

Government Undermines Social Cooperation

I should know better than to take seriously the insipid words of presidential speechwriters, especially those who composed an inaugural address. Still, I can't let some of the words President Obama read at Monday's inauguration pass without comment.

For example, Obama said this:

Preserving our individual freedoms ultimately requires collective action. For the American people can no more meet the demands of today's world by acting alone than American soldiers could have met the forces of fascism or communism with muskets and militias. No single person can train all the math and science teachers we'll need to equip our children for the future, or build the roads and networks and research labs that will bring new jobs and businesses to our shores. Now, more than ever, we must do these things together, as one nation, and one people.

Here is the standard false alternative beloved by politicians seeking to justify their own violence-based power. The fallacy is clear when stated this way: Since individuals acting in isolation aren't capable of doing many things they want done, government should take charge and see that they are done.

What's left out? The "collective action" of voluntary civil society, which includes the market as well as all peaceful noncommercial activities (such as mutual-aid associations). To listen to Obama, you'd never know there was community life apart from the state, which, let us never forget, is founded on the power to inflict force on nonaggressors. (The power to tax — the appropriation of private property under threat of violence — is the fundamental power without which no government power can exist.)

Politicians say such things hoping the average person is too dulled by the government's schools and the slavish news media to notice the missing piece. The liberal (libertarian) vision of the free society never posited the isolated individual as the source of progress. Not wanting government to manage human affairs does not imply the absence of social cooperation. Quite the contrary! Social cooperation lies at the very heart of the classical-liberal vision. It's found in every liberal thinker from Adam Smith — who underscored the division of labor and the "propensity to truck, barter, and exchange" — to today's

libertarian thinkers. Ludwig von Mises came close to titling his magnum opus on economics *Social Cooperation*. He opted instead for *Human Action*, but “social cooperation” is the second-most used phrase in his thousand-page book. “Division of labor” places first, but that’s just another way of saying “social cooperation.”

Indeed, Mises’s chapter eight, “Human Cooperation,” begins,

Society is concerted action, cooperation.... The total complex of mutual relations created by such concerted actions is called society. It substitutes collaboration for the — at least conceivable — isolated life of individuals. Society is division of labor and combination of labor. In his capacity as an acting animal man becomes a social animal.

Mises of course was a hard-core advocate of laissez-faire. Government would have barely been noticeable in his ideal society. The thought of raising living standards through individual isolation would have struck him as absurd. Human beings progress through cooperation and only through cooperation. He explicitly broadened David Ricardo’s law of comparative advantage and dubbed it the “law of association.” The principle explains not only why free trade benefits all participating countries, but also why individuals do better by working together than by acting alone:

The law of association makes us comprehend the tendencies which resulted in the progressive intensification of human cooperation. We conceive what incentive induced people not to consider themselves simply as rivals in a struggle for the appropriation of the limited supply of means of subsistence made available by nature. We realize what has impelled them and permanently impels them to consort with one another for the sake of cooperation. Every step forward on the way to a more developed mode of the division of labor serves the interests of all participants. In order to comprehend why man did not remain solitary, searching like the animals for food and shelter for himself only and at most also for his consort and his helpless infants, we do not need to have recourse to a miraculous interference of the Deity or to the empty hypostasis of an innate urge toward association. Neither are we forced to assume that the isolated individuals or

primitive hordes one day pledged themselves by a contract to establish social bonds. The factor that brought about primitive society and daily works toward its progressive intensification is human action that is animated by the insight into the higher productivity of labor achieved under the division of labor.

For the record, Mises acknowledged that “Ricardo was fully aware of the fact that his law of comparative cost [or advantage] ... is a particular instance of the more universal law of association.”

One of the stalwarts of the liberal tradition, Frédéric Bastiat, made quite a big deal of this point in the opening chapter of his economics treatise, *Economic Harmonies* (1850). Noting the average person’s access to a vast array of goods in mid-19th-century France, Bastiat observed,

It is impossible not to be struck by the disproportion, truly incommensurable, that exists between the satisfactions this man derives from society and the satisfactions that he could provide for himself if he were reduced to his own resources. I make bold to say that in one day he consumes more things than he could produce himself in ten centuries. [Emphasis added.]

What makes the phenomenon stranger still is that the same thing holds true for all other men. Every one of the members of society has consumed a million times more than he could have produced; yet no one has robbed anyone else.

Like all advocates of individual liberty, Bastiat understood that the choice is *not* between isolated action and government social engineering.

So when Obama says “the American people [cannot] meet the demands of today’s world by acting alone,” he attacks a straw man. Who proposes such a thing? Note the ambiguity in the sentence. By “acting alone,” does he mean individuals acting in isolation with no division of labor in the market? Or does he mean people acting cooperatively, by consent, and without government involvement? If the second, then he is simply wrong. People acting cooperatively through the market can indeed “meet the demands of today’s world.”

The clumsy bureaucracy and the “private sector” cronies it serves need only leave us alone.

But Obama apparently means individuals literally acting alone, because he immediately says, “No single person can train all the math and science teachers we’ll need to equip our children for the future, or build the roads and networks and research labs that will bring new jobs and businesses to our shores.”

Who writes this nonsense? Who thinks that a “single person” could do any of those things? Does Obama (or his speechwriters) even know what opponents of government social engineering stand for? They must think they can distract people from the libertarian alternative with a false picture of the choice we face. Get people to think the choice is between government social engineering and literal individual self-sufficiency, and the libertarian ideal of voluntary social cooperation through the freed market will present no threat to the privilege-laden status quo.

Here is the irony: Government intervention undermines social cooperation in myriad ways. To name just one, privileges for favored producers drive a wedge between entrepreneurs and consumers by distorting relative prices and eroding the market’s ability to coordinate supply and demand over time. In general, government “welfare” activity crowds out private solutions that are far more amenable to freedom and cooperation.

Politicians pose as the great advocates of “collective action,” but in fact their schemes increasingly replace mutually beneficial social cooperation with top-down special-interest-driven decrees.