

Liberty: Enemy of Crony Capitalism

Most people now deeply distrust the government, quite understandably. And many of these same folks have become aware of the extent to which crony capitalism is messing up their lives. Up to this point, libertarians such as myself can only say “welcome to the club.”

But here is where things oft go awry. Many people then propose to “fix” crony capitalism, by giving more power to the very same agency which caused the problem in the first place. They expect that tariffs, quotas, “import taxes,” and the the jawbone of the person who warms the seat in the Oval Office will somehow “fix” the problem of crony capitalism. But no matter what politicians jawbone about, when they propose to limit the freedom of the “others,” they are proposing crony capitalism.

The opposite of crony capitalism is not more crony capitalism; it is not the use of force to (allegedly) stack the deck in your favor. The opposite of crony capitalism is liberty. And you benefit inestimably from liberty, despite the warnings of politicians to the contrary.

Economists speak of a “tax wedge” – taxes, by raising the cost to you of whatever you desire, incentivize you to obtain less of what you value. The same is true for all trade and immigration restrictions. Selling these on “national security” grounds does not change the basic economic principles; it’s just a gimmick to win your political support.

In short, government intervention is the blade by which crony capitalists shear the sheep. To defeat crony capitalism, we must defeat their tool of choice: government intervention in all its forms.

This confusion may be better understood by considering that economic globalization is not political globalization; the two concepts have been improperly linked together by people who prefer political power to economic freedom. This confusion perfectly suits the purposes of politicians and those who benefit from crony capitalism; it was never intended to benefit the rest of us at all, but to distract us, following the old dictum ***divide et impera***.