

Class, Race and Corporate Power

Volume 2 | Issue 2

Article 3

2014

Against Libertarianism

Ronald W. Cox

Florida International University, coxr@fiu.edu

Follow this and additional works at: <https://digitalcommons.fiu.edu/classracecorporatepower>



Part of the [Political Science Commons](#)

Recommended Citation

Cox, Ronald W. (2014) "Against Libertarianism," *Class, Race and Corporate Power*. Vol. 2: Iss. 2, Article 3.
DOI: 10.25148/CRCP.2.2.16092113

Available at: <https://digitalcommons.fiu.edu/classracecorporatepower/vol2/iss2/3>

This work is brought to you for free and open access by the College of Arts, Sciences & Education at FIU Digital Commons. It has been accepted for inclusion in Class, Race and Corporate Power by an authorized administrator of FIU Digital Commons. For more information, please contact dcc@fiu.edu.

Against Libertarianism

Abstract

This essay argues that libertarianism operates as a corporate ideology in the neoliberal age.

Keywords

Libertarianism, Corporate Power, Libertarian Critique

Creative Commons License



This work is licensed under a [Creative Commons Attribution 4.0 License](https://creativecommons.org/licenses/by/4.0/).

The ideological orientation of libertarians is highly instructive: They overwhelmingly align with market forces against the “state” and that means a robust critique of the problems and limitations of the national government. To the extent that they accept a public sector at all, it is a very limited and constrained public sector (what some have called a “nightwatchman”) that regulates the outer boundaries of market competition in order to (theoretically at least) safeguard property rights and to promote capitalist competition.

The anti-statist ethos of the libertarian movement is sometimes embraced by young people looking for an ideology that can empower them to oppose US wars and occupations, as well as violations of civil liberties that are a product of a steady expansion of the US surveillance state. It is often the absence of a coherent left perspective on these issues that leads younger activists to admire libertarian politicians and activists who take an unequivocal position against US militarization and wars. Libertarians who have spoken out against US militarization, including Edward Snowden, can be favorably contrasted with the policies of the Obama administration, which has worked to expand US militarism by supporting a military surge in Afghanistan and a military intervention in Libya while giving itself an expanded authority to assassinate US enemies through drone strikes. The dramatic expansion of the Joint Special Operations command by the Obama Administration gives further credence to those in the libertarian movement who criticize the concentration of power within the US state. Under Obama, US special operations forces are at work in more countries than was the case under George W. Bush. The Obama Administration has also sought prosecution for more executive branch whistleblowers than all other administrations combined in US history, further concentrating executive power and privilege in an effort to discourage dissent.

Yet, despite these libertarian critiques of US militarism, the libertarian position operates in practice, regardless of the intentions of its proponents, as corporate ideology that promotes the concentration of corporate power and profit in the neoliberal age. While libertarians are quite clear in their critiques of US militarization, they are quick to embrace the “self-regulating” market as their cure-all for capitalism’s problems. In the libertarian worldview, the problems with capitalism can always be solved by more capitalism. For libertarians, it is state power that has to be curbed. Market power should be allowed to flourish, even if it means the concentration of power by corporate monopolies, which in the libertarian worldview are temporary aberrations in capitalism. For libertarians, capitalist monopolies or oligopolies are best contained by allowing the marketplace to create the conditions for greater competition and consumer choice. If this means that wealth gets concentrated in fewer hands, then libertarians are all in favor of such an outcome.

Libertarianism is fundamentally in favor of private market power against any efforts to make states more accountable to the broader public interest. For libertarians, there is no broader public interest, only private interests. As such, libertarianism operates as a corporate ideology that has helped promote and expand the policies of neoliberalism, or an expansion of private sector and corporate power and a weakening or subordination of public institutions to corporate profit. Fundamentally, then, libertarians are anti-democratic and anti-egalitarian. Efforts to regulate the market on behalf of the public are to be opposed, and concentrations of wealth in the

marketplace are a representation of the fact that some individuals are simply better than others, and should reap disproportionate rewards.

Libertarians claim to favor a truly free market society in which no one market player can exert their domination. Therefore libertarians should in fact be critical of the corporate domination of markets. But in actual practice, libertarianism is an ideology that supports and encourages maximum freedom for market players, including corporations, based on the underlying premise that the market is always more capable than government in sorting out winners and losers in society, even if the market is constructed by the powerful who set the rules for how the market will operate.

The belief in the market as a positive, driving force for change has often reached ludicrous heights when it comes to libertarian interpretations of civil rights history in the U.S. For example, libertarians typically argue that the market, not the federal government, was the best mechanism to end slavery in the U.S., despite the rather overwhelming scholarly consensus that market trading in slaves was incredibly lucrative and showed no signs of abating prior to the Civil War.¹ Libertarians view President Abraham Lincoln's prosecution of the Civil War as a proactive attempt by the President to expand the power of the national government, which libertarians equate with a violation of "states' rights," an interpretation that is hard to separate in practice from the racist defense of slavery and Jim Crow Laws. In the libertarian interpretations of the Civil War, there is no such thing as agency for African Americans, whose mobilization proved crucial both politically and militarily in ending slavery. Instead there is consistent denunciation of federal government action to end slavery as a violation of liberty and "state's rights." For libertarians, the market, if left to its own devices, was better equipped to eliminate racism than the government or "the public sector," a term which libertarians will never include in their vocabulary.

It is this animosity toward the very idea of a "public sector" that is a fundamental problem with the libertarian tradition. In the libertarian worldview, individuals look out for themselves, and that's as it should be. But now, in contemporary political and social battles, there is an urgent need to re-imagine and to re-make a public sector so that is accountable to the vast majority, instead of a narrow corporate plutocracy. This means taking a class-based position on how the system operates, and for whose benefit. An ideological tradition that is so wedded to individualism tends, at best, to minimize questions of class privilege and power, and in fact justifies radically unequal distributions of wealth in the marketplace as inherently necessary to preserve freedom, choice and opportunity. For libertarians, wealth inequality is typically only a problem when it can be traced to government overreach. As such, libertarianism has often been utilized by corporate interests to maintain the worst aspects of the status quo within the marketplace. Attempts to increase regulation and oversight of corporations, and to increase taxes on the rich are typically greeted with outright hostility by libertarians.

Libertarians ultimately shill for corporate power by idealizing "markets" as the product of individualism and freedom, rather than a political and economic manifestation of power relationships in which market players have fundamentally distinct interests. And most importantly, by disproportionately criticizing the government instead of corporate power, libertarianism operates as a corporate ideology that celebrates unfettered marketization and

commercialization of every sphere of life. The problem is not with the libertarian critique of the ways that states allow corporate power to be expanded and institutionalized through government policy. The problem is the libertarian contention that a “nightwatchman” state which simply allows the market to sort out winners and losers is the solution to perpetual corporate domination of markets. In the libertarian worldview, only consumers and more capitalism can check corporate power, not the public sector.

High-tech ideologues on both the left and right of the political spectrum have drawn, implicitly or explicitly, on libertarian notions when celebrating the individualism of the internet, where everyone can be a journalist or an aspiring entrepreneur and reinvent oneself free of corporate domination. Yet the modern-day internet is fast becoming an outlet for greater consolidation of corporate power, where individuals provide free advertising and personal information to corporations whose profits are kept disproportionately at the top of the information hierarchy. For those of us on the left, one of the best ways to help check corporate power over the internet is to vigorously defend net neutrality, the principle that internet service providers cannot create a fast-lane for content providers based on how much they are able and willing to pay. As we speak, corporations led by Comcast, ATT, Verizon, and Time Warner Cable, have used their insider leverage and their persistent lobbying to help push the Federal Communications Commission (FCC) to vote against net neutrality. At the same time, corporate influence within the FCC has already worked to ensure that internet service providers are classified as an “information service” rather than a “telecommunications service,” which means those corporations are subject to less oversight and regulation as they concentrate more power within the marketplace.

On a recent Democracy Now show, the libertarian position on net neutrality was represented by Joshua Steimle, CEO of MWI, an online marketing firm, who debated Timothy Karr, the senior director of strategy at Free Press, an advocacy group that argues for FCC regulation in defense of net neutrality.² Steimle’s libertarian position rejected any government regulation to protect net neutrality, even though he claimed to be no friend of Comcast or the other big corporate internet service providers. Steimle explained that the market would be the best vehicle to protect net neutrality, not the government, whose efforts to regulate net neutrality were characterized as untrustworthy because there would be no checks on government behavior. The marketplace, on the other hand, would provide a check on the behavior of powerful corporations like Comcast, ATT and others.

This position ignores the power already amassed by the top internet service providers within the market, who are in the process of further concentrating their ownership of broadband and wireless networks so that the public will have fewer choices. Yet, for libertarians, market power is tempered by consumer preferences and technological innovations that will always result in greater market competition over time, ultimately overriding periods of market concentration and power. However, this ignores the powerful constraints that corporations impose on all other market players by a concentration of economic and political resources, with which they are able to lock in privileges and to consolidate their market power. To the extent that consumers are able to impact decision-making, it is often the wealthiest consumer demographic, whom advertisers cater to and whom content providers are most likely to privilege, leaving other market players who are working class and poor to fend for themselves.

But this outcome is not troubling to libertarians, who advance a corporate ideology that is openly hostile to egalitarianism and popular democracy. The marketplace is good, in part, because it limits democracy in favor of the wealthiest among us, who are rewarded, in the libertarian view, because they really are fundamentally better than the rest of us. That's why you have libertarians like Bryan Caplan, professor of economics at George Mason University, exclaiming his relief at the findings of a recent study by Martin Gilens and Benjamin Page that the US political system is overwhelmingly most responsive to the interest of the very rich.³ Caplan argued that the US is better off following the policy preferences of the upper 5%, because any democratic system that is more responsive to the majority runs the risk of promoting "statist ideology" and "welfarism" that is inimical to individual freedom.⁴

Caplan's views indicate the underlying assumptions of the libertarian worldview: The concentration of wealth and power in capitalism is a good thing, especially when the government stays out of the market and provides a check on any democratic impulse to regulate or subordinate the market for a broader public interest. For libertarians, there is no such thing as a public interest, only individual interests. If you want to help your fellow citizens, libertarians advise you to support a local charity or to join a church, but do not seek to help each other through public institutions, especially when it comes to efforts to redistribute wealth or income, or, heaven forbid, to actually impose regulations or restrictions on corporations within the marketplace.

That libertarianism has emerged as an attractive ideology for some young people in the neoliberal age is not surprising. Corporate ideology insists that everyone can market themselves as a commodity in the neoliberal period, when good jobs with adequate benefits are rapidly disappearing while corporations stash their profits in tax havens. You may not have a job, but rest assured that you can still do work for free by commodifying your identity on the internet. If you are successful, then perhaps you can turn this commodification into a profitable branding venture. At the same time, in the Facebook age, corporations profit from getting consumers to rank their preferences as consumers, which gives everyone the false impression that their individuality is helping to shape the market, when in fact they are serving to commodify their identity for corporate profit. In their push to marketize everything, libertarianism is the perfect ideological veneer for corporate plunder. Efforts to change the system have to confront the ideologies that support corporate power and that includes libertarianism.

¹ Rachel Weiner, "The Libertarian War Over the Civil War," *Washington Post*, July 10, 2013.

² Democracy Now, "Debate: As FCC Votes on Internet's Future, What's the Best Way to Protect Net Neutrality," May 15, 2014.

³ Martin Gilens and Benjamin Page, "Testing Theories of American Politics: Elites, Interest Groups and Average Citizens," forthcoming *Perspectives in Politics*, Fall 2014.

⁴ Michael Lind, "Libertarians' Scary New Star: Meet Bryan Caplan, the Right's Next 'Great' Philosopher," *Salon.com*, May 10, 2014.