

SUBSCRIBE NOW AND RECEIVE *CRISIS AND LEVIATHAN** FREE!



"*The Independent Review* does not accept pronouncements of government officials nor the conventional wisdom at face value."

—**JOHN R. MACARTHUR**, Publisher, *Harper's*

"*The Independent Review* is excellent."

—**GARY BECKER**, Noble Laureate in Economic Sciences

Subscribe to [*The Independent Review*](#) and receive a free book of your choice* such as the 25th Anniversary Edition of *Crisis and Leviathan: Critical Episodes in the Growth of American Government*, by Founding Editor Robert Higgs. This quarterly journal, guided by co-editors Christopher J. Coyne, and Michael C. Munger, and Robert M. Whaples offers leading-edge insights on today's most critical issues in economics, healthcare, education, law, history, political science, philosophy, and sociology.

Thought-provoking and educational, [*The Independent Review*](#) is blazing the way toward informed debate!

Student? Educator? Journalist? Business or civic leader? Engaged citizen? This journal is for YOU!



*Order today for more **FREE** book options

SUBSCRIBE

Perfect for students or anyone on the go! *The Independent Review* is available on mobile devices or tablets: iOS devices, Amazon Kindle Fire, or Android through Magzter.



INTERVIEW

Interview with Anthony de Jasay

— ◆ —

ASCHWIN DE WOLF

1. Once again we have entered an era in which the (unintended) consequences of government regulation and central banking are attributed to “capitalism.” What keeps you motivated as a writer?

The short answer is: allergy. I know well enough that there is little or no use in arguing against populist politicians and pundits who denounce greedy capitalism and insufficiently controlled markets that, they claim, have brought catastrophe and will bring catastrophe again. My allergy against fashionable buzz makes me react willy-nilly. An “insufficiently” regulated economy is tautologically a bad thing. It is the worst of two worlds, halfway between two hypothetical states of the world. One is a set of pure markets that spontaneously generate their standard mode of operation. The other is a set of comprehensive controls that enforce modes of operation that transform and sterilize markets in largely unforeseeable ways. There is no ground for supposing that the second of these states of the world is sensibly preferable to the first or that the hypothesis on which it depends is intellectually more respectable. Because the hybrid solution between the two has given bad results in 1929 and again in 2008, it is preposterous to talk as if history had delivered an “empirical” verdict of “guilty” against capitalism and to issue an imperative call for a “new order” and a “new paradigm” to elucidate it.

2. A small but vocal tradition in political philosophy argues against the state from a contractarian perspective. The American individualist anarchist Benjamin Tucker and more recently the philosopher Jan Narveson are representatives of this school of

Aschwin de Wolf is a biomedical researcher in Portland, Oregon, and writes for the blog Against Politics (<http://www.againstpolitics.com/>). The interview was conducted in September 2010.

The Independent Review, v. 16, n. 2, Fall 2011, ISSN 1086-1653, Copyright © 2011, pp. 271-278.

thought. Do you think that the contractarian framework can be used against government, or do you think that contractarian thinking is inherently biased toward antiliberal conclusions?

Any version of contractarianism, from the ferocious Hobbesian variety to the appeasing twentieth-century ones, has a contract at its core. By this contract, people unambiguously bind themselves and their descendants to accept collective choices, whatever they may be, if made in accordance with a choice rule (what Kenneth Arrow rightly identified as a “constitution”). This setup establishes what I call the “principle of submission” and legitimizes political obedience. This arrangement is in fact the acceptance of a rule of rule making. The harsh rule of rule making allows a wider discretion (“the dictator decides what he dictates”) than a nice one (“the majority may opt only for Pareto-improving alternatives”). The contractarian claim is that a clear gulf stands between the harsh and the nice. However, the rule of rule making is ipso facto also a rule of rule change. By amendment and interpretation, the nice rule will not long remain nice. The mechanism of majority voting works against it, for niceness of the rules would prevent the majority from having its way and extracting resources from the minority.

*3. In the *Jasay festschrift* *Ordered Anarchy*, Nobel laureate James Buchanan writes that some of your work might even be classified as philosophy of science. Does this remark resonate with you, and do you feel an affinity with a particular tradition in the philosophy of science?*

James Buchanan is overrating my range in suggesting that it reaches to the philosophy of science. My only brush with the philosophy of science is my use of the asymmetry between verification and falsification to place the burden of proof in adversarial situations and hence to show the solid epistemological foundation that supports the great and indeed decisive presumptions of a sane, liberal society: the presumption of freedom, of innocence, and of good title to possessions.

If I could pretend to affinity based on acquaintance with a school of epistemological thought, it would probably be to [Karl] Popper’s critical rationalism. However, I would hold out for induction and subjective probability when setting out the conditions that would render rational an action involving unknown future consequences. The criterion of critical rationality—that a hypothesis be used that has best resisted criticism in the past—is of little help in maximizing an action’s expected “utility.”

4. In “Is Limited Government Possible?” you write that “enduring limited government is only possible in conjunction with unreasoning acceptance, by significant parts of society, of certain metaphysical propositions.” But does the state not derive most of its legitimacy from the uncritical belief in such things as “human rights,” “the common good,” and other nonobservable entities?

Some unreasoned metaphysical propositions function as taboos and prohibitions, but obviously not all of them function so. The classical example of the taboo that

tends to limit government is that against running a government budget deficit, which used to be feared as mortal sin from the end of the Napoleonic wars to World War I. Human rights are metaphysical propositions, but they do not really function as taboos. If they include the “freedom from want,” as the United Nations promulgated in a resolution in 1948, they certainly do not help to limit government. Belief in the existence of a common good prohibits almost nothing and permits almost anything.

5. The philosopher of science Gerard Radnitzky had a very high opinion of your argument in favor of the presumption of liberty. Do you consider this argument central to your oeuvre?

Yes. It is the same argument as the one that undergirds the presumption of innocence and title to possessions. I had long epistolary discussions of the derivation of the presumption of freedom with the late Gerard Radnitzky, who helped me a great deal in smoothing and simplifying it.

6. Classical liberals have historically been strong advocates of government debt reduction. Some contemporary libertarian anarchists, however, believe that we should not consider the government's debt as “ours,” and they argue against paying it back. Would such a perspective not be more effective than trying to strengthen the state's financial health?

Declaring that we are not liable for the debt of our government is mere talk unless we can get the courts not to apply the tax code and the police not to obey the government. Achieving this outcome would entail abolishing the government. If we can do so, well and good, but then why bother about repudiating its debt?

7. You seem to be pessimistic about the prospects for limited government as long as practical politics is dominated by self-interest without deontological restraint. But does not the persistence of politics depend on people's not recognizing their self-interest when they engage in the irrational act of voting?

This is a compound question that seems to have two components. One is that voting at all is irrational (because it has no effect on the outcome), and the other is that even if voting affected outcomes, it would not serve the voter's interest. It is in fact widely held that because millions vote, no voter can rationally expect to influence the result. Millions nevertheless keep on voting, which looks a bit strange. Many parapsychological stories have been written to explain why they do so. I am not sure that we need them. In a well-oiled democracy, the perfect election result yields a wafer-thin majority because that outcome maximizes the size of the losing coalition ready to be exploited and minimizes the size of the winning coalition whose members share the spoils. This idea, of course, is the well-known median voter theorem. When the majority is literally wafer thin, the displacement of a single vote turns the majority into a minority, and vice versa. Thus, the perfectly oiled democratic mechanism

produces outcomes with a majority of one vote; a single vote is decisive; and, hence, the voter is quite rational to cast it. In a less perfectly oiled democracy, where the majority is thicker than a wafer, the probability of a single vote's being decisive is less than unity (the median voter theorem does not quite hold), but it need not be negligible. Because voting is not very costly, to affirm that it is irrational to vote is much too strong a claim.

The second part of the compound proposition—that voting does not serve the voter's self-interest—seems to me to suggest between the lines that if we refrained from voting for any party and any program, politics would go away, which would best serve our interests. I may agree with the latter part of this sentence, but not with the former: politics would not go away. I think voters can serve their self-interest both by obtaining advantages at the expense of others and by preventing others from getting advantages at their expense. Such redistributive ping-pong is almost certainly a negative-sum game that no payoff-maximizing player would stop unilaterally. Stopping unilaterally (that is, not voting in his self-interest) would increase his negative payoff or turn his positive payoff into a negative one.

The democratic mechanism might cease to produce this result (which I have baptized “churning” in my book *The State*) when the mechanism reaches the end of its tether, people become frightened by the impending overall breakdown, and they vote against the negative-sum games. Great Britain in 1979, leading to the Thatcher years, is the classic example.

8. During the second half of the twentieth century, classical-liberal scholarship has become more anarchist and critical of political democracy. Some might argue that this change will make liberalism more coherent and empirical, but less influential. Do you agree?

One of classical liberalism's weaknesses that I always found impossible to swallow was and I think remains that it indulges in unrestricted wishful thinking. It elaborates beautiful constitutions based on such liberal values as freedom, property, the rule of law, the independence of the judiciary, and so forth, explaining the moral superiority and practical advantages of the liberal order that such a constitution would produce and showing an almost pathetically naive confidence that the dream constitution would in fact produce this dream result. This sort of argument has been advanced in fine disregard of the live forces of real-world politics that are incompatible with such constitutions. These forces will twist and tweak and in essential parts transform constitutions until they are reduced to irrelevance in regard to the control over such vital collective choices as taxation, production of public goods, and income distribution. It is sad to see a great economist such as F. A. Hayek produce a startlingly naive text [such as] the *Constitution of Liberty* and sadder to see two generations of good men and women lapping it up.

9. *In your review of Ken Binmore's Natural Justice, you write that you would be pleased to be counted as a "post-Robbins die-hard neoclassical." Are there any other developments in modern economics besides its dismissal of interpersonal utility comparisons that you consider encouraging?*

I certainly remain a die-hard neoclassical, though I am not sure that I am still entitled to call myself an economist. I never got beyond John Hicks, to whom I was fairly close when I was at Oxford, and the economics profession's subsequent near-complete abandonment of the English language in favor of algebra did not incite me to keep up with the subsequent progress, if any, of economic theory. I suspect that some recent advances, such as information asymmetry and "behavioral economics," do not have the importance that the publicity they enjoy would have you believe. Of course, one branch of study—game theory—has penetrated deeply into economics and also into several other disciplines. I think it has great importance, and I personally feel better equipped to think about society and politics because of the elementary understanding that I have gained of it. My writings in the past decade or so owe much to the new manner of thinking that I gradually adopted under the influence of game theory. In saying so, however, I want it to be understood that I do not for a moment feel entitled to be called a game theorist, but only at most a spectator and a beneficiary of this discipline.

10. *In your most recent work, your basic agreement with David Hume's thinking about conventions has become more explicit. One would think that such a perspective would also include a preference for forms of money that have evolved by convention, but your work is mostly silent on monetary issues. Is this silence a deliberate choice, or do you have an interest in this topic?*

You are perfectly right that in recent years I have become a fairly faithful follower of Hume; in fact, it was the gaining of a minimal "feel" for game theory that revealed to me Hume's true importance and the crucial role of conventions, which he was the first to recognize. Nevertheless, you are also right that in my writings I seldom paid much attention to money, despite its potential for being a convention. One reason for this neglect is that metallic money was not really conventional, whereas paper money did not depend on a convention because it was made legal tender and thus rendered acceptable "from above" rather than by way of convention "from below." Another reason is that I never thought I had anything original to say about money.

11. *You have written that "[a] liberal order is not designed to promote the maximum attainment of stipulated ends, 'freedom' or any desirable goal." Looking at society from a teleological perspective, however, seems hardwired in human nature and perhaps a remnant of the time when our individual fates were strongly linked to the tribe's fate. Do you think that being more explicit about this evolved trait*

will have a more sobering effect on political fanaticism than talk about “rights,” “freedom,” and “limited government”?

I am not convinced that seeing society as serving a teleological purpose is really “hardwired” in our genetic makeup. I do agree that we are born suckers for “buying into” putative common goals “sold” by holders of political power or aspirants competing for power. At times, enlightenment and progress were such goals, at others national greatness, and at yet others socialism as the vector of material plenty combined with equality. I doubt that such passing fancies can really be “hardwired,” although of course I might be wrong, and you may be right in the more subtle sense that what is “hardwired” is not a particular fancy, but the having [of] a fancy at all, whatever it may be. If so, it is bad luck. However, what I think really is “hardwired” is the behavior, including social arrangements, suited to assure the survival of the “selfish gene.” There would have to be evolutionary selection of the behavior suited to promote this goal. When hunter-gatherer man was wandering about and could not really carry stores of surplus food on his back even if he knew how to preserve it, “share and share alike” within the tribe may have been the correct social strategy. In the past ten thousand years or so, such a strategy would presumably have been obsolete because man became sedentary, and the ablest and strongest would do best by storing and keeping his harvest for his family rather than [by] sharing equally with poorer and less clever kinfolk. Perhaps a teleological society that pursues egalitarian arrangements is the old, obsolete sharing strategy left over by evolutionary mistake, but I suspect that other causes are at work.

12. In your review of Ken Binmore’s Natural Justice, you also write that contemporary society does not seem to conform to the egalitarianism of the hunter-gatherer or to John Rawls’s justice as fairness. However, one might argue that individuals do not conform to the postulates of neoclassical economics, either. Would you agree that the rational-choice perspective is a normative theory that is becoming increasingly more descriptive and relevant?

My response really starts with what I have just said about “hardwiredness” in answering the preceding question. I do not think that the rational-choice representation of human conduct needs the support of normative premises or even that it ever did before it had taken on a more descriptive character. I see it rather as the greatly simplified “line drawing” of the individual in society, derived from our elementary knowledge of his nature and his wants and more or less adapted to the technologies of our era. In this context, I use rationality to mean consistency or the mind’s orderliness in formulating preferences and goals, whatever they may be within the limits set by conventional rules, and consistency and orderliness of the corresponding actions. I hope I can rely on you to remark that I see the rule-setting conventions themselves as products of rational choice (game equilibria), not as exogenous data. All of this seems to me to jibe not too badly with the view of man as being “hardwired” to try to do the best he can.

13. In modern liberal politics, there is little recognition of the relationship between the scale and size of government. Many who consider themselves “liberals” have been strong advocates of the European Union because they perceive its cosmopolitan aspirations to be the embodiment of enlightened liberalism. Can liberals argue in favor of a “going it alone” perspective of policy competition and decentralization, using strict liberal arguments?

Liberals can argue either for a cosmopolitan and supranational Europe or for secession from it and going it alone. Neither seems to me intrinsically more liberal than the other. Which is likely to give a better (I mean a less illiberal) result is an empirical question to which I do not have an answer. Europe has certainly been the source of much disappointment to serious liberals for a variety of reasons. One extra layer of bureaucracy added on top of the existing ones and built-in incentives for the member states to free-ride and offload responsibility are two of the reasons that stop me from “believing in Europe.” However, decentralization and going it alone also have dysfunctional tendencies even if all the subjects are Swiss, and more so if they are not. In brief, I do not have an answer because I cannot readily think of a form of government that would by its very structure tend to bring about less government.

14. Looking back at your publications to date, what do you consider your most original contributions, and which part of your writings would you consider most in need of revision?

If I can claim originality, it is for my work on the public-goods problem (*Social Contract, Free Ride*). It replaces the binary concept of excludability with the continuous one of exclusion cost, so that a children’s playground, easily made excludable by building a fence and employing a gatekeeper who sells entrance tickets, becomes a public good, nonexcluded, because letting rich children in and shutting poor ones out would involve too high [an] exclusion cost in terms of a bad social conscience. The work also puts dimensionality in the place of nonrivalry; a public good must be large enough to permit nonrationed free access by the whole public. From this consideration, a public good is indivisible; less of it is not public, more of it is redundant. The upshot is that marginal cost and marginal utility are inapplicable, and any individual contribution to the cost of a public good has a nonzero probability of being decisive for the good to become available and public. Acceptance of being a “sucker” can become perfectly rational, a maximization of expected utility. Free riding follows the same logic in reverse; it might give free access to the public good at the probability-adjusted cost of the public good’s not being produced at all. The book can be taken as the diametric opposite of [Mancur] Olson’s *Logic of Collective Action*.

As to which part of my work needs revision, I confess that far too much of what I have written before around 2000 makes me feel uneasy today. I have relied too much too often on treating liberty as a value or indeed as the trump among values and on treating coercion as bad. It is more interesting to derive the conclusions that I present without reliance on such assertions, which—like the rope hanging from nothing in

the air, which you climb up in the Indian Rope Trick—are wonderfully pleasing but have no “truth value.”

I should also like to rewrite the last chapter of my 1985 book *The State*, which gives the false impression that after the state has become a “drudge” through having to keep on deserving the electorate’s support, it will necessarily strive to pass to the next stage in its evolution and become a totalitarian slave owner. In reality, I think that this final stage is rarely reached and that the state is likely to remain a drudge indefinitely. I should have made this idea clear.

15. What can you tell us about your current interests and writing projects?

I have now pretty well stopped writing, except for the occasional short essay, because my eyesight is almost completely gone, and I do not have the force and patience to overcome the handicap of being unable to read, to reread some part of a draft, and to read others’ work. I would have liked to write a short book on equalities, but feeling unable to do it or in any case to do it at the standard to which I aspire, I have given up the idea. I will merely say, by way of marking my territory, that the Indian Rope Trick would have made an appearance in the book.