

Thoughts on freedom

By Bill Kilpatrick

The name Milton Friedman is much more common now than it was some 60 years ago when he penned his now well-known political/ economic treatise entitled *Capitalism and Freedom* in 1962. His book gave rise to the term 'neoliberalism' an economic regime that stood in direct contrast to the previous economic system put in place after the second world war. The post Second World War economic system called was called Keynesianism and focused on government intervention as a tool used to stabilize the economy, particularly through fiscal and monetary policies and resulted in the longest period of economic stability ever. At its core neoliberalism is both a political philosophy and an economic policy that focuses on reduced government intervention in the economy and a free market approach. Its main focus is on deregulation, privatization, and tax cuts, which its adherents believe will promote economic growth and individual liberty.

The main argument of the book, that for some still remains a no-brainer, is that capitalism or rather economic freedom is a precondition of political freedom. Friedman argued that economic freedom is a necessary condition for political freedom, or in other words economic freedom first, then political freedom. But in the preface of his 2020 edition Friedman further argued that economic freedom is a necessary condition for not only political freedom, but civil freedom as well. Many people continue to adhere to this doctrine, not because it's true, but because it seductive and has made a small handful of people stinking rich and continues too to this day.

The process for this freedom to take place, says Friedman, is a one-way street. While he believes that economic freedom will naturally result in political and civil freedoms, he argues that political freedom is not a necessary condition for either economic freedom or civil freedom. Friedman believes that central planning, of any sort, will lead to, in the words of Friedrich A. Hayek 'serfdom.' However, Friedman does reluctantly give some ground pointing out that after close to 40 years of reflection 'the one major defect in the book seems to be an inadequate treatment of the role of political freedom, which under some circumstances promotes economic and civic freedom and under others, inhibits economic and civic freedom.'

Writing in 2002 Friedman pointed to the 'market oriented policies' of countries such as Hong Kong, Singapore, Taiwan, South Korea, along with Latin American Countries and 'many of the former Soviet satellites' who, according to Friedman, have seen increases in economic and political and civil freedoms. Friedman argued that those increases in civil and political freedoms 'led to increased prosperity' adding 'competitive capitalism and freedom have been inseparable.' Few people these days would share Friedman's optimism that capitalism brings or ensures freedom.

It appears that those neoliberal economic and political policies that were supposed to promote increased freedom and liberty, were in fact increasing civil and political disruption and oppression from the economic inequality it created. We were sold the lie that free markets would naturally stabilize failed states and bring freedom to their populations. What it did was cause massive corruption, inequality, and hence social, political, and economic destabilization.

One only need look at the Freedom Index published by Freedom House to see that since the fall of Communism in 1991, despite the transition in many places from communism to capitalism, many former soviet republics and satellites remain not free or partly free when it comes to their political rights and civil liberties. According to Freedom House Russia is not free along with Kyrgyzstan, Kazakhstan, Uzbekistan, Turkmenistan, Belarus and Azerbaijan. While former soviet republics and satellite states such as Poland, Romania, Bulgaria, Croatia, Estonia, Slovenia, Czechia, Latvia, and Slovakia are now considered free, many are back sliding despite having capitalist economies. Hungary, Albania, Bosnia-Herzegovina, North Macedonia, Armenia, Georgia, Moldova, Montenegro, Serbia, Ukraine, and Belarus are considered partly free. Of all the countries listed above 18 are not free or partly free and only 9 are considered free. Given that many of these countries gained their independence around the same time, one must ask why has capitalism not worked its so-called magic equally, given that, according to Friedman, it's a necessary condition for freedom and liberty?

In her book *Autocracy, Inc.*: The dictators who want to run the world, Pulitzer Prize winning author Anne Applebaum pointed out how economists and politicians were blinded by their neoliberal assumptions about free market capitalism and its connection to freedom. She says after the fall of communism, "Everyone assumed that in a more open and interconnected world democracy and liberal ideas would spread to the autocratic states. Nobody imagined that autocracy and illiberalism would spread to the democratic world instead." But that's exactly what is happening.

If we are to preserve our democracies along with our freedoms and liberties we have to break Friedman's spell and realize that economic planning and control does not always equate to oppression and a loss of freedom, in many instances it can enhance it. Planning for periods of unemployment by taking some of your pay cheque to ensure that you have employment insurance in a time of need is just prudent planning. Government planning of the healthcare system allows us all equal access to vital medical care that we all will need at some point and prevents us from going bankrupt due to medical bills. Taxes, another form of government planning, helps pay for roads, water and sewer and infrastructure, vital necessities that should not be left to the free market.

In his book *A Brief History of Neoliberalism*, David Harvey quoted the political theorist Karl Polanyi who outlined the "liberal utopian thinking" that has led to the erosion of our democratic, political, and civil rights. He says "Planning and control are being attacked as a denial of freedom. Free enterprise and private ownership are declared to be essentials of freedom. No society built on other foundations is said to deserve to be called free. The Freedom that regulation creates is denounced as unfreedom; the justice, liberty, and welfare it offers are decried as a camouflage of slavery."

However, it's actually the slaves of economic and political ideology that we must fear the most as economist Stephen Poloz says "When the world changes, economic theory must change with it. Economists [or politicians] who fail to adapt will be wrong, and so will everyone who follows them." And as the economist John Maynard Keynes has observed "the ideas of economics and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist." These days it's looking like that defunct economist is Milton Friedman. While his economic theories created great wealth, that wealth has come at the price of political, social, and civic instability and the very freedom it claimed to be securing.