedom is the conservative economists' primary value and central idea. It trumps all other values, confining their meaning and application. The conservative economists reject the claim that the meaning and content of freedom continue to change and expand. Freedom has a specific content, the same as it had for liberals in the eighteenth century: being left alone and using your property as you wish. Within a liberal-democratic framework developed over the last three hundred years, the conservatives have chosen the historically narrowest meanings of freedom, equality, democracy, and justice, forcing these concepts into the constraints of an idealized market economy while claiming to maximize them. (In this context, "narrow" means the fewest legitimate options, the smallest range of alternatives, the least chance for expansion, the most tenuous interconnections between politics, economics and society, and a focus on procedures, not substantive content or outcomes.) The result is that although these theorists claim that their economy is, or should be, autonomous, political and social relations must conform to their economic model.

The conservatives' depiction of human nature, the market, and market requirements provides an absolute barrier to expansive conceptions of economic or political freedom. Each of their values and proposals is structured upon, limited by, and required to conform to individualistic pursuit of self-interest as the essential component in freedom. A simple picture of human nature encourages a simple picture of freedom, its necessary conditions, and its value. Conservative freedom is grounded in human nature rather than an appeal to contract, rights, or transcendent standards. Though the economists write ex-
tensively about freedom, they are not concerned with related philosophical and political questions. They have no developed theory of rights. Freedom is their ultimate standard, but they justify it in negative, weak utilitarian terms.

Hayek defends freedom as the consequence of fundamental, “necessary,” “irremediable,” and “inevitable ignorance” that all people confront. This primordial ignorance is not a reason for intervention but is the basis for rejecting intervention. People must be left alone to take their course in the market. No one can possibly have an adequate understanding of another’s immediate situation, and no one can measure the consequences of the actions of millions; therefore, to maximize efficiency, production, and satisfaction, people must be allowed to choose, unhindered, in their immediate situation and take the consequences of their choices. In this formulation, freedom’s justification depends upon the functioning of the economic system. Given human nature, freedom is absolutely necessary for achieving all that we want, but it is still an instrumental good, justified not in and for itself or even as a means to individual expression, development, or self-determination, but as a means to largely material-productive ends. As such, it lacks the philosophical grounding these authors seek for their policies and is potentially open to refutation if the preferred ends can be achieved by empirically verifiable alternatives—though they believe this is not possible and reject all contrary evidence.

Freedom is a process and condition summarized by the absence of coercion, especially government intervention in one’s affairs. The primary meaning of freedom is economic, negative, and individualistic: being allowed to attempt to use one’s resources as one wills, in competition with others. It is an economic concept in the narrow sense of exchange relations in a market, not in a wider meaning of maximizing output or minimizing potential resource waste. Any political or social connotation is derivative and legitimate only if it supports the principle economic meaning. The market is, therefore, the absolutely essential arena for the exercise of freedom. Moreover, the requirements for freedom determine the role of government and the obligations citizens owe to one another. Freedom in the market allows people to promote self-interest, but giving equal (same) freedom to everyone prevents concentration or exercise of power. Thus market freedom is the best expression of human freedom and simultaneously limits the potential for abuse of freedom.

For Friedman, freedom means allowing each “individual to pursue his own interests so long as he does not interfere with the freedom of others to do likewise.” This involves seeking one’s ends, giving the “opportunity for the ordinary man to use his resources as effectively as possible.” It has nothing to do with maximizing opportunities or being successful. Though Friedman believes that freedom is indivisible, with each component contributing to the others, he is most concerned with economic freedom—allowing the individual
to pursue his or her economic interest. To Hayek freedom is the opposite of slavery. It means “a state in which each can use his knowledge for his purposes.” Freedom exists when people may act on the basis of their “own knowledge and in the service of their own ends,” though this applies mainly in the market. Each of the conservative economists agrees with the argument that freedom involves the elimination of “coercion by the arbitrary will of another.” The key word is “arbitrary.” Coercion does not exist in the market. Only government can arbitrarily coerce people, making government the major threat to freedom. Thus, to Buchanan, “[A]n individual is at liberty or free to carry on an activity if he or she is not coerced from so doing.” Freedom for Hayek does not guarantee “any particular opportunities, but leaves it to us to decide what use we shall make of the circumstances in which we find ourselves.” Freedom does not include agency; means or power to satisfy wishes; extensive choices; collective efforts to change circumstances; or any guarantees beyond protection from physical force and being allowed to attempt to do what one wishes. Freedom is not affected by the conditions under which one operates, the results of unsuccessful competition, perceptions, or the inadequacy of means to operationalize one’s freedom.

The Market and Freedom

Given these notions of freedom, how is the market related to freedom? The conservative position is clear. Freedom depends upon and is generated by the market. The market is the primary area of freedom, an absolutely essential means of protecting freedom, and a necessary support for freedom. Without a free market, political freedom and democracy could not long survive. Even if it does not operate perfectly, the market encourages freedom, especially in the long run. The conservative claim focuses on being allowed to act rather than broadly conceived conditions for the exercise of freedom. To the extent that these authors relate freedom to self-development or self-realization, it is exclusively economic self-realization—pursuing one’s ends—through a competitive market.

Though Hayek is less inclined than Friedman to claim that the market always defends freedom, he believes that it usually does and that it is absolutely essential to freedom. The preexisting spontaneous order is the basis for freedom; freedom grew as the spontaneous order developed. Thus, discovery of natural order in human relations “provided the foundation for a systematic argument for individual liberty.” As the spontaneous order is primarily economic, a market order is a functional, logical, and sequential prerequisite for the development of all freedom.
For Friedman, economic freedom "is itself a component of freedom broadly understood . . . an end in itself . . . [and] an indispensable means toward the achievement of political freedom." Economic freedom means being allowed to choose "how to use our income" and "to use the resources we possess in accordance with our own values." There is no difference in freedom for those with large or small income, property, or resources. Regardless of contrasts in wealth—I have one dollar, you have one million—everyone is equally free as long as no one coerces another in the use of his or her resources. This freedom includes owning and using property; entering any chosen business or profession, without limits or licensing requirements; and voluntarily buying and selling in any market. It means that freedom cannot be enhanced by acquisition of new resources through government redistribution or protection.

The conservatives equate free with voluntary. In another example of either/or thinking, voluntary behavior is the opposite of being coerced. All behavior that is not coerced is free, voluntary, and self-chosen. Though the market is not the only arena of voluntary behavior, only voluntary behavior occurs in the market; only the market guarantees voluntary behavior. Equal formal access to the market, therefore, is the essence of freedom. Pursuit of self-interest ensures that voluntary relations are neither coercive nor uniformly one-sided. Voluntary, for these theorists, is a very broad concept, including situations where a person has little choice and may face substantial constraint.

This image of voluntariness transforms the market into the realm of consent, and consensual, noncoercive relations. Because market relations are voluntary, they are entered freely and deliberately: "[B]oth parties must benefit . . . so long as the exchange is voluntary and there is no force . . . both people are better off." Even if it is not a sufficient condition, "voluntary exchange is a necessary condition for both prosperity and freedom." Though in Capitalism and Freedom Friedman notes that "[e]xchange is truly voluntary only when nearly equivalent alternatives exist," this qualifier disappears from his later work. Because, by definition, force cannot take place in the voluntary market and in the absence of force freedom is preserved, government should not intervene in economic relations. Any intervention must diminish freedom.

The "ethical attractiveness of voluntary exchange" becomes an important part of the defense of markets, even though analysis excludes concern for non-forceful coercion. It assumes that each person in an "economic" relation is an autonomous, self-directing actor and views freedom from the perspective of the person acting, not the person acted upon. The notion of being acted upon—by manipulation, compulsion, subliminal suggestion, or passive receipt of externalities—hardly exists in this thinking. People outside market transactions are not considered.

Other conservatives expand upon this position. William Hutt sees the
market as both free and democratic, where “each person’s vote” is weighed in proportion to his contribution “to the common pool of output”; that is, his contribution “to the well-being of the rest.” This free and democratic system depends on private property, and its democratic content is not abridged by participants having different numbers of votes. As in classical political economy, property is a key element in the definition and defense of freedom. Protection of property is not a threat to individuals, even those without property, but is the basis for civilization, freedom, and the spontaneous order. For Ludwig von Mises, “Private property creates for the individual a sphere in which he is free of the state.” Hayek agrees that we need such autonomous spheres to prevent coercion. Property, liberty, and law “are an inseparable trinity.” The condition of propertylessness, however, does not compromise freedom, because those without property are free (allowed) to choose for which property owner they will work. To Murray Rothbard, freedom depends upon property and using property and talents as one wishes. Such “freedom leads to economic development” which encourages further scope for individual action and freedom.²¹

Economic and Political Freedom

Conservative and liberal economists agree that economic and political freedom are interdependent, but disagree over the meaning of economic freedom, the nature of its relation to politics, and whether freedom is an extensive or narrow idea. Liberals envisage an intimate, two-way linkage. Economic freedom may promote or harm political freedom. Both are necessary values, and neither should be emphasized to the detriment or exclusion of the other. Under a wide variety of circumstances, such as poverty, unemployment, unequal access to employment, or lack of educational opportunities, political intervention can expand economic freedom, whereas poverty and economic instability can destroy the conditions of political freedom. On the other hand, conservatives see a strong causal link from economic to political freedom. Economic freedom is prior to and necessary to political freedom, but economic freedom cannot be expanded by any public intervention. Indeed, the spontaneous order of economic freedom may flourish even in the absence of effective political freedom. There is no evidence that the conservatives contemplate any conditions where economic freedom could undermine political freedom or stability.

Friedman exemplifies the conservative position. “Economic freedom is an essential requisite for political freedom.” “Restrictions on economic freedom inevitably affect freedom in general, even such areas as freedom of speech and
press." The market limits government and reduces "greatly the range of issues that must be decided through political means," and anything that limits or diffuses government power increases freedom. Thus the market prevents concentration of political and economic power, which is the only alternative to free markets, thereby serving "as a check and a counter to political power." It does this by providing a wide variety of services, removing an important area of life from government, creating a polycentric system as opposed to a concentration of power in politics, and providing an economic base from which people who are not acceptable to the government may be able to advocate dis­sident ideas.22

Friedman makes no effort to explain to whom holders of economic power are responsible if they have the ability to check government power. The word "responsible" literally has no meaning in the market, as he and the other conservatives deny that there is any private, economic power because it dissolves in the market. Efforts to enforce "responsibility" must always be destructive. Market power is a positive contribution to political freedom for two reasons. First, one can always find another buyer, seller, employer, or employee; therefore, no single buyer, seller, and so forth can have any coercive control. Second, since coercion is the only danger to freedom, politics is coercive, and since the market is an impersonal mechanism that can never be coercive—a point upon which Hayek repeatedly insists—the market protects freedom. It provides "a system of checks and balances" which "enables economic strength to be a check to political power rather than a reinforcement."23 Thus its limitations on government, even on popular majorities, always promotes freedom.

Economic freedom has virtually created political freedom. According to Friedman, political freedom in ancient Greece and Rome, as well as in the eighteenth and nineteenth centuries, "clearly came along with the free market and the development of capitalist institutions." By creating polycentrism, the market encourages diversity of opinion and reduces the areas of life where politics is dominant.24 Hayek agrees: "Economic freedom is thus an indispensable condition of all other freedom," necessary to and resulting from personal freedom. It is "the prerequisite of any other freedom." He links planning and government intervention in economic affairs with "the disappearance of all personal freedom [including "spiritual freedom"] and the end of justice." Individual and political freedom have never existed and cannot now exist except under his version of economic freedom.25 Buchanan also links economic to individual and political freedom, claiming that markets are less arbitrary and more likely to support freedom, justice, and equality than is politics or government. Markets "tend to maximize freedom of persons from political control," and it is in systems with free markets that freedom in general is best protected.26 The conservatives' causal link between economic freedom and overall
freedom is a deductive necessity rather than a hypothesis offered for evaluation. The conservative economists' choices are simple: unrestrained economic freedom, essentially laissez-faire capitalism, which is the only system promoting freedom; or centralized control, something close to the Soviet model. A stable mean does not exist.

The lack of a stable alternative between complete market freedom and a totalitarian system helps explain the conservative reluctance to support active measures to curb racial discrimination. Freedom to buy and sell in the market, as well as freedom to exit undesirable market situations, replaces the need and desirability for political action. In Capitalism and Freedom, Friedman argues that only coercion should be subject to public policy because discrimination is simply the refusal to trade with someone; efforts to address that kind of "harm" always "reduces freedom and limits voluntary co-operation." Antidiscrimination policy means arbitrary use of government power. Though discrimination can be an obstacle to freedom, Friedman argues that the market provides the only climate within which minorities can be free and that minority progress can be attributed to free, capitalist markets. Impersonal markets prevent arbitrary exercise of power, financially hurt those who discriminate, and provide a safe haven for minorities. Conversely, if the market does not eliminate what appears to be sex or race discrimination, this means they are in some sense natural. For Friedman, the market "protects men from being discriminated against in their economic activities for reasons that are irrelevant to their productivity." To Hutt, "the free market is colour blind." Profit incentives ensure the best worker will be hired, regardless of race. Assuming rationality and profit maximization as the primary goal, people would not discriminate if governments would only end minimum-wage laws and similar artificial supports for market imperfections. George Gilder sees racism as a myth and believes that minorities must work harder than they did in the past and that antidiscrimination policy has become the great enemy to minority progress. In the long run, the market eliminates discrimination despite past inequalities and discrimination.

Discrimination is not an issue of morality but of efficiency and productivity, typical of any other exchange. Given ignorance and natural market relations, this position accepts the nineteenth-century ideal of free competition. Yet past discrimination has probably prevented people from developing their talents, so that minority workers may not be "the best" available. Except for Buchanan, who allows limited intervention, the authors regard the conditions within which market freedom can end the results of discrimination as a nonissue. To admit it as a problem would open the possibility of legitimate public intervention which in turn must undermine the economic freedom necessary to political freedom.

The conservative economists deeply value all forms of freedom, including
political freedom. Buchanan, Friedman, Hayek, and others repeatedly warn of the dangers that public economic intervention holds for democratic politics and political freedom, using prewar Germany, the Soviet Union, and Salvador Allende's Chile as examples. "Political freedom means the absence of coercion of a man by his fellow men." Beyond the absence of coercion, what is the content of political freedom? The conservative economists do not provide a ready answer, though one can be construed from their view of politics and the political market, their emphasis on economic freedom, and their evaluation of democracy.

Political freedom requires limited government, not a particular form of government. Political freedom is dependent upon, secondary to, and in the long run probably less important than economic freedom. For example, in The Road to Serfdom, Hayek admits that in early modern Europe, growing political freedom encouraged economic freedom, yet "political freedom has never existed" without economic freedom. Friedman concurs: "[T]he ingenuity of people, acting separately, in the economic market in finding ways around governmental restrictions has been far more effective in maintaining a relatively free society than the good sense of citizens acting, jointly, in the political market."30 Since the economic market requires impartial application of law and relieves the political system of the burden of such divisive policies as redistribution or antidiscrimination laws, citizens have more protection and need a smaller range of political rights than in a system with extensive or active government.31 Consequently, political freedom is a narrow, procedural concept, centering upon the essence of economic freedom—nonintervention. It contains a limited notion of political equality, which includes identical treatment by the law and acceptance of the principle, if not always the letter, of universal suffrage. Classical liberals such as James Mill claimed that participation to protect rights and interests is the heart of political freedom. But when government has little power to affect interests, there is not much need for extensive political participation. The market supplements and in some cases supplants civil and political liberties; indeed, dependence on welfare may be a proper ground for reducing a person's liberties.32 Political freedom has nothing to do with antipoverty programs, socio-economic status, equal information, similar impact on formulating the political agenda or policies, or widespread public influence on government. In fact, the latter may be a danger, and many of these authors would curb citizen access to and influence on government.

Based upon their arguments about the dangers of concentration of political and economic power, the conservatives accept freedom of speech and the press, the right of people to organize—though they mistrust interest groups—and probably the right to dissent from public policy.33 Other forms of freedom are possible. Friedman, for example, more consistently libertarian than the others,
has opposed the draft, supported creation of a voluntary army, and argued for decriminalization of drugs. These are normally seen as separate elements in freedom, rather than supplements to political freedom.

The conservatives' concept of political freedom discounts the possibly adverse impact of economic dislocation, poverty, unemployment, or depression upon political freedom or politics. If people are not allowed to demand that government address such problems, then these difficulties cannot trouble political stability. As such, they are not obstacles or dangers to political freedom or democracy. It is only when people attempt to force governments to intervene into the spontaneous economic order that economic, and therefore political, freedom become threatened. Given this rationalist construction, economic problems can never trouble the polity, because freedom requires that politics be divorced and removed from economics.

Though no one can deny that all control in the hands of one person, group, or government would constitute a condition for tyranny, this does not mean that all types of economic freedom are necessary to political freedom, or that one cannot draw any line short of destroying a free economy. There is no logical or historical reason for believing the market always protects freedom. Market failures, economic instability, and maldistribution undermine the conditions necessary for people to exercise their rights and encourage development of extremist movements. People will not ignore great inequalities, even if all inequalities were economically efficient, which they are not. People experiencing unemployment, sexual harassment at work, few or no job alternatives, or a declining regional economy understandably—even if, from the conservative perspective, erroneously—mistrust spontaneous forces. They may believe that their situation is accounted for by identifiable decisions of identifiable persons and expect some public aid to resolve their problems. When a person may be called free therefore depends heavily on what is an obstacle to freedom.

Obstacles to Freedom

Determining the obstacles to freedom—what makes a person unfree, takes freedom away, diminishes freedom, or creates conditions under which one is not free and/or able to do what one wishes—also defines the nature and scope of freedom by demarcating its parameters. Which obstacles an author considers "natural" and which are due to controllable human agency affects what he or she believes must be accepted, even if its results are undesirable—such as the inevitability of poverty and starvation to Malthus—and what may be purposefully changed. Thus if market distribution is "natural," this produces a different
relation between freedom, politics, poverty, equality, and employment than if market distribution is controlled or at least deeply affected by some participants.

The question of freedom's context is, therefore, very important. It enables us to understand what authors mean by a value and what policies they consider suitable to implement it. Where liberals emphasize context and conditions, the conservatives depreciate most environmental considerations, focusing on the individual and his or her currently available choices. In looking at limits, they emphasize formal freedom. This has important policy results, because if freedom is a negative concept, there are fewer limits on it than if it is positive, requiring aid and support. The conservative economists emphasize the definitional fairness of starting "ground rules" rather than conditions, ability, "end states," or results. Like individualism, equality, and democracy, freedom is a procedural concept. With this understanding, how are coercion, power, unemployment, the role of government, and the range of choice potential obstacles to freedom?

The conservative position is startlingly simple. Coercion is the only significant obstacle to freedom. The absence of coercion is a sufficient condition for freedom because individual choice is possible in all circumstances except under coercion. Only governments have consistent power to coerce. Therefore only government is a danger to freedom. How is this conclusion reached?

In a position accepted by Buchanan and Friedman, Hayek claims that "freedom' refers solely to a relation of men to other men, and the only infringement on it is coercion by man." It does not involve being able to fulfill plans and is not limited by the range of available choices. Coercion is force, "arbitrary violence," and the intention to shape others' behavior. Thus losses in the market are never coercive, and in a definitional argument, coercion does not occur in the market if government leaves it alone. Coercion means "control of the environment or circumstances of a person by another that, in order to avoid greater evil, he is forced . . . to serve the ends of another." The meaning of "greater evil" is narrowly conceived— withholding needed supplies and even imposing severe limits is not coercive—thus voiding the possibility of intervention to protect freedom. Private property, equal application of the law, and the market provide the conditions which prevent coercion. In the market, one finds only "voluntary cooperation," making the market free. The possible coerciveness of private property, compulsion, necessity, or few open possibilities is defined away.

The restraints some people see in the market are only apparent and trivial and do not affect being free (allowed) to attempt to act. The market is non-coercive because it is impersonal and spontaneous and its results are unintended, unforeseen, and undirected by any one person. Unlike politics, no one has direct control or power over another, therefore no one is forced to
serve the end of any identifiable other. In a virtual caricature of Rousseau's General Will, it is no infringement on freedom that one must be dependent on all for the conditions of life. Every one is deprived of arbitrary power. Existing restraints are not arbitrary but rather provide "narrow limits on the potential for exploitation of man by man." Such restraints are natural in that they are "imposed under the 'democratic' form... consumers' sovereignty."

There can be no rights against a natural, spontaneous order. Since the market is natural, it cannot be an obstacle to freedom. Even "[t]he threat of starvation" is neither coercive nor a violation of freedom if it results from normal market relations because "its effect on my freedom is not different from that of any natural calamity." For Hayek, the market prevents coercion by ensuring "that nobody has to be dependent on specific persons for the essential conditions of life." Only under the rarest monopoly over absolutely essential supplies, such as water, would it be possible for one person to coerce another in the market. Without coercion, which can be sustained only with government support, monopoly is extremely rare and short-lived, because in a free market, monopoly prices encourage others to invest, thereby reducing the would-be monopolist's profits. If no one invests, it proves there are no monopoly profits to attract other investors; thus there is no monopoly and no one's freedom is endangered. Under all other circumstances, even if the situation may be painful, freedom is protected because each person may seek another supplier, employer, or customer. The absence of coercion becomes the necessary, and in most cases sufficient, condition for freedom.

The conservatives argue that businesses have no real power and that property is not normally a source of control because relations are voluntary, enterprises are private, and power is dissolved in the market which controls a firm's behavior and guarantees alternatives for consumers. This means that in any politically relevant sense, there is neither an economic elite nor economic power. Business decisions are private not public decisions. The potential ability of business leaders to reject public policies of which they disapprove is unimportant, is not an exercise of power, and is a wholesome limit on government. Size is unimportant because it does not give real power if there is any competition. It simply means an enterprise has been successful in meeting consumer demand.

Control over people in the workplace is thus not meaningful power or an obstacle to freedom, because, in Hayek's words, it is "never power over the whole life of a person." If everything one does is for self-interest and if market relations are voluntary and mutually beneficial, no one has any reason to complain if results are unsatisfactory. Participants are always allowed to leave or find other employers or consumers; therefore, no one can control another without his or her agreement, meaning that there is no private power in the
Freeman's sense of controlling a person against his or her will. Thus, where theorists such as Heilbroner and Galbraith see control and subordination, in addition to voluntary behavior, in the market, Buchanan, Friedman, and Hayek see only voluntary behavior. Business has no influence over employees or government. If it does have influence contrary to market theory, that is the fault of excessive government and its arbitrary power to benefit special interests. The power of business is a dangerous myth that can be employed to attack freedom.

Even work rules do not affect worker freedom. Hayek argues that freedom means taking the disadvantages of employment choices along with the benefits. Disadvantages from selling one's labor include doing "the bidding of others." This does not make a person unfree, because he or she may always quit, even if leaving has very high costs. People choose to work for others. It is a voluntary agreement between individuals for their own benefit.

Only labor unions have coercive power; strikes are the only example of "private use of coercive power . . . an intolerable infringement of human freedom." Hutt claims that boycotts and strikes are not significantly different from the use of physical violence. Neither hierarchical relations and dependence, which are never discussed, nor differences in wealth, status, position, and socio-economic benefits affect freedom because they are not coercive. Although private ownership is asserted as a necessary counter to governmental power, there is no real private power in the market. Thus the market can never endanger freedom, and there is no need to regulate the market or attempt to curb the "power" of large corporations. Indeed, there is good reason not to, because intervention concentrates more power in the hands of the shifting majorities who control government for their own selfish ends, or gives power to corporations they would not otherwise have, or both, thereby destroying freedom.

Liberal economists do not accept this argument. They see more impediments to freedom than coercion or force. Market conditions such as constraint, availability of real choices, and inequality, whether intended or not, affect freedom. Racial discrimination is a serious impediment to individual freedom and the efficient operation of markets. Freedom requires recognition that the market does not dissolve power and that many groups exercise market power, coupled with development of mechanisms to limit that power. Thus power is a more inclusive term and pervasive reality for liberal economists than for conservatives.

For Galbraith, power is "the ability of persons or institutions to bend others to their purposes." Given this broad concept, power includes "condign, compensatory, and conditioned power." Condign power is similar to the conservatives' physical coercion but also includes painful emotional situations. Conditioned power—which changes belief through education, persuasion, manipulation of perceived alternatives, appeals to common values, and
even advertising—does not exist for the conservatives. Where they see voluntary action, such as responding to an advertisement or popular acceptance of business goals, Galbraith sees conditioned power. Conditioned power is analogous to legitimate authority, but the conservatives exclude authority from their analysis. Compensation—the offer of positive rewards—is also missing from the conservative argument as either a form of or a means to exercise power. Rather, for them, it ensures voluntary cooperation. Where they see selfish farmers and coercive labor unions harming freedom, Galbraith sees countervailing power to that of what he calls the planning system. Great inequalities of wealth, therefore, mean that many exchanges are only formally free and that one or some parties have little or no choice but to accept an offer.

These different perceptions of the meaning of power are significant. For Galbraith, property, organization, and size are sources of power. For the conservatives, property is natural and necessary to freedom; there is or should be no moral or political difference between the corner grocery store and General Motors—both are controlled by the market. Galbraith believes this is nonsense. Not only are the members of the planning system independent of the market, but, as Lindblom claims, they have influence and control over government. This includes expectations that they will be consulted by governments and the conditioning of popular and elite beliefs to accept corporate goals as national goals.

This situation results in “the organic inequalities of bargaining power in a market where the many face the few.” Power protects the large and well organized by enabling them to control and regulate markets. Both Lester Thurow and Galbraith consider the neutralizing market a myth that disguises power, making its exercise easier and more effective; people see price increases, production decisions, wage offers, and so forth as dictated by the market, not as exercises in power. This, in turn, defends corporations from charges that they are acting against the public interest. If power to affect welfare, wages, and working conditions does not exist, government intervention to protect freedom is unnecessary.

Power is not the only problem. Liberal freedom is more than not being coerced, and government is not the only danger to freedom. Liberal economists agree with Knight and Mill that conditions affect both freedom and its effective exercise. Unlike the conservatives, unintended consequences are not the equivalent of natural forces, nor is the market the result of the same kind of evolutionary processes that produced language or common law. The unregulated market does not guarantee freedom because freedom includes some ability to act, meaning that unintended consequences of market behavior can be as much of a limitation on freedom as are monopoly and intentional obstructions. For the liberals, freedom can be compromised even if there are no
specific or identifiable actors or beneficiaries. Lack of material resources and inability to act are obstructions to freedom, therefore, maximization of freedom, consistent with other values, requires removal of as many obstacles for as many people as possible. Compulsion, vulnerability, discrimination, severely restricted opportunities, large inequalities, and what Galbraith called the "nerve-wracking problem of insecurity" are all relevant to freedom.

Is unemployment related to freedom? That depends upon one's concept of freedom. If freedom is simply being left alone to use one's resources as one wills, the answer is no. If freedom has any positive content, even as little as having some means to employ one's resources or to take advantage of opportunities, the answer is yes. From Keynes onward, liberals have viewed unemployment as one of the most important conditions compromising effective exercise of freedom. They reject the claim that people are free as long as they are allowed to seek employment, whether or not they find it. For the conservatives, unemployment is neither a public problem nor an issue for freedom. Involuntary unemployment is impossible in a free market; all will find work, and if all have the opportunity to work, freedom cannot be compromised. For Galbraith, full employment, guaranteed income, or welfare reduce compulsion because they eliminate starvation as the alternative to exploitative employment.

Governments can play an important role in promoting freedom and welfare only if the liberal position is correct. Otherwise governments can do nothing directly to promote freedom or, in the long run, people's welfare. This is the core of the conservative idea about the role of government in freedom. Government may be necessary, but it is always the chief danger to freedom. For Friedman, "to limit the government" is to free people. Governments can do nothing to expand freedom except stay out of the market, avoid other coercive intervention, and enforce laws which apply equally to everyone. Anything else limits freedom. Redistribution does not increase the freedom of recipients, even if it provides them with more choices. It decreases the freedom of taxpayers and, by undermining incentives, reduces production. By interfering in natural market relations, governments are always the cause of poor economic performance.

Policies such as affirmative action, equal-pay requirements, guarantees of employment, minimum wages, welfare, and worker participation do not expand freedom and are unnecessary and dangerous. Thus for Friedman, "The growth of government at all levels ... is destroying freedom, liberty and prosperity." Curbing government growth must augment individual freedom. Hutt says that any intervention cripples "these very humane social forces" which automatically harmonize interests and promote freedom. Stigler believes intervention undermines freedom, not only in terms of denying people the use
of their property but also by replacing private expenditures; limiting private charity; deflecting private research and gifts to universities; creating barriers to employment; controlling licensure over television, liquor, and so forth; and, through "censorship of tastes," trying to protect consumers. Friedman lists government spending, fear of the Internal Revenue Service, welfare, monetary controls to solve balance-of-payments problems, and even national parks and the National Science Foundation as dangers to freedom. Every intervention in spontaneous market relations is dangerous: "[F]reedom is one whole . . . anything that reduces freedom in one part of our lives is likely to affect freedom in other parts."

Intervention, regulation, and welfare attack freedom in all its forms. To Friedman, welfare engenders "childlike dependence," takes away recipients' and taxpayers' freedom, and compromises freedom in general by giving discretionary power to public officials. Resources are wasted without any compensatory increase in freedom for anyone, and morality is undermined. To Hayek there is no logical stopping-place once extensive publicly supported welfare is introduced; it is a virtual code word for socialism and must lead toward that freedom-destroying result. As a multifaceted danger to freedom, public welfare must be eliminated. For Friedman, the only legitimate way to help those who fail is through his proposed negative income tax—which would eliminate the welfare bureaucracy by ensuring a minimum yearly income to people at a fraction of the poverty level—or preferably "voluntary action."

The relation of choice to freedom also depends on one's basic concept of freedom. For the conservative economists, the number and scope of choices is irrelevant to freedom. Although the choices presented by the market promote freedom, freedom does not require that all or any of these choices be open. More important, government intervention, which by definition is coercive, cannot permanently increase choice. Even if it could provide more choices, coercive behavior cannot promote freedom. In all cases, intervention expands the role of government while crippling the freedom-producing market. Choice, in terms of directly expanding the number of options available to people, is simply not an aspect of freedom. Market maintenance, rather than individual choice, is the prime goal.

The conservatives claim that only their market promotes choice. Although the title of Friedman's television series and one of his books is Free to Choose, in what sense are people "free to choose"? They are allowed to pick from what is offered in the market, if able to afford it, without government interference. The conservatives seem concerned with promoting freedom by expanding the number of choices only in areas where the market may profitably substitute for government services. Private mail delivery, Friedman's school vouchers, and Hayek's denationalization of money would end what they consider to be
unnecessary and inefficient restrictions upon consumer choice, but there are no areas within the market where they seek to expand the number of choices.

Hayek identifies claims that choice is necessary to freedom with wishes to have power to do whatever we want, such as fly, and with deliberate attempts by socialists to confuse the meaning of freedom and destroy individual liberty. Demands for expanded freedom are the same as the desire to be released from “necessity” (meaning the market and its results) and from “the compulsion of circumstances.” If freedom requires expanded choice, this inevitably leads to demands for equality and redistribution of wealth, which must destroy the true meaning of freedom. He argues “that the range of physical possibilities from which a person can choose at a given moment has no direct relevance to freedom.” Freedom does “not depend on the range of choices” but on whether a person can act according to “present intentions” without coercion or manipulation or, in Friedman’s terms, whether a person is allowed to enter “into any particular exchange.” Focusing on the “given moment,” “present intentions,” or “particular exchange” means that freedom is not informed by long-term intentions and is not affected by the inability to carry out projects, no matter how one cherishes them. Freedom is not a function of context, of the total environment, or of all restraints upon a person. All that matters is the immediate situation (though this does not apply to defending the market against public intervention). Freedom means only “the absence of a particular obstacle—coercion by other men”—not the assurance of opportunities that allow one to take advantage of not being coerced. In essence, the individual is protected from any one, but not from all.

As in their discussion of discrimination, a person is free if no identifiable other coerces him or her to hold a particular job, live in a particular place, or shop at a particular store. As long as there is no coercion, external circumstances are irrelevant to freedom. One can always say no and accept the consequences. Hayek argues that even if one must pay “a cruelly high price,” choice is available, making the market superior to any alternative. Ignorance, lack of awareness of potential choices, poverty, necessity of taking a job at any wage, acceptance of costly alternatives against one’s preference, and lack of nonharmful choices do not affect freedom, and public policies to ameliorate ignorance, poverty, and so forth do nothing to increase freedom. Collective choices, especially those altering the structure of the system and the choices offered by it, must be resisted in the name of freedom.

Choice is integral to the conservative view of freedom only when discussing coercive power. Since people are not coerced in the market, they have choice and freedom. In any nonmarket context, such as politics (except perhaps in elections), choice is not a component of freedom. People may choose between freedom as either noninterference or its negation, the destructive at-
tempt to do all one can imagine. By setting up these alternatives, these writers
defend their concept of the market but confuse their rationalist ideal with the
realities people confront. People may be free from coercion but unable to ex­
perience the value or worth of freedom because they are constrained. However,
such factors are unimportant. Friedman, for example, claims that what is
done with freedom, is an individual ethical problem. But conditions and
constraints do affect one's ability to make viable choices. Actual people face
constraints—including life and death decisions about working conditions, insuf­
cient health care, mental retardation caused by malnutrition, care for chil­
dren or work outside the home—that are not neutralized by comparing them
with the desire for the impossible. Economic distress erodes the ability to par­
ticipate in politics and support for democratic politics. To expect people to
value the conservative picture of freedom so highly that they must be willing
to suffer great deprivations—such as exiting an undesirable market situation
into worse conditions but not protesting or expecting public aid—presents citi­
zens with too few alternatives. And that is the choice people face in the con­
servative model. Their freedom of choice does not include the idea that there
will, or should be, a tolerable alternative, though there is always the existen­
tial choice between life and death. If the market does not provide an accept­
able (however minimally defined) option, then people must either endure what
the market offers or do without, regardless of what they may be required to
forego. The free individual is content to accept his or her fate whenever it
comes through the market.

These beliefs about choice illustrate unspoken assumptions about determin­
imism: that individuals always seek self-interest, that much of the political-
economic world is beyond human will or control, and that individuals are
fitted into an ongoing system. There is much more determinism in the conser­
vative picture of freedom than in the liberal economists'. Individuals are sub­
ject to a necessity they do not create. For the conservatives, the natural market,
guided by its internal law, adapts itself through an invisible hand to changing
circumstances. Individuals discover but do not deliberately create it. If left
alone, the system automatically produces efficiency. Individuals may do as they
wish within their range of options as determined by the autonomous market,
but it is improbable they will do anything except follow narrowly defined
self-interest.

Given the conservatives' view of human nature, the individual is at least
partly determined; Hayek uses iron filings and a magnet as an example of
natural ordering principles. As with Edmund Burke, Hayek says that individu­
als need not know much, not even the rules they follow, "in order to be able
to take the right action." In this context “right” means system supporting.
People make few actual choices. They must choose only from the options
available at the moment. Individually they may try to expand these within market rules, but collectively nothing can be done. They must act according to natural propensities. People respond to tax cuts by increasing expenditure; to opportunities by risk taking; to unemployment by accepting lower wages; to government intervention by reducing output. The deductive logic of the system and human nature mandate that this will occur unless there is coercive interference from labor unions or governments. Thus the less each individual is coerced, the greater the degree of system-level determinism. The more people attempt to control, rather than accept, the macro system, the more they reduce freedom at the individual level. Acceptance of the necessity of nonintervention is a prerequisite to freedom.

In spite of their ostensible individualism, these theorists emphasize system needs. Ultimately it does not matter what happens to individuals as long as their behavior is system enhancing and the system is maintained. In discussing markets and coercion, for example, they lose sight of individuals and focus on the system. Occasionally they write as if the market has an aim or purpose and employ functional language, asking what does a person or group contribute to the spontaneous order. Individual welfare is less important than how people act within and contribute to the spontaneous order. For example, each author would reduce public assistance to force more people to work. Gilder is concerned with how religion and traditional sexual mores support capitalism. Entrepreneurs need freedom to “perform their role . . . collectively.” For Hayek, “Freedom means that in some measure we entrust our fate to forces which we do not control.” Freedom is necessary if a businessman “is to perform his functions.” That freedom is found in “submission to the impersonal forces of the market.” The total order is much more regular “than the individual facts” that make it up.

There is also an element of determinism about politics in the conservative definition of freedom. People cannot shape political relations as they wish. The human mind may imagine a better system, but idealism is impossible because human nature, the political market, and the dictates of freedom allow nothing better to develop. For Buchanan, Gilder, and Hayek, society, morals, and politics evolve. The pace of evolution cannot be hastened, though we can encourage those political institutions that, by conforming to human nature and the needs of the market, reflect underlying human drives. Market freedom, economic needs, and human nature delimit the range of permissible behavior, the nature of justice, and the duties, policies, and scope of legitimate government. Neither governments nor human willfulness can successfully intervene into or change the patterns set by economic relations. The rebellion of mindless children through destructive constructivist intervention is possible, but that is virtual suicide.
Negative or Positive Freedom?

At the most obvious level, both conservatives and liberals espouse a negative concept of freedom, that is, a notion of freedom which emphasizes that people have or should have an area within which they are exempt from control by or interference from others. The debate focuses on what is interference, what is an obstacle to freedom, whether someone is free if no identifiable person coerces them through force, or if freedom requires being able to carry out some or many permitted behaviors. A broader notion of negative freedom is plausible, one requiring a good deal of regulation and intervention to prevent people from being subject to compulsion. Thus economic intervention, public education, antidiscrimination policies, provision of welfare, and so forth can be defended as negative freedom. They expand the scope or area of life where one is protected in what one does—in the sense of having more choices, opportunities to act, and doors open and being protected from a wider range of potential interference than coercion defined as force. This does not include positive freedom conceived as real will, living up to a higher self, or obeying a true self. On the other hand, if positive freedom is defined as legally guaranteed “rights to assistance of some sort,” as rights to be supplied various goods or services, as creation of a framework within which people can achieve their negative freedom or expand autonomy, or even as assistance for fulfilling self-chosen ends, then many liberals accept a version of positive freedom that conservatives cannot accept. Indeed, the conservative economists verbally reject all elements of positive freedom.

Debate over the correct meaning of positive freedom is not directly relevant to this book. However, although the conservatives emphasize negative freedom, their argument sometimes resembles a concept of positive freedom. While there is no real self in the conservative picture, except that real self-interest can be achieved only through competing in the market, freedom involves accepting necessity and the world as it is. Freedom is defended by and is possible only within the market. People who reject the market cannot be free, and one purpose of government is to prevent people from abusing or forcefully leaving the market—in a sense forcing them to be free. People will be free when they stop rebelling against the limits imposed by human nature and no longer want what the market cannot provide. Rational people do not attempt to alter market relations but try to “understand” their necessity and operate only within them. That means accepting results—distribution, reward, equity—which, even if they are the product of human behavior, cannot be constructively changed by deliberate intervention. The market gives a single formula to end all economic and most political and social conflict, one that encompasses all value. Although people may have many, separate ends, the market
reconciles them by placing a price on everything and provides the means to achieve them. Within this context liberals such as Galbraith and Keynes, who accept a plurality of values and the possibility of value conflict, are closer to the principles of the classical liberal tradition than are theorists such as Buchanan, Friedman, Hayek, or von Mises.

Implications

This picture of freedom has powerful implications for the meaning and construction of other political values and public policies. The conservative economists repeatedly celebrate the limitations their concept of freedom places upon government, politics, and public policy. Although these are discussed in the next several chapters, a few examples can illustrate the conservative view.

Liberal economists have long argued that the market does not operate as conservatives claim, neither protecting freedom nor promoting welfare. In Keynes's phrase, liberals accuse the conservatives of "regardlessness of social detail." This charge is true, but irrelevant from the conservative perspective. From Malthus and Ricardo until today, the conservative position has claimed that economic efficiency and freedom are primary goals; that the natural, free market best achieves these goals; and that poverty and inequality, although undesirable, are the unchangeable result of natural, beneficial economic forces—forces with which we cannot interfere without destroying freedom, morality, and efficiency.

Two positions taken together prevent much conscious change. If a person does not like his or her employment, supplier, or customer, he or she can always find another position, supplier, or customer. However, given self-interest, conditions in the market are generally as good as they can be. Individuals are allowed to seek a better situation, but considering the market and profit-seeking employers, conditions are essentially the same for everyone offering the same services or product. Individual action produces little or no change in the absence of many other individuals acting in the same way, but combined action is illegitimate and inefficient. The result is that little or nothing can be done to increase freedom (or equality or democracy or justice) beyond what is allowed by the market.

Spontaneous order demands that governments stay out of autonomous economic relations. Public policy can do nothing positive to permanently reduce or eliminate poverty or the unhappy effects of market forces. Even if interpersonal comparison was possible and intervention increased happiness, taking resources from some to aid others must reduce freedom to use one's resources as one chooses and enlarge government. Requests for intervention
based upon claims of collective needs mask partisan interests. Government should be small and inconsequential. In the name of freedom, the conservatives accept only those policies that narrowly support the market: impartial laws that are “neutral” between classes; protection of private property; defense; some limited provision of public education and welfare; enforcement of contracts; and so forth. Anything more undermines the interdependence between market and freedom.

Along with the assumptions in the previous chapter, this picture of freedom is the basis upon which the conservative economists build their politics. Their primary value is negative freedom, particularly economic freedom conceived as noninterference in the use of talents and property. There is only the actor and the absence of any coercive agent. Ability to act is incidental to freedom. Conservative freedom rules out conflict with other desirable values, since it always takes precedence. Thus there is no need to balance conflicting claims. Economic freedom is superior to all other political and social values, the basis for achieving whatever is good, and a condition of free and democratic governments. Any other concept of freedom must, in the long run, destroy freedom and democracy. The conservatives’ policy advice follows from this picture of freedom and is designed to support it. As with individualism, equality, democracy, justice, and other fundamental values, they have selected the narrowest possible interpretation—requiring the least amount of government and holding the least possibility of expansion, particularly by collective or public intervention. The primary role of government in freedom is to leave it alone and enforce the law. A wider meaning for freedom or coercion cannot be admitted, because that portends a larger role for freedom-destroying public intervention.

This freedom follows from the conservative understanding of human nature. People promote their own interests, but by ensuring equal (the same) freedom to others, the market prevents the exercise of freedom-destroying power. Market freedom is the best expression of human freedom and at the same time inhibits its abuse. Noncoercion is the limit of duty regarding another’s freedom. Within the spontaneous and benign forces of free markets, everyone has freedom, and the free individual is content to accept his or her fate, never asking government for protection from the inescapable vicissitudes of natural economic relations. It is within these relations that both freedom and equality develop to the maximum extent possible, given human nature.

This is an attenuated freedom that makes no provision for actual ability, resources, or opportunity to act. In its definiitional rationalism, it is too limited to address the complex problems of contemporary societies. Absence of coercion is central to all individualistic conceptions of freedom, but there are many forms of coercion—including deception, invasion of privacy, manipulation,
psychological abuse or pressure, and in some circumstances, compulsion—and more limits on freedom than only government and physical restraint. Although considering themselves classical liberals, these economists define coercion in narrower terms than Mill did in his most libertarian book, *On Liberty*. Mill listed as “compulsion and control” not only physical force but “the moral coercion of public opinion,” “social stigma,” and popular opinions which are “the eye of hostile and dreaded censorship”; he also noted that people whose actions are disapproved of “may be subjected either to social or to legal punishments.” These economists have no room for Mill’s concern for social liberty and majority or “social tyranny,” which may be more difficult to escape than an oppressive government.99

Conservative freedom is action-oriented because one is allowed to act, but it does not require any action because the requirements for freedom are satisfied by the fact of being allowed. If one cannot carry out a permitted action, freedom is not compromised. Friedman frequently states that the world is not fair, but it is superficial to ignore cruel choices or to pretend that people have all possible freedom in the face of extremely difficult decisions. If freedom does not include some ability to do what is permitted, then it borders on nonsense—given the conservative picture of human motivation—to expect people who do not succeed in the market to support it. In fact, their support may not be necessary. Hayek, for one, believes that because the masses do not exercise economic freedom, they do not see its importance, making them a threat to freedom.90 This perspective is too limiting. Public policies, such as public schools, health and sanitation programs, and income support, may expand freedom91 and the range and number of choices, making people more satisfied with the economic and political system. These are not important considerations to the conservatives. Whether freedom actually exists or not is secondary to maintaining the necessary condition for freedom—limitation of government coercion.

Despite the claim that the market benefits everyone, it is difficult to understand how there can be popular support for freedom if outcomes of supposedly free processes are irrelevant and if freedom does not include at least some means for people to do what they are not prevented from doing. Even Frank Knight, whom Buchanan and Friedman acknowledge as an important teacher and mentor, noted that “effective freedom depends upon the possession of power as well as mere absence of interference.”92 Though the conditions for freedom are different from freedom itself, conditions are relevant to freedom’s exercise, and more than noncoercion is needed to protect freedom and encourage individuals to take advantage of what they are permitted. One person’s freedom may interdict another’s; one form of freedom may limit another’s93. Freedom is multidimensional.94 Political freedom may prove impossible if economic conditions do not permit a broadly based sense of safety and satisfaction.
The proposal that the market should become the final arbitrator of economic and much political freedom leaves too many areas of significance to too many people unresolved. For example, is the market—as presently constituted or as possible with the elimination of most welfare, regulation, and intervention—or freedom the primary value to be maximized? These authors claim both: that freedom can be realized only through the market. However, that means accepting as freedom enhancing whatever results from the market. If one really wished to maximize freedom within a market model, he or she would encourage more competition through rigorous antitrust policies, similar to a Jeffersonian ideal. But these authors refuse to push freedom that far.

Freedom does not require giving up a little market efficiency and corporate dominance. The conservatives ask that nothing be sacrificed for freedom, except the ability to be free if the market does not perform as promised. They present an either/or choice. Accept the market with market freedom or have neither markets nor freedom. Defense of market freedom must "be dogmatic."

There is no safety valve; no means to draw off pressure and reduced social trust; no way to enhance support for the political-economic system; no means to disarm discontent. In a crisis pressures may build up, as Keynes feared in the 1930s, and threaten the existence of both freedom and the market.

Even if the conservative picture of market operation is correct and their model took cognizance of large corporations and international trading, they offer little evidence to support it. Concern for social and political stability requires moving beyond a policy of doing nothing supported by a strong police. Leaving economic relations alone may undermine the freedom of people who do not have effective opportunities, resources, or alternative employment, multiplying the real power of those who possess alternatives and resources. People may be vulnerable to more than just physical coercion. Rights may be more dependent upon what one’s employer does—the Bill of Rights applies less in the workplace, and courts in the United States limit government employers more than private business in areas such as drug testing, electronic surveillance, and invasion of privacy—than what the police on patrol may do. Individual freedom requires more than a choice between accepting and rebelling, between conforming to what is offered and literally having no livelihood.

Consider the claim that employers have no power because employees (or suppliers or customers) have other opportunities from which to choose, therefore they are free. If this is a definition of freedom, it is not possible to argue with it except to ask for a broader concept of freedom. As a description of freedom, of what many people experience, sufficient conditions for freedom, the basis of changes in human lives, or a guide to public policy to foster freedom, however, this statement is incomplete even within economics, unless at least three conditions are met. There must be something close to full employ-
ment so that people have a viable opportunity to find alternative work. Positions of similar pay and satisfaction should be available. Costs of changing employment (or customers or suppliers) must not cause greater deprivation than is tolerable to the reasonable person celebrated in law. The higher the opportunity costs of changing, the more constraint there is against changing, thereby increasing the ability of employers, suppliers, or customers to enforce undesirable conditions. The person who has no choice, or extremely limited choice, is not free in the sense of being able to act. Everything that occurs in the market is not voluntary and, even if voluntary, may not be freedom enhancing. Even Adam Smith, writing about bank note issuance, acknowledged that it may be necessary to limit "the natural liberty of a few individuals, which might endanger the security of the whole society." Experiencing freedom requires the opportunity and in many circumstances the means to implement freedom. Intervention may enlarge the opportunity to be free by removing obstacles to action or by expanding the range of available choices.

What meaning we give to the abstract concept of freedom is important because it involves the shape, direction, and guiding philosophy of politics, as well as who can and should benefit from public policy. Freedom is closely linked to equality, which the conservatives also claim develops in and is limited by the market. In the conservative world view, they are interchangeable.