

# CONSERVATIVE PERSPECTIVES

by THE HERITAGE FOUNDATION

No. 04

## A New Birth of Freedom: Free Markets, the Institutions of Liberty, and the Common Good

*Iain Murray*

*Conservative Perspectives by The Heritage Foundation is a series reflecting thought leadership from across the conservative movement on emerging policy topics and debates. This series provides a forum for diverse perspectives to be articulated and discussed. Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation.*

It has recently become common among some conservatives to insist that free markets must serve the common good. This paper will demonstrate the shortcomings of such declarations. At the same time, it will show that a common good can be identified in a set of institutions that, broadly defined, comprise the institutions of liberty. Insofar as the common good has suffered in recent decades, it is because we as a nation have diluted or ignored those institutions.

The shared conservative project should therefore be to strengthen those institutions and to set in place guardrails to ensure that they are not weakened again—or, in the words of Abraham Lincoln, to ensure that “this nation, under God, shall have a new birth of freedom.”

### What Do You Mean, “Common Good”?

Invocations of the “common good” in recent decades<sup>1</sup> have mostly been associated with centrist proposals (such as from communitarian philosopher Amitai Etzioni<sup>2</sup>) or from the Left, most notably from former Secretary of Labor Robert Reich.<sup>3</sup> That changed with a speech by Senator Marco Rubio (R-FL) delivered at Catholic University in 2019.<sup>4</sup> In his speech, Rubio made explicit reference to Catholic Social Teaching, which defines the common good as “the sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfillment more fully and more easily.”<sup>5</sup>

Discussions of the common good have often revolved around Cicero’s concept of the *summum bonum*, or greatest good.<sup>6</sup> Oxford Languages adds

this to the definition of the term: “especially as the ultimate goal according to which values and priorities are established in an ethical system.” Thus, the concept ties itself to a system of ethics, a system of determining what is morally right and what is morally wrong.

Most recent conservative invocations of the term mean something different from that. The “common good” has been used rhetorically to suggest that conservative economic thought for the past 50 years or so has abandoned community and social cohesion in favor of libertarian dogma. This misguided dogma is said to have allowed the “hollowing out” of working-class communities and more recently to have allowed private corporations to impose radical new moral concepts on society.<sup>7</sup>

A right respect for common good, it is argued, thus requires a retreat from free trade and new restraints on corporations. Free-market economics, some key conservatives now charge, has resulted in social conditions that stop people, especially those without much means, from reaching their fulfillment.

These are unsettling allegations. If free-market economic policy has become a barrier to human flourishing rather than its enabler, conservatives would do well to change course. In our consideration of the common good, we ought to consider darker possibilities as well. After all, America’s constitutional Framers did.

The Framers were influenced in this by the political writers and philosophers who had witnessed the wars of religion, the English Civil War, and their aftermath.<sup>8</sup> For these thinkers, the avoidance of civil war was the chief object of government. Hence, John Locke wrote religious toleration into his constitution for the Carolinas and defined civil interests as being the protection of life, liberty, and property—concepts clearly

reflected in America’s Founding documents. Implicit in this thought was that attempting to institute a political system of the common good was bound to lead to trouble.

Much of the philosophy of the system known properly as classical liberalism is based on this proposition.<sup>9</sup> The chief end of the state should not be to promote a particular conception of the good, which will lead to disagreement and strife, but to allow citizens to live peaceably with one another regardless of their different moral views. Thus, the preamble to the U.S. Constitution reads:

We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.<sup>10</sup>

Ensuring civil peace stands alongside the provision of justice, ensuring peace with other nations, promotion of the general welfare, and securing the blessings of liberty as the founding political values of the Republic. Consideration of the constitutional role of the general welfare must therefore take place in the context of domestic tranquility.

This paper seeks to answer several questions in broad strokes.

- Did “market fundamentalism” result in avoidable social ills?
- Are the proposed solutions of restricted foreign trade, increased regulation, and industrial policy likely to result in increased human flourishing?

- Even if so, are these proposals compatible with basic American values as commonly understood?
- Finally, is there an alternative solution that would better reflect American values and promote human flourishing?

## What Have Free Markets Achieved?

Before we consider potentially harmful effects of free-market policy, we would do well to survey the benefits. In the 1970s, conservative politicians, lawyers, philosophers, and economists all came to the same conclusion: that the nation's economy was suffering because a variety of policies had formed a drag on wealth creation.

At the time, many of these policies came from the Left. In 1971, future Supreme Court Justice Lewis Powell penned a memo for the U.S. Chamber of Commerce entitled "Attack on American Free Enterprise System," outlining the various threats, both external and internal, to American capitalism.<sup>11</sup>

However, it also became apparent that much of the problem was the result of conservatives' agreement with their political opponents on certain matters of economic governance. For instance, future Supreme Court nominee Robert Bork argued that the bipartisan consensus on antitrust was leading to anti-competitive results and to the Federal Trade Commission's becoming what *The Washington Post* termed "the national nanny."<sup>12</sup> Conservative lawyers and politicians combined to replace the old, confusing<sup>13</sup> rules of antitrust enforcement with new rules based around a "consumer welfare standard." Instead of antitrust laws being judged based on a confusing jumble of contradictory standards, the main question for action would henceforth be whether the business activity harmed the consumer.

Similarly, while the world's trade system had gradually been lowering tariffs since the creation, at America's insistence, of the General Agreement on Tariffs and Trade (GATT) in 1947, expansion of the agreement coupled with technological progress and individual trade deals (made easier by congressional grants of power in the procedure known as "Fast Track") led to globalization.

These dual liberalizations of domestic commerce and international trade had been acknowledged as successes. Costs for consumers went down, and technological innovation ensured that those lower prices even encompassed higher-quality goods. This resulted in much higher living standards.<sup>14</sup>

The amount of labor it took to pay for basic human necessities decreased considerably, and people used the surplus to pay for what previously had been considered luxury goods such as air travel. Even as technological advancement swept away whole categories of jobs, the streets were not filled with unemployed milkmen, projectionists, or typesetters.

This is the process Austrian-born economist Joseph Schumpeter termed "creative destruction."<sup>15</sup> Technological or institutional innovation destroys old ways of doing things, including jobs and industries, but this opens new opportunities, allowing those who lose jobs or towns that lose factories to reorient themselves and benefit from new opportunities. We see such creative destruction in action in the makeup of stock market indices like the Dow or the S&P 500. Huge companies that seem to dominate the world at the time drop off these indices—often quite quickly—at regular intervals. The average life span of a company on the S&P 500, for instance, was 61 years in 1958. That dropped precipitously to 25 years in 1980 and reached 12 years in 2012.<sup>16</sup>

It should be noted that 1958 was the heyday of the confusing antitrust rules, but by 1980, the Bork antitrust revolution was beginning to take hold. The market moved more quickly to remove seemingly dominant firms than antitrust regulation ever did. The reason for that is innovation, which is due to what Julian Simon called “the ultimate resource”—human beings. In contrast to the warnings of the ecological doomsters of the 1960s, the world has not run out of food. This is because, as Simon noted, humans are not just stomachs. They also possess hands and a brain. When they put their mind to it and are allowed to do so, people solve problems.

Free societies, most obviously America, utilize this ultimate resource for common benefit. This process does not require a mastermind or controlling agency. It happens through the mutual interactions that we call the free market. As Bastiat noted in the 1840s, Paris gets fed every day without some Bonapartist director calculating needs and matching them to supply.<sup>17</sup> When markets were allowed to work, the world was fed despite rapidly growing population, thanks to the innovations of agronomist Norman Borlaug and others who led the “green revolution” that massively increased crop yields and agricultural production. Today, calories are so abundant in America that our main concern is obesity, not malnutrition.

Given all of these underlying trends and data, why is there a feeling that something has gone wrong and that America is not the country it used to be?

### Has Something Gone Wrong?

The “gone wrong” argument normally begins with trade policy. The argument: With the advent of globalization, plutocratic interests seeking the highest possible profits shipped American industry overseas, mostly to China. That “hollowing

out,” particularly of manufacturing capacity, resulted in a permanent loss of jobs in the heartland that stripped American workers of their dignity. Not only could a working man no longer maintain a dignified lifestyle for his family on his wages alone, but what jobs he could find were low-level jobs unbecoming a skilled worker. China compounded the problem by embarking on a jamboree of underhanded practices including the rampant theft of American intellectual property, allowing it to steal more American jobs.

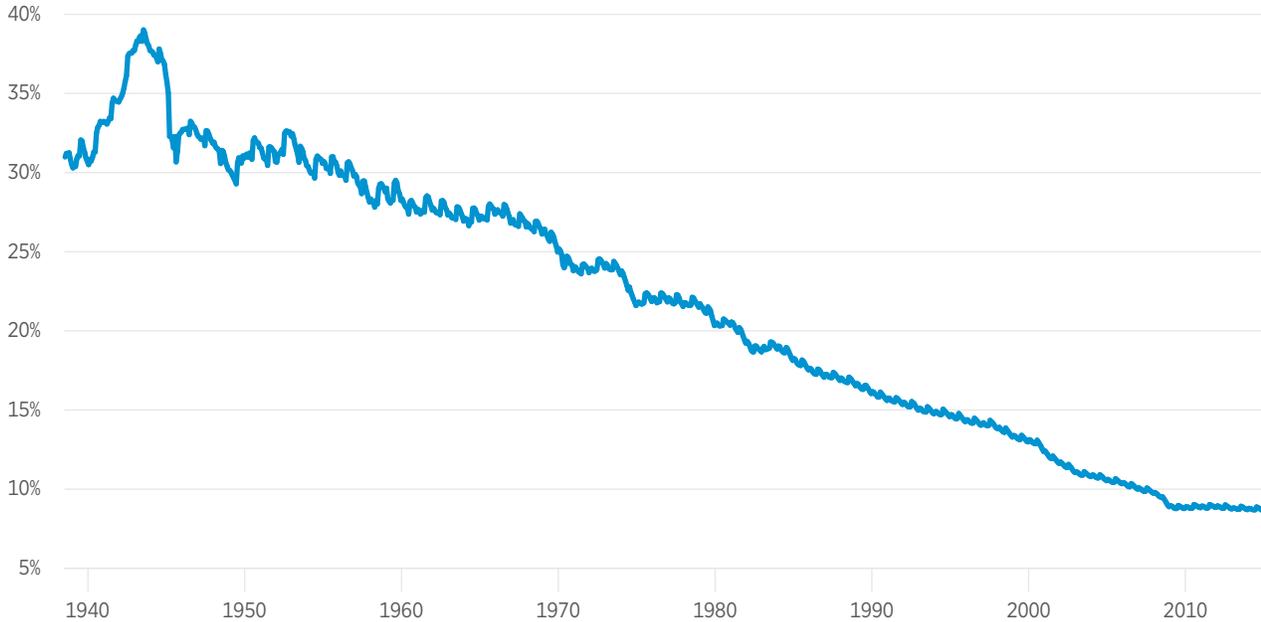
Meanwhile, for his family to prosper, the average worker’s children had to go to colleges that both indoctrinated them in un-American ideas and put them in permanent debt. If he was to find fulfilling work, he would likely have to uproot his family and move to another community where they had no sense of place. More likely, he would end up in a fulfillment center where his technology-industry bosses would require him to urinate in a bottle rather than take bathroom breaks. And his option of joining with his fellow workers to increase labor bargaining power had been taken away by so-called labor deregulation.

At the same time, his fundamental American liberties such as free speech and free association were being attacked not by government, but by private power. He could no longer say what he liked in the public square if that square was provided by a private social media company. His culture was not just being denigrated, but was being openly attacked by other private companies, some of which until recently had championed that very culture.

The blame for all of these economic, social, and cultural ills is laid squarely at the foot of “neo-liberal” economic policy, which has promoted corporate wealth and freedom at the expense of ordinary Americans’ wealth and freedom. It is a bleak depiction, but is it true?

## Chart 1: Manufacturing Employment

MANUFACTURING EMPLOYMENT AS A SHARE OF TOTAL NON-FARM EMPLOYMENT



**SOURCES:** Author's calculations based on data from Federal Reserve Bank of St. Louis, "All Employees, Total Nonfarm (PAYNSA)," <https://fred.stlouisfed.org/series/PAYNSA> (accessed January 30, 2024), and Federal Reserve Bank of St. Louis, "All Employees, Manufacturing (MANEMP)," <https://fred.stlouisfed.org/series/MANEMP> (accessed January 30, 2024).

CP04  heritage.org

### The China Shock

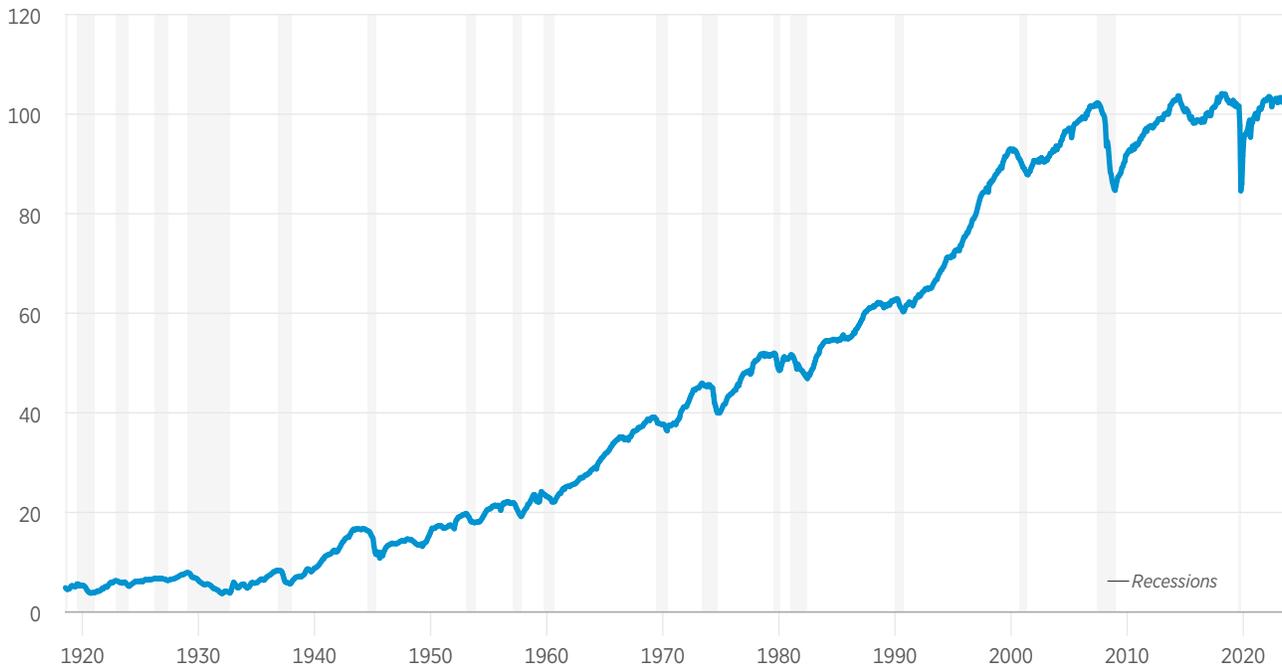
Most of the research about the ill effects of the China Shock has been performed by MIT economist David Autor and his colleagues. The *W* of jobs lost is 2.4 million, and Autor himself has called it an "upper bound."<sup>18</sup> The central estimate was actually around 1.2 million jobs. That is still a lot of jobs, but by no means were they all in manufacturing. Moreover, trade is just a small factor in the overall "churn" of the economy that destroys and creates jobs every year.<sup>19</sup> Manufacturing itself has been falling steadily as a share of the total U.S. workforce since the mid-1960s, as Chart 1 shows.

Even as the number of manufacturing jobs steadily declined, American industrial production grew, hit only by recessions.

Why, then, did we lose so many manufacturing jobs? Trade is only a small part of the reason. For the most part, innovation and productivity improvements, two of America's best assets, led the charge. America's value added from manufacturing increased from \$110 billion in 1953, the supposed heyday of manufacturing, to a whopping \$2.1 trillion in 2015. Another recent paper suggests that the primary cause of the decline in manufacturing jobs in the "Rust Belt" was actually labor disruption between 1950 and 1980 rather than trade.<sup>20</sup>

## Chart 2: Industrial Production

INDEX 2017 = 100, SEASONALLY ADJUSTED



**SOURCE:** Federal Reserve Bank of St. Louis, “Industrial Production, Total Index (INDPRO),” <https://fred.stlouisfed.org/series/INDPRO> (accessed January 30, 2024).

CP04  heritage.org

### McJobs?

It is true that many people who previously would have been employed in manufacturing are no longer in those jobs. Are they worse off? Contrary to most assertions, there is no unemployment crisis in America. President Donald Trump presided over an economy that was essentially at full employment until COVID hit. The noncyclical rate of unemployment has been decreasing steadily since 1980. (See Chart 3.)

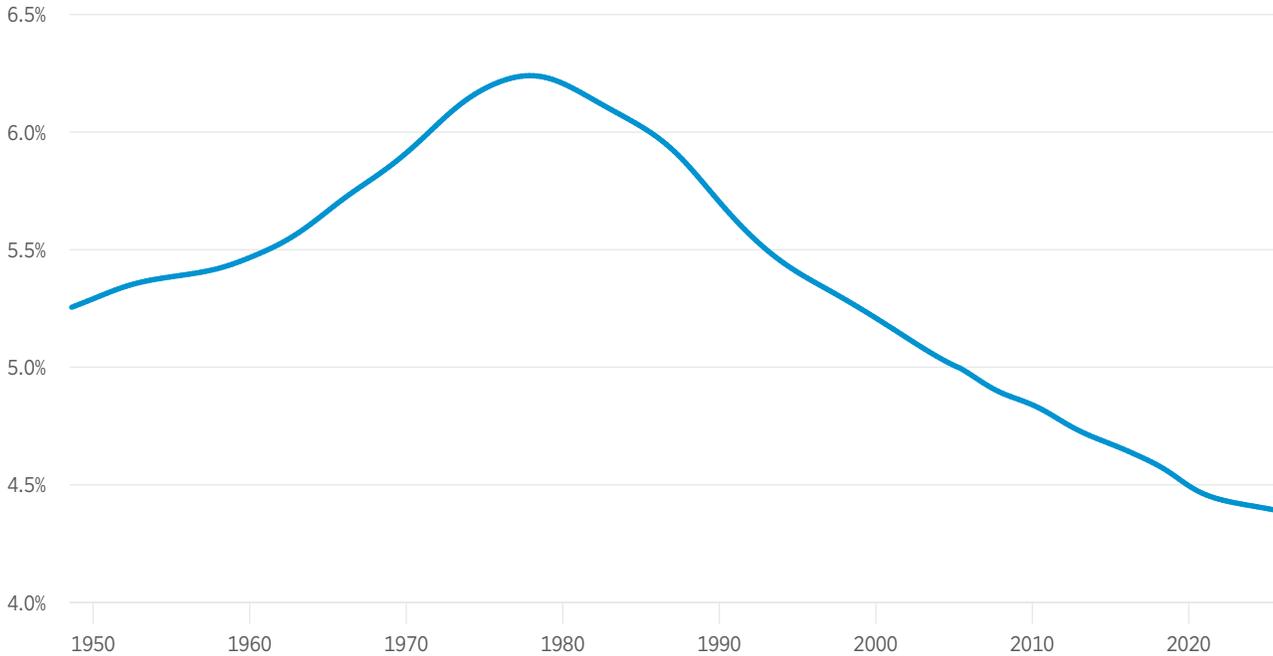
What about the argument that the workers displaced from manufacturing may not be unemployed, but they have been forced to take jobs like burger flipping? A U.S. Department of Labor survey of manufacturing workers who lost their jobs during the financial crisis suggests that this is not the case. Over

40 percent found jobs back in manufacturing; only 4 percent were working in the food industry. The rest were spread out over a wide range of jobs from construction through transportation and retail to management and professional occupations.<sup>21</sup> Older workers were more likely to have to take a pay cut. Their higher rates of pay are often tied to length of service and similar factors.

America has moved from being an economy based on manual labor to one based on service functions. A study by the Center for Strategic and International Studies about the effects of trade found that between 1980 and 2019, the share of low-skilled service (“hamburger-flipping”) and manual jobs declined from 56 percent to 33 percent while the share of skilled service jobs

### Chart 3: Noncyclical Rate of Unemployment

PERCENTAGE, NOT SEASONALLY ADJUSTED



**SOURCE:** Federal Reserve Bank of St. Louis, “Noncyclical Rate of Unemployment (NROU),” <https://fred.stlouisfed.org/series/NROU> (accessed January 30, 2024).

CP04  heritage.org

increased from 44 to 66 percent.<sup>22</sup> That is a significant switch. Although more than half of these jobs require a four-year degree, a significant proportion do not, especially those in health care and fields such as cosmetology.<sup>23</sup> These jobs pay more than the manufacturing jobs they replaced.

The decline in manufacturing jobs is linked to worries about a “shrinking middle class.” The implication is that people without access to those jobs are becoming poorer. The middle class is indeed shrinking, but this is because the size of the upper middle class has been growing relentlessly: More people are becoming richer.

The share of families classified as upper middle class grew from “under 13 percent in 1979 to over 30 percent in 2014.”<sup>24</sup> The share of lower-middle to middle-class families, accordingly,

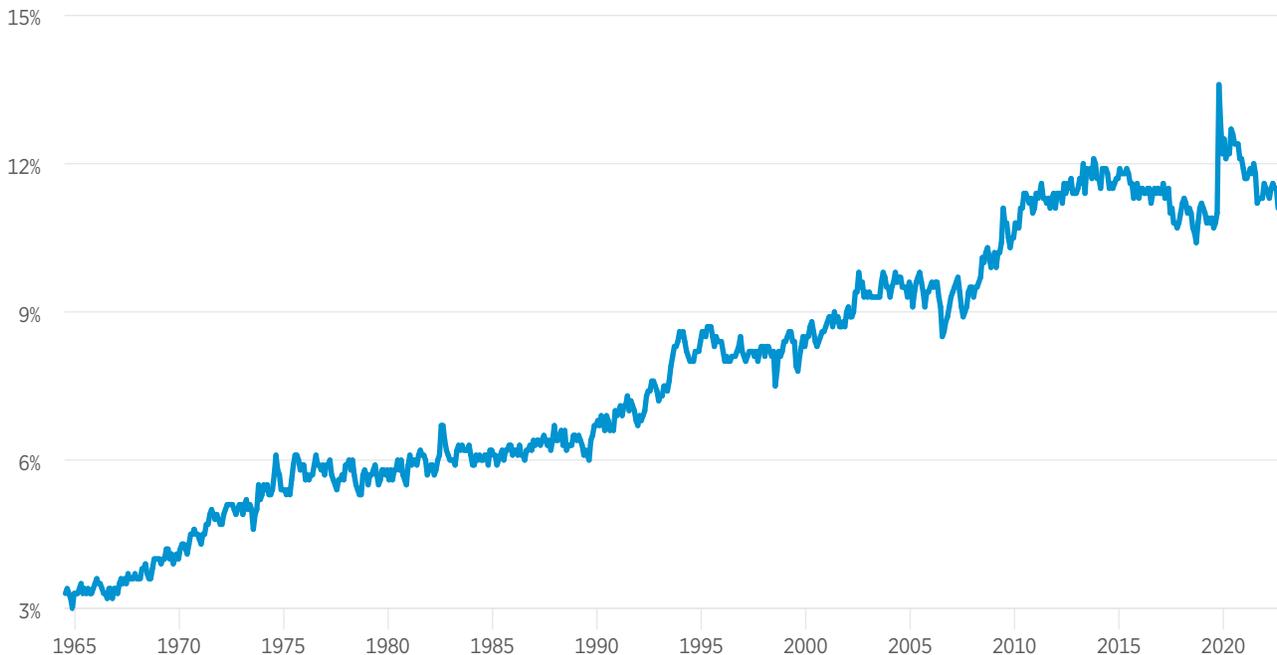
fell from 63 percent to 50 percent in the same time period (and would have fallen more were it not for the number of families classified as poor falling from 25 percent to 20 percent). As the Urban Institute notes, this growth in prosperity is reflected in changing living standards: “[T]he median size of a new single-family house went from 1,650 square feet in 1979 to 2,506 square feet in 2014, and the share of the luxury car segment in 2014 grew to 13 percent of all new cars from under 5 percent in 1979.”<sup>25</sup>

### Why Are People Unhappy?

At the same time, have new barriers to human flourishing arisen in some segments of America’s population? There are still many concerning places where that seems to be the case.

## Chart 4: More Men Not in Labor Force

NOT IN LABOR FORCE, MEN, AGES 25-54



**SOURCE:** Federal Reserve Bank of St. Louis, “Labor Force Participation Rate – Men (LNS11300001),” <https://fred.stlouisfed.org/series/LNS11300001> (accessed January 30, 2024).

CP04  heritage.org

One example is in the steady rise since the mid-1960s in prime-age working men who have withdrawn from the labor force. While some of these men are pursuing retraining or other educational objectives, the vast majority are not in employment, education, or training. This does not mean that they are simply unemployed. They are, in fact, not looking for work and so do not show up in the unemployment rate. They are not in the labor force (NILF).

### Rise of the NILFS

As Nicholas J. Eberstadt of the American Enterprise Institute has pointed out, these men seem overwhelmingly to be victims of anomie or despair, as their “leisure” time is devoted almost exclusively to screen use of one form or another. Eberstadt terms their condition “infantilized.”

The argument could be made that this is the hidden effect of the loss of manufacturing jobs, particularly from trade: Factories close and men give up. Similar deindustrialization effects are seen in other countries, yet only America has this particular problem. While there does appear to be some connection between the decline in manufacturing jobs and the rise in the number of working-age men shunning work, it is a weak one.<sup>26</sup> Rather, America’s welfare and disability programs appear to have enabled the flight from work. Over half of NILFs are receiving payments from at least one government disability program. These programs are much more favorable to beneficiaries’ lack of effort than are those of countries like Sweden, which aim to get working-age men back into work.

Eberstadt found that in 2013, 27 percent of all working-age men received poverty-related benefits in their households, up from 11 percent in 1985, and that NILFs were more dependent on these benefits than were households with unemployed men. It is clear that male reliance on disability benefits had exploded. This helps to explain some of the disconnect between the apparently healthy economy and the experiences of millions of men and their families. Immigrants, who are often not eligible for these programs, have much higher labor force participation rates at working age. The motivation for Americans appears to be adversely affected by programs that their own government instituted as part of a “war on poverty.”

About 66 percent of NILF male households actually fall above the official poverty line and are about where the working class traditionally has fallen in terms of income. The difference is that these men are not working. They spend their days in front of screens, which these days is more likely to mean watching short TikTok videos or playing video games than watching television. They have been demoralized in every sense not by trade or free markets, but by government welfare programs paid for by the rest of us or, through growing federal borrowing, by future generations.

## Crime and Credentialism

Massive numbers of Americans have been convicted of a felony, but there are no official estimates of how many. The number could reach 16 million–20 million, overwhelmingly African-American, male, and of prime working age.<sup>27</sup> By Eberstadt’s reckoning, one in five men who have been arrested and one in three men who have been incarcerated are part of the NILF cohort. Employers are likely to avoid offering jobs to people with criminal records. Lack of work is in turn believed to be a factor in recidivism.

This is not primarily an economic problem, except insofar as there is enormous unrealized labor potential, but it is one we need to tackle for moral reasons. As Eberstadt says, “the economic redemption of former prisoners and convicts is not only a pragmatic objective: it is an ennobling moral goal for a forgiving people.”

At the other end of the scale is a contrasting problem. People are denied economic opportunity not because they have criminal records, but for lack of academic credentials. While not all good-paying jobs require college degrees, over half of them probably do.<sup>28</sup>

Many of these jobs would have been open to people with high school diplomas, but as the number of people with such diplomas grew, employers needed some way to distinguish between applicants. In much of the rest of the world, this is done by assessment tests analyzing basic skills. However, in its 1970 decision in *Griggs v. Duke Power*, the U.S. Supreme Court found that the standard tests used by Duke Power were not tests of skills directly related to the job and appeared to be biased against African-American applicants, so it placed the burden of proving the relevance of the test on the company.<sup>29</sup>

The reaction should come as no surprise to anyone who has studied the economics of corporate behavior: Employers stopped using tests and started requiring a bachelor’s degree for many jobs. They outsourced this aspect of their recruitment process to universities and colleges to minimize legal liability. To access those jobs, people had to go to college.

The cost of college exploded. While there are many private colleges, the cost of college has not been subject to free-market discipline. Most university employees now are not professors but administrators because of the strict regulation imposed on colleges as part of their

funding relationship with the education authorities. Those authorities require that students be treated not as the adults they are, but as larger schoolchildren. The result is an increasing infantilization of the student. Meanwhile, as I have documented in my book *The Socialist Temptation*, the conservative college professor, always in a minority, is now virtually extinct, and a dogmatic leftism now dominates campuses.<sup>30</sup>

So the cost of a degree has increased, and the quality of the product in many fields has decreased as a culture of dogma has replaced one of free inquiry. Yet this product is now increasingly essential to anyone who aspires to higher-paying employment.

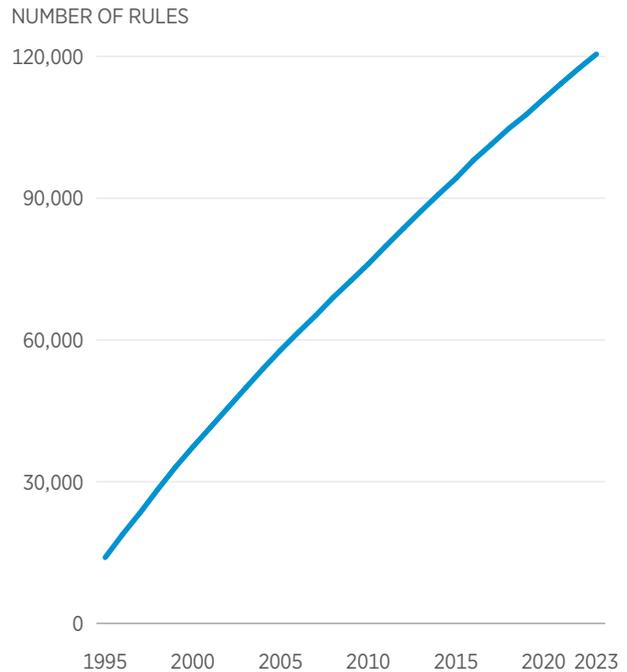
Today, “[t]he average federal student loan debt balance is **\$37,718**, while the total average balance (including private loan debt) may be as high as **\$40,499**.”<sup>31</sup> Student debt is not dischargeable in bankruptcy, and this acts as a further check on the ordinary development of a price signal. Colleges get their money whatever happens.

All of this means that non-market policy choices are imposing serious negative effects on development of the labor market. While “common good conservatives” have focused on things like wage subsidies, industrial policy, and unionization as solutions to our labor market problems, those solutions would just impose more distortions on an already distorted market. Far better to look at ways to reduce the existing market distortions by such means as welfare reform, reforming how college is financed, and reducing the burden of credentialism.<sup>32</sup>

### A Failure of Adaptation

There also has been a collapse in what economists call “dynamism” in the American economy. In a dynamic society, old firms give way to new ones, small firms become big firms, and creative

Chart 5: Cumulative Final Rules Published in the Federal Register, 1995-2023



NOTE: Figure for 1995 is a combined total for 1993–1995.

SOURCE: *Federal Register*, “Federal Register Documents Published per Category, 1976–2023,” [https://uploads.federalregister.gov/uploads/2024/01/03140728/2023\\_Rule\\_And\\_Proerule\\_Docs.pdf](https://uploads.federalregister.gov/uploads/2024/01/03140728/2023_Rule_And_Proerule_Docs.pdf) (accessed January 30, 2024).

CP04 📄 heritage.org

destruction results in new jobs to replace the ones lost. There is also a workforce aspect to dynamism. In dynamic societies, people switch jobs often, resulting in higher wages, and are willing to relocate for better opportunities. Today, all three indicators—start-up creation (new firms to replace old ones); job reallocation (switching jobs); and relocation—are at historic lows.<sup>33</sup>

Why is the number of start-ups so low? After all, America ranks well on international comparisons of the cost of doing business. In the

World Bank's 2020 review of those costs, America ranked as the sixth least costly place to do business.<sup>34</sup> However, when it comes to starting a new business, it ranked 55th. Other burdens included an onerous permitting regime, costly and time-consuming access to energy, and difficulty in registering property.

The increasing burden of regulation falls hardest on start-ups. Established firms can generally absorb the costs of new regulations. That is also why established firms lobby hard for increased regulation: Readers may remember the ads all over the Internet a year or so ago that said "Facebook is in favor of updated internet regulations." My colleague Wayne Crews has charted the growth in federal regulation since the 1990s.<sup>35</sup> Each of these new regulations is a cost that business must bear. It should therefore come as no surprise that dynamism is falling.

Americans are also much less likely to switch jobs than they were in previous generations. The prime benefit of switching jobs is a higher wage or salary. This is likely an explanation for why there is a general feeling of stagnation and why wages, although they have risen substantially, do not seem to have kept pace with productivity.<sup>36</sup> The "churn" involved when job switching is commonplace results in more opportunities not just for established professionals, but also for people with fewer skills or with other disadvantages to gain new skills alongside increased earnings. This was demonstrated during the pandemic when the growth in job switchers' earnings outstripped that of job stayers by a full percentage point.

However, back in 2019, job reallocation had reached an all-time low. This was largely because new firms were not starting up and old firms were not scaling up as fast as they were in the past. This resulted in fewer opportunities for career growth.

Willingness to relocate for work used to be an American trait. It has not vanished, but it has decreased remarkably in recent years. Interstate migration is roughly half of what it was during the 1980s. Interestingly, the numbers started to plummet in the decade before the Great Recession and have continued to trend downward. Eberstadt agrees with *The Washington Post's* Henry Olsen in linking this problem to disability benefits: "[E]xisting social welfare programs have the perverse and unintended effect of binding recipients to the locality in which they draw benefits."<sup>37</sup>

Other possible factors include lack of recognition of professional certifications between states and divergent costs of housing, which arise primarily because of zoning laws and other restrictions. It certainly is not due to contentment. The share of people who say they are stuck in places they would like to leave has risen by half again since the 1980s.<sup>38</sup> Once again, the cause of unhappiness is government.

What this all means is that there is indeed a problem. America is squandering its historic advantages. It is doing so not because of free-market overreach, but because government is intervening directly or indirectly to disrupt capital formation and other essential aspects of the free market. The result is harm to the common good under any reasonable definition.

## The Threat of Corporatism

Another area in which things seem to be going wrong is the growth of corporate power over private lives. This is most apparent in the technology sphere, where corporations are earning a reputation for censoring private speech. There is also some evidence that corporations are fighting the culture war on the side of progressives.

The first problem—the censoring of speech—appears to be more complicated than just a private decision based on free association. (Corporations do have a right not to carry speech with which they disagree.<sup>39</sup>) As the Twitter Files made clear and further revelations have confirmed, much of the pressure to censor conservative speech, especially during the pandemic, came from government agencies. What is known as jawboning is essentially the use by agencies of implied threats to impose things like more intense supervision that cause private corporations to be cowed into following what the agencies want them to follow.

With jawboning and other forms of regulatory pressure (such as financial agencies' emphasis on "reputational risk," which turned into Operation Choke Point and may have resurfaced in recent debankings<sup>40</sup>), corporations are increasingly looking to government for implicit permission with respect to what they should do in matters of public controversy. This is not a healthy development. In fact, it indicates further steps away from a free-enterprise economy and toward one based on corporatism in which corporations would be organs of the state. As a form of political system, corporatism is generally viewed as an alternative to liberalism and socialism and was part of the underpinnings of Italian fascism. It is by no means a free-market phenomenon.

We have reached a point at which corporatism is a very real threat. If progressives can use informal pressure to get corporations to do things that they want them to do without having to rely on Congress or the courts, then not only is free enterprise threatened; democracy and the rule of law are also under threat. In the past, corporations might have resisted the pressure of regulators. This is less likely now. In large part, corporate management is sympathetic to

the progressive regulators' demands for two major reasons.

First, government-affiliated institutional investors own a significant portion of large, profitable company stock. These investors, often state pension funds, prioritize other things besides returns, most notably "social justice" ends like diversity, equity, and inclusion initiatives. This is government exerting influence as an owner.<sup>41</sup>

Second, "woke" business strategies do not normally originate in senior management. They are devised and executed by middle managers who, in turn, are responding to government pressure. For instance, various civil rights and equal opportunity laws left it to corporations to design the business practices they felt were necessary to avoid discrimination. This led to the development of career experts that businesses hired and trusted to create and hone those practices. As business professors Nicolai Foss and Peter Klein put it:

[R]esponsibility for social justice programs and initiatives was generally delegated downward from the executive suite to lower levels of the organization.... Given organizational inertia, these specialist positions became permanent and diversity programs became permanent parts of most company's hiring, training, and promotion activities.<sup>42</sup>

Delegation grants control to the relevant managers who, supported by corporate lawyers, defend their positions even against top executives who may disagree. Similar considerations affect the formulation of corporate environmental policy. In each case, the law is creating incentives that distort the proper operation of free enterprise. In general, these middle managers are also likely to come from a class that

has skewed leftwards in recent years: holders of four-year college degrees. This educated class, as *The New York Times* found, has shifted in its political allegiances since the 1970s.<sup>43</sup> It is now imposing its vision of society through corporate policy.

None of these factors in the drift toward corporatism is the work of free enterprise. Instead, all are the result of relentless cultural or market distortions, introduced or imposed by government and reinforced by a relentless culture war among America's elites, that compound and reinforce each other. Incentives matter.

Another important factor in the rise of corporatism that can perhaps be left at free markets' door is recent developments in the debate between "stakeholder" and "shareholder" capitalism. This debate reaches back to the 1930s, when it was first proposed that corporate management has a duty to the wider community (its stakeholders) as well as to its investors (its shareholders).

For a couple of decades after 1970, when Milton Friedman argued that the primary responsibility of corporate management was to maximize return for shareholders,<sup>44</sup> shareholder capitalism was indeed the primary model of corporate management. However, in the 1990s, what the late economist David Henderson called "global salvationism" started to appear in conversations between executives and in their relations with government, the public, and the media.<sup>45</sup> This was the belief that corporations have duties to the environment, to the global poor, and to other "stakeholders" that outweigh their duty to shareholders. This led to evolving doctrines, first of Corporate Social Responsibility and then of Environment, Social, and Governance (ESG), that spread by way of venues like the World Economic Forum.

Precisely because they saw themselves as saviors of the planet, executives became keen to work closer with government and pressure groups. Pressure groups, of course, are overwhelmingly leftist and funded predominantly by ideologically leftist philanthropists. Government, business, and special interests working together is the very definition of corporatism.

It is fair to say that many corporations have bent over backwards to keep up with cultural progressivism, but there may be limits. The backlash when Bud Lite sales crashed over Anheuser-Busch's ill-conceived partnership with a controversial trans influencer, not to mention Disney's ongoing woes in most of its divisions, demonstrates that pandering to a market segment that may not even be part of your customer base can seriously damage the bottom line and lead to corporate rethinks. In this respect, market forces can actually form a bulwark against cultural progressivism.

## Market Interventions Will Hurt the Common Good

Some proposed market interventions in the name of the common good miss the target by misdiagnosing the problem. Others will create distortions that will end up harming the common good.

On trade, the preferred common-good policy of protectionism is a subsidy to those who are less efficient at creating a good. The effects of this on the American people are drastic. Protectionism raises the prices of goods that Americans want to buy.<sup>46</sup> Poorer people are disproportionately harmed by the effects of protectionism as they spend more of their income on more affordable imported goods than other classes spend.

One unseen consequence of protectionism is the harm it does to workers and their human

capital. Protectionism is mostly touted as saving American jobs from “unfair” foreign competition that usually results from innovation overseas (innovation that may be precluded in the U.S. thanks to regulation). This does not even benefit the protected American workers in the long run. Protectionism delays the necessary “retooling”<sup>47</sup> of American workers to adjust and live in a world where “new innovation X” exists. This means not only that they will be delayed in their retooling and thus potentially lose out to other workers who did retool, but also that they are forced to live without the obvious benefits of “new innovation X.”

Protectionism affects the family too. Tariffs force families to feed their children with fewer resources and worse goods, and the consequences for low-income families are substantial.

Some conservatives accept this but contend that it is a price we need to pay for jobs and community. Some stagnation and higher prices are a premium that delivers the common good. Although well-intended, this view is mistaken. The supposed premium reduces the general welfare. Replacing innovation with stagnation leads to much worse immiseration.

For example, it is easy for critics to dismiss the importance of economic growth in a world of prosperity (such as the one we live in today) when children have plenty to eat and do not die before they even reach adolescence. However, children reaching adolescence is not the historical norm; rather, it is the outlier.<sup>48</sup> Instead of thinking of the common good and material progress as separate issues, we should recognize how they dynamically support each other.

Trade promotes a thriving economy and thus thriving workers, families, and communities. Protectionism does not do this. We must not be tempted by short-run policies that ultimately

fail to promote the common good, but instead think of long-run growth and policies that benefit all Americans.

Some proposals appear to be aimed at the problem of decreased dynamism and the trend toward corporatism. Primary among these is the increased use of antitrust to break up big companies and restrict acquisitions, but antitrust activity is not a cure for failing dynamism.

First, one cannot ignore why some big firms got to be so big in the first place. The primary reason Apple is the largest company in the world is the immense value that it provides to consumers. In a free market, firms get big if they are able to provide goods and services to individuals and households that make their lives better. This is precisely why conservative thinkers and lawyers worked so hard to establish the consumer welfare standard as the measure for the appropriateness of antitrust action. There do indeed remain cases where crude attempts at things like price-fixing are prosecuted and punished, but substitution of the consumer welfare standard for the whims of bureaucrats has been beneficial for all.

Nor does expanded antitrust policy promote the growth of smaller firms. Look to existing laws as one culprit. Licenses bottleneck firms out of the market, and regulations stifle innovation. In fact, antitrust is generally anti-growth. If a company grows to a certain size, then executives know that their organization can fall under regulatory scrutiny for being too big. If this is the case, why would any executives decide to grow or create new products that would make their “market share” larger? Antitrust regulation prevents firms from growing, innovating, or providing more value to consumers.

Proposals to increase dynamism by stopping “killer acquisitions” also miss the target. Because of government regulation, scaling up a company

is now hard, and obtaining access to capital is harder. When Home Depot went public in the 1990s, it had just four stores. Now, thanks to the paperwork avalanche that descends on companies that consider going public, which started with the Sarbanes–Oxley Act after the Enron scandal, companies tend not to go public until they are already huge. This has two ill effects.

First, ordinary potential investors miss out on company growth; only already wealthy “accredited investors” are allowed to invest in most companies at an early stage. This means that ordinary Americans are excluded from a source of wealth creation that was open to their forebears.

Second, company founders use acquisition as an important part of their exit strategy; they grow their idea to a certain size and then sell to an existing company that can scale it up. (Instagram is a good example: Meta transformed a modest photo filtering app into a social media behemoth.) If that option is removed from founders, they may do something else that is less risky and more likely to be personally rewarding, such as taking a good-paying salaried employee job at a “big tech” firm. Dynamism will suffer even further.

On industrial policy, we know through bitter experience that central planning does not work. This is because the planners do not have the knowledge necessary for rational planning and because there is no way to calculate the cost of using factors in one production sequence over alternative uses without observing market prices.<sup>49</sup>

Given that industrial policy requires different sorts of intervention for its implementation, such as protectionism, subsidies, and regulations, the door for unproductive entrepreneurship is opened. Instead of focusing on what they do best (creating value for consumers), businesses will seek benefit by engaging in the practice we call rent-seeking. American manufacturing firms will

likely devote massive amounts of time and money to get these special privileges conferred on them by government. This will only harm American industry in the long run as firms with greater access to the state seek to get further regulations imposed that harm their competitors. Industrial policy is an open door to corporatism.

Moreover, industrial policy will harm workers and communities. American workers and families will face higher prices and reduced choice as a result, offsetting any putative higher wages. Everyone who is not in the classes that industrial policy seeks to protect will suffer even more, thereby harming the general welfare of the country. This is not just an argument about economic efficiency: As mentioned above, there are very real moral costs to economic stagnation. In particular, it represents a rejection of fundamental American values.

## Are Interventionist Policies Compatible with American Values?

Free enterprise as part of the common good is baked into the American pie. George Washington himself said as the Revolution came to its successful conclusion in 1786 that “the period is not very remote when the benefits of a liberal & free commerce will, pretty generally, succeed to the devastations & horrors of war.”<sup>50</sup>

It is the administrative state that is the biggest burden on liberal and free commerce today. Its size and extent would horrify not just the Founders, but almost every President with the exception of progressives like Woodrow Wilson and the Roosevelt. There is good reason to consider it not as an extension of the executive branch, but as a whole fourth, largely unchecked branch of government.

Using the administrative state to promote certain conceptions of the common good is fundamentally a resort to coercion. This is particularly true of speech,

association, and religious liberty, the subjects of the First Amendment. Justice Neil Gorsuch argued as much for the Supreme Court in his recent opinion in *303 Creative v. Elenis*: “Of course, abiding the Constitution’s commitment to the freedom of speech means all of us will encounter ideas we consider... ‘misguided, or even hurtful’ .... But tolerance, not coercion, is our Nation’s answer.”<sup>51</sup>

Using government power to compel speech one way or the other, whether it be to force a website designer to design a website for a cause she found objectionable (as was the case in *303 Creative*) or to force a social media company to carry speech it believes will harm its other users, is coercive. Whatever one’s conception of the common good or the general welfare may be, certain government actions to promote them, such as compelled speech, are clearly unconstitutional.

True, there clearly are cases, such as industrial policy, where the Constitution is silent on or may even be interpreted as encouraging the use of a policy. For instance, the early American Republic turned to protectionism quite quickly following Alexander Hamilton’s *Report on Manufactures*.<sup>52</sup> Yet a careful reading of the Founders’ writings on trade, even including Hamilton in 1791, shows that they were in favor of free trade. Thomas Jefferson and James Madison even felt that Hamilton’s proposals for tariffs for protectionist purposes were contrary to the Constitution.<sup>53</sup>

That America is a commercial republic is a key part of what makes the nation exceptional. As Samuel Gregg writes in his book *The Next American Economy*:

In the 1790s key American Founders sought to create a republic in which the habits and institutions of commercial freedom, industry, enterprise, competition, and trade would be integral to its identity. These habits and institutions were also

to mark America as a political entity different from most other European nations and from the Spanish territories to its west and south.<sup>54</sup>

America’s commercial nature was inextricably tied to its independence and to its central value: freedom.

## The Institutions of Liberty as the Common Good

Gregg’s definition of a market economy is one characterized by “entrepreneurship, free exchange, competition at home, free trade abroad, strong property rights, robust rule of law, and a constitutional order that defines and limits the government’s economic responsibilities.”<sup>55</sup> One might add some other factors like the enforcement of contract, freedom of speech and association, and a right to self-defense that together form the institutions of liberty.

For the most part, these institutions take the form of rights, and the political system should aim at their protection.<sup>56</sup> It is unfortunate that the U.S. Constitution, despite the prominence of economic liberty in the thought of the Founders, for the most part does not recognize economic liberties as worthy of such protection, which is what has enabled such deviations as the New Deal and the modern administrative state.

It would very much benefit the general welfare if this were not the case. Conservative economic and political activity would be well directed toward ending government-imposed burdens such as the administrative state and replacing them with a system that defends the economic and political liberty of the average citizen. This would go a long way toward solving the social ills we have identified.

Most important, dynamism would be unleashed once again. Energy costs would return to something like their historic lows. Businesses

would start up, and people would move to higher-paying jobs and be freer to move around the country. The perverse incentives that lead to prime-age men slumped on the couch in front of video games would disappear. Other systems could re-evolve. School choice could lead to better qualifications, obviating the need to attend university with its insistence on ideological conformity. Mutual aid, with its fraternity and emphasis on healthy habits and living, could once again flourish in place of insurance companies, and societies could build hospitals without certificate of need laws. The blessings and benefits of liberty are enormous.

Thinking of the common good this way places many questions of moral choice where they should be: as primarily ethical rather than political questions. Where there is a political decision to be made, it will always be prudent to weigh the cost to liberty against the benefits of action. The

institutions of liberty let people pursue happiness the way they interpret it and not according to what is imposed on them. They promote social cooperation while also allowing for freedom of association and disassociation. If a business does not want to operate on Sundays, it does not have to do so. The rules allow for someone else to serve the market of those who wish to engage in commerce on those days.

America has a solution to its current social ills. It lies in our nation's heritage of economic liberty.

**Iain Murray** is Vice President and Senior Fellow at the Competitive Enterprise Institute. Samuel D. Peterson, a Research Associate at the Competitive Enterprise Institute, made significant contributions to this report. The author is also grateful for comments received from Jeremy Lott of the Competitive Enterprise Institute, Ryan Bourne of the Cato Institute, Russell Greene of Stand Together, and Samuel Gregg of the American Institute for Economic Research.

## Endnotes

1. See, for example, the Google Ngram for the term “common good” at [https://books.google.com/ngrams/graph?content=“common+good”&year\\_start=1800&year\\_end=2019&corpus=en-2019&smoothing=3](https://books.google.com/ngrams/graph?content=“common+good”&year_start=1800&year_end=2019&corpus=en-2019&smoothing=3) (accessed January 17, 2024).
2. Amitai Etzioni, *The Common Good* (Cambridge, UK: Polity Press, 2004).
3. Robert B. Reich, *The Common Good* (New York: Alfred P. Knopf, 2018).
4. Marco Rubio, “Catholic Social Doctrine and the Dignity of Work,” speech delivered at the Catholic University of America, Washington, DC, November 5, 2019, [https://www.rubio.senate.gov/wp-content/uploads/\\_cache/files/6d09ae19-8df3-4755-b301-795154a68c59/C58480B07D02452574C5DB8D603803EF.final---cua-speech-11.5.19.pdf](https://www.rubio.senate.gov/wp-content/uploads/_cache/files/6d09ae19-8df3-4755-b301-795154a68c59/C58480B07D02452574C5DB8D603803EF.final---cua-speech-11.5.19.pdf) (accessed January 19, 2024).
5. Catechism of the Catholic Church, ¶1906, [https://www.vatican.va/archive/ENGO015/\\_INDEX.HTM](https://www.vatican.va/archive/ENGO015/_INDEX.HTM) (accessed January 17, 2024).
6. Cicero, *De Finibus*, Book II, *passim*.
7. See, for instance, many recent works by Adrian Vermeule, Sohrab Ahmari, Patrick Deneen, and Josh Hammer; articles in every issue of *The American Conservative*; the work of the think tank American Compass; and the political pronouncements of Senators Marco Rubio (R-FL), Josh Hawley (R-MO), and J.D. Vance (R-OH) and Florida Governor Ron DeSantis (R).
8. This idea can be traced to Thomas Hobbes’ works *De Homine* and *De Cive* (“On Man” and “On the Citizen”) and after him particularly in the works of John Locke in *An Essay Concerning Toleration* and his *Two Treatises of Government* as well as the *Fundamental Constitutions of the Carolinas*.
9. Many classical liberal thinkers, such as Acton, Tocqueville, Burke, and so on, agreed that people needed to adhere to certain moral principles, but they did not believe in using state power to promote a particular system of morals.
10. “The Constitution of the United States: A Transcription,” U.S. National Archives, America’s Founding Documents, <https://www.archives.gov/founding-docs/constitution-transcript> (accessed January 19, 2024).
11. For the full text of the Powell memo, see Lewis F. Powell, Jr., “Attack on American Free Enterprise System,” Confidential Memorandum to Eugene B. Sydnor, Jr., Chairman, Education Committee, U.S. Chamber of Commerce, August 23, 1971, <https://www.greenpeace.org/usa/wp-content/uploads/2021/08/PowellMemorandumTypescript.pdf> (accessed January 17, 2024).
12. “The FTC as National Nanny,” *The Washington Post*, March 1 1978, <https://www.washingtonpost.com/archive/politics/1978/03/01/the-ftc-as-national-nanny/69f778f5-8407-4df0-b0e9-7f1f8e826b3b/> (accessed January 17, 2024).
13. As it was put in the satirical poem “Tom Smith and His Incredible Bread Machine,” a favorite of Ronald Reagan: “The lawyer then went on, / These very simple guidelines / You can rely upon: / You’re gouging on your prices if / You charge more than the rest. / But it’s unfair competition / If you think you can charge less. / A second point that we would make / To help avoid confusion: / Don’t try to charge the same amount: / That would be collusion!” R.W. Grant, “Tom Smith and His Incredible Bread Machine” (Quandary House, 1964), <https://mises.org/library/tom-smith-and-his-incredible-bread-machine> (accessed January 17, 2024).
14. See, for instance, the OECD’s *How’s Life?* surveys. For the most recent edition, see Organisation for Economic Co-operation and Development, *How’s Life? 2020: Measuring Well-Being*, [https://www.oecd-ilibrary.org/sites/9870c393-en/index.html?itemId=/content/publication/9870c393-en&\\_csp\\_=f41822851fa020ad60bb57bb82180a&itemI=oe&itemContent=book](https://www.oecd-ilibrary.org/sites/9870c393-en/index.html?itemId=/content/publication/9870c393-en&_csp_=f41822851fa020ad60bb57bb82180a&itemI=oe&itemContent=book) (accessed January 17, 2024).
15. Joseph A. Schumpeter, *Capitalism, Socialism and Democracy* (London: Routledge, 1994).
16. Innosight, “Creative Destruction Whips Through Corporate America,” *Executive Briefing*, Winter 2012, [https://www.innosight.com/wp-content/uploads/2016/08/creative-destruction-whips-through-corporate-america\\_final2015.pdf](https://www.innosight.com/wp-content/uploads/2016/08/creative-destruction-whips-through-corporate-america_final2015.pdf) (accessed January 18, 2024).
17. Frédéric Bastiat, *Economic Sophisms*, trans. and ed. Arthur Goddard (Irvington-on-Hudson, NY: Foundation for Economic Education, 1996), [https://oll-resources.s3.us-east-2.amazonaws.com/oll3/store/titles/276/0182\\_Bk.pdf](https://oll-resources.s3.us-east-2.amazonaws.com/oll3/store/titles/276/0182_Bk.pdf) (accessed January 18, 2024).
18. Douglas Clement, “Interview with David Autor,” Federal Reserve Bank of Minneapolis, September 7, 2016, <https://www.minneapolisfed.org/article/2016/interview-with-david-autor> (accessed January 18, 2024). Recent research that came out as this paper was being finalized suggests a methodological error in Autor’s work that, if corrected, would reduce the impact of the China Shock on manufacturing employment considerably.
19. America loses about 3 million jobs *per month* on average. For a more detailed look at this factor, see Iain Murray and Ryan Young, *Traders of the Lost Ark: Rediscovering a Moral and Economic Case for Free Trade*, Competitive Enterprise Institute *Profiles in Capitalism* No. 4, August 2018, [https://cei.org/sites/default/files/Iain\\_Murray\\_and\\_Ryan\\_Young\\_-\\_Traders\\_of\\_the\\_Lost\\_Ark%20%282%29.pdf](https://cei.org/sites/default/files/Iain_Murray_and_Ryan_Young_-_Traders_of_the_Lost_Ark%20%282%29.pdf) (accessed January 18, 2024).
20. Simeon D. Alder, David Lagakos, and Lee Ohanian, “Labor Market Conflict and the Decline of the Rust Belt,” *Journal of Political Economy*, Vol. 131, No. 10 (October 2023), pp. 2780–2824, <https://www.journals.uchicago.edu/toc/jpe/2023/131/10> (accessed January 18, 2024).
21. Daniel J. Meckstroth, “Where Did All the Displaced Manufacturing Workers Go?” Manufacturers Alliance for Productivity and Innovation, *Gear Technology*, Vol. 30, No. 5 (August 2013), pp. 10–11, <https://www.geartechology.com/ext/resources/issues/0813x/gt0813.pdf> (accessed January 18, 2024).
22. Stephen J. Rose, “Do Not Blame Trade for the Decline in Manufacturing Jobs,” Center for Strategic and International Studies, October 2021, [https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/211004\\_Rose\\_Trade\\_MfgJobs\\_0.pdf?VersionId=KihPyM6zLZHhjNBTbi\\_tpGLvOe7x2V8E](https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/211004_Rose_Trade_MfgJobs_0.pdf?VersionId=KihPyM6zLZHhjNBTbi_tpGLvOe7x2V8E) (accessed January 18, 2024).

23. One of my favorite features of the Prince William County Public Schools system, where both my children were educated, is that each high school offers a vocational training option, allowing high school graduates to go straight into these good-paying jobs. Examples of the programs include automotive technology, biomedical sciences, cosmetology, culinary arts, cybersecurity, electricity, medical coding and billing, plumbing, practical nursing, and television production.
24. Stephen J. Rose, "The Growing Size and Incomes of the Upper Middle Class," Urban Institute, Income and Benefits Policy Center *Research Report*, June 2016, pp. 13–14, <https://www.urban.org/sites/default/files/publication/81581/2000819-The-Growing-Size-and-Incomes-of-the-Upper-Middle-Class.pdf> (accessed January 18, 2024).
25. *Ibid.*, p. 11.
26. Nicholas Eberstadt, *Men Without Work: Post-Pandemic Edition* (New Brunswick, NJ: Templeton Press, 2022), Chapters 7 and 13.
27. *Ibid.*, Chapter 9.
28. Precise numbers on "good paying" jobs are hard to find, but with four in 10 of all current jobs requiring education beyond high school, and given that lower-paying jobs like entry-level food service jobs do not require such education, it is more likely than not that this is true. See Table 5.2, "Employment, Wages and Projected Change in Employment by Typical Entry-Level Education," U.S. Department of Labor, Bureau of Labor Statistics, "Employment Projections," last modified September 6, 2023, <https://www.bls.gov/emp/tables/education-summary.htm> (accessed January 18, 2024).
29. *Griggs v. Duke Power Co.*, 401 U.S. 424 (1970), <https://tile.loc.gov/storage-services/service/l1/usrep/usrep401/usrep401424/usrep401424.pdf> (accessed January 19, 2024).
30. Iain Murray, *The Socialist Temptation* (Washington: Regnery Gateway, 2020).
31. Melanie Hanson, "Student Loan Debt Statistics," Education Data Initiative, updated August 20, 2023, <https://educationdata.org/student-loan-debt-statistics> (accessed January 18, 2024). Emphasis in original.
32. To be fair, some common-good conservatives have correctly identified the problem of credentialism and have proposed workable solutions. See, for example, "Deflate the Overcredentialing Bubble," in American Compass, *Rebuilding American Capitalism: A Handbook for Conservative Policymakers*, 2023, pp. 84–85, [https://americancompass.org/wp-content/uploads/2023/06/AC-Rebuilding-American-Capitalism\\_Digital.pdf](https://americancompass.org/wp-content/uploads/2023/06/AC-Rebuilding-American-Capitalism_Digital.pdf) (accessed January 18, 2024). However, the problem of credentialism is not a problem caused by free-market policies.
33. See, for example, John Lettieri and Kenan Fikri, "The Case for Economic Dynamism and Why It Matters for the American Worker," Economic Innovation Group, 2022, <https://eig.org/wp-content/uploads/2022/10/Case-for-Dynamism-FINAL-Web.pdf> (accessed January 18, 2024). It should be noted that several indicators of dynamism increased during the COVID pandemic, but this was an extraordinary situation caused by the unprecedented mass layoffs at the beginning of the pandemic and the unconscionable amount of stimulus money that enabled what has been called "The Great Resignation." Previous trends are almost certain to reassert themselves.
34. World Bank Group, *Doing Business 2020: Comparing Business Regulation in 190 Economies: Economy Profile United States*, <https://www.doingbusiness.org/content/dam/doingBusiness/country/u/united-states/USA.pdf> (accessed January 18, 2024).
35. Clyde Wayne Crews Jr., *Ten Thousand Commandments: An Annual Snapshot of the Regulatory State*, Competitive Enterprise Institute, 2023, [https://cei.org/wp-content/uploads/2023/11/10K\\_Commandments.pdf](https://cei.org/wp-content/uploads/2023/11/10K_Commandments.pdf) (accessed January 18, 2024).
36. Another aspect of failing dynamism is the "secular stagnation" of falling productivity growth. The causes of this are debated, but if it is diminishing returns on technological advancement, the coming AI revolution may change that. See, for example Robert J. Gordon, "Secular Stagnation: A Supply-Side View," *American Economic Review*, Vol. 105, No. 5 (May 2015), pp. 54–59, <https://typeset.io/papers/secular-stagnation-a-supply-side-view-1ngfqmvgnj> (accessed January 18, 2024).
37. Eberstadt, *Men Without Work: Post-Pandemic Edition*, Chapter 8.
38. Nicholas Buttrick and Shigehiro Oishi, "The Cultural Dynamics of Declining Residential Mobility," *American Psychologist*, Vol. 76, No. 6 (2021), pp. 904–916, <https://gwern.net/doc/economics/2021-buttrick.pdf> (accessed January 18, 2024).
39. This is not the place for a discussion of the mistaken view that the law recognizes a distinction between a "publisher" and a "platform." For more on that, see Dan Greenberg and Jessica Melugin, "Don't Confuse the Platform with the Train: The Case Against Regulating Social Media Companies as Common Carriers," Competitive Enterprise Institute *Issue Analysis* 2022 No. 3, March 2022, <https://cei.org/wp-content/uploads/2022/03/Dan-Greenberg-and-Jessica-Melugin-Dont-Confuse-the-Platform-with-the-Train-1.pdf> (accessed January 18, 2024).
40. See Iain Murray, "Operation Choke Point: What It Is and Why It Matters," Competitive Enterprise Institute *Issue Analysis* 2014 No. 1, July 2014, <https://www.cei.org/wp-content/uploads/2014/08/Iain-Murray-Operation-Choke-Point.pdf> (accessed January 18, 2024).
41. There is some legal pushback to this. The conduct of various New York City retirement systems is being challenged in the New York Supreme Court in the case *Wayne Wong v. NYCERS, TRS and BERS*. See "Wayne Wong et al v. New York City Employees' Retirement System et al," Docket Alarm, [https://www.docketalarm.com/cases/New\\_York\\_State\\_New\\_York\\_County\\_Supreme\\_Court/652297---2023/WAYNE\\_WONG\\_et\\_al\\_v.\\_NEW\\_YORK\\_CITY\\_EMPLOYEES%27\\_RETIREMENT\\_SYSTEM\\_et\\_al/](https://www.docketalarm.com/cases/New_York_State_New_York_County_Supreme_Court/652297---2023/WAYNE_WONG_et_al_v._NEW_YORK_CITY_EMPLOYEES%27_RETIREMENT_SYSTEM_et_al/) (accessed January 18, 2024).
42. Nicolai J. Foss and Peter G. Klein, "Why Do Companies Go Woke?" November 23, 2022, <http://dx.doi.org/10.2139/ssrn.4285680> (accessed January 18, 2024).
43. Nate Cohn, "How Educational Differences Are Widening America's Political Rift," *The New York Times*, September 8, 2021, <https://www.nytimes.com/2021/09/08/us/politics/how-college-graduates-vote.html> (accessed January 18, 2024).

44. Milton Friedman, "A Friedman Doctrine—The Social Responsibility of Business Is to Increase Its Profits," *The New York Times*, September 13, 1970, <https://www.nytimes.com/1970/09/13/archives/a-friedman-doctrine-the-social-responsibility-of-business-is-to.html> (accessed January 18, 2024).
45. David Henderson, "The Role of Business in the Modern World: Progress, Pressures, and Prospects for the Market Economy," Competitive Enterprise Institute, November 2004, <https://cei.org/wp-content/uploads/2010/10/David-Henderson-The-Role-of-Business-in-the-Modern-World-Progress-Pressures-and-Prospects-for-the-Market-Economy.pdf> (accessed January 18, 2024). First published by the Institute of Economic Affairs, London, in August 2004 as Hobart Paper 150
46. Veronique de Rugy, "New Protectionism: Still Protectionism and Bad Economics," Mercatus Center *Policy Brief*, November 2019, <https://www.mercatus.org/research/policy-briefs/new-protectionism-still-protectionism-and-bad-economics> (accessed January 18, 2024).
47. "Retooling" is unfortunate but useful management jargon for the reskilling and reorientation of a workforce.
48. Max Roser, "Mortality in the Past: Every Second Child Died," *Our World in Data*, April 11, 2023, <https://ourworldindata.org/child-mortality-in-the-past> (accessed February 16, 2024).
49. See F. A. Hayek, "The Use of Knowledge in Society," *The American Economic Review*, Vol. 35, No. 4 (September 1945), pp. 519–530, [https://german.yale.edu/sites/default/files/hayek\\_-\\_the\\_use\\_of\\_knowledge\\_in\\_society.pdf](https://german.yale.edu/sites/default/files/hayek_-_the_use_of_knowledge_in_society.pdf) (accessed January 18, 2024), and Ludwig von Mises, "The Impossibility of Economic Calculation Under Socialism (1922)," Liberty Fund, Online Library of Liberty, <https://oll.libertyfund.org/page/reader-mises-economiccalculation> (accessed January 18, 2024).
50. "From George Washington to Lafayette, 15 August 1786," U.S. National Archives, Founders Online, <https://founders.archives.gov/documents/Washington/04-04-02-0200> (accessed January 19, 2024).
51. *303 Creative LLC v. Elenis*, 600 U.S. \_\_\_\_ (2023), [https://www.supremecourt.gov/opinions/22pdf/21-476\\_c185.pdf](https://www.supremecourt.gov/opinions/22pdf/21-476_c185.pdf) (accessed January 18, 2024).
52. See "Alexander Hamilton's Final Version of the Report on the Subject of Manufactures, [5 December 1791]," U.S. National Archives, Founders Online, <http://founders.archives.gov/documents/Hamilton/01-10-02-0001-0007> (accessed January 18, 2024).
53. Iain Murray, "The Founding Fathers and Free Trade," Competitive Enterprise Institute, Open Market Blog, September 20 2022, <https://cei.org/blog/the-founding-fathers-and-free-trade/> (accessed January 18, 2024).
54. Samuel Gregg, *The Next American Economy: Nation, State, and Markets in an Uncertain World* (New York: Encounter Books, 2022), pp. 269–270.
55. *Ibid.*, p.10
56. See, for example, Douglas J. Den Uyl and Douglas B. Rasmussen, "The Polis and Rights," *Reason Papers*, Vol. 43, No. 1 (Spring 2023), pp. 215–231, [https://reasonpapers.com/wp-content/uploads/2023/04/rp\\_431\\_11.pdf](https://reasonpapers.com/wp-content/uploads/2023/04/rp_431_11.pdf) (accessed January 18, 2024).