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By William F. Campbell



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The Heritage Foundation
214 Massachusetts Avenue, N.E.
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U.S.A.
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THE POLITICAL ECONOMY OF CULTURAL CONSERVATISM

by William F. Campbell

There are two main growing points within the conservative movement. One has been the resurgence of classical liberalism, which is most closely identified with economics. From the reinvigoration of Austrian economics, the Chicago school, classical economics known more journalistically as supply-side economics, public choice movements, law and economics, to rent seeking and constitutional economics, the constitution of liberty is being refurbished. We can only hope that no one throws a bomb at George Mason University where major chunks of these movements are housed.

The second growing point is on the traditionalist side of the conservative movement which has stressed or added (depending on the type of libertarian) the goal of virtue to individual liberty. A useful umbrella term to comprehend this activity is cultural conservatism, with the traditionalists on the high side of the cultural spectrum and the New Right on the low end of the spectrum.

But as first and second generation conservatives have always known, and had to live with as an unpleasant skeleton in the family closet, there is sharp tension, if not contradiction, between the traditionalist and the libertarian wings of the conservative movement. They have been held together primarily because of their common enemies, modern egalitarianism and totalitarian collectivism, which they both abhor.

It is perhaps also true that, as long as the traditionalist or cultural conservatives did not come too close to public policy, tolerance or at least indifference could keep things amicable. Sticks and stones may break my bones, but broad platitudes can never hurt me.

Toughening the Conservative Movement. In addition, there are a number of conservative groups that span the spectrum — however much they lean in one direction or another. I need only mention such organizations as the Institute for Humane Studies, now located at George Mason University; the Liberty Fund located in the true heartland, Indianapolis, Indiana; the Philadelphia Society of North Adams, Michigan; the Intercollegiate Studies Institute in Bryn Mawr, Pennsylvania; and, of course, The Heritage Foundation here in Washington.

But there are now arising both within the Beltway and beyond movements and organizations that are toughening the conservative movement. Wandering around in Alexandria, Virginia, when I first arrived in the Washington area, I discovered the intriguingly named Heritage Gallery of Classical Realism. I thought that perhaps Ed

William F. Campbell is Professor of Economics at Louisiana State University and a Bradley Resident Scholar at The Heritage Foundation.

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Feulner had pulled off a conglomerate merger, but to my surprise, discovered that it was a purely commercial enterprise selling strongly traditional art. I also recently received the *American Arts Quarterly*, Winter 1988 issue, with the lead article on "Conservative Culture."

Journals dealing with the arts and culture from a conservative perspective have always been around, however tenuous and fragile their existence — one thinks of the old *Freeman*, *The American Review*, *The American Mercury*, and more recently such journals as *The New Criterion*, *Commentary*, and *This World*. Book publishers such as Henry Regnery have always been eclectic, a tradition maintained by the *American Citizen's* Alfred Regnery and David Bovenzier, who distribute Hayek and Friedman as well as Weaver and Chesterton.

Out of the hinterlands, otherwise known as the real world, the Rockford Institute, *The Chronicles of Culture*, through John Howard and Allan Carlson have been hitting consistently hard on cultural themes for many years now. Here in the Beltway area, organizations such as the National Institute for the Humanities under the able direction of Claes Ryn are stressing cultural themes that go far beyond, but also include, economics. The publications and conferences of Ernest Lefever's Ethics and Public Policy Center obviously hit on cultural themes as well as economics and foreign policy.

Economics and Culture. However little mention of them has been made in recent discussions, some of the most stimulating work in keeping the economy and the culture together has come from George Gilder, Michael Novak, and Irving Kristol, who have not been properly attended to by the economists because they are not model builders. A recent advertisement for the *New Palgrave Dictionary of Economics* shows a man looking slightly perplexed, and it says in the background, "How To Fit 900 Economists Into Your Office." As if he did not already have enough troubles.

I mention all these organizations and individuals not to be encyclopedic, for I have left out many, but to indicate the range and depth of scholarship and public policy research that already exist in this area.

My purpose here is to assess the political economy of cultural conservatism, particularly its most recent expression in the book, *Cultural Conservatism: Toward A New National Agenda* put out by the Institute for Cultural Conservatism. I wish to show that it is distinct from libertarian economics, not only in terms of some practical policy conclusions, but also in its theoretical foundations. No surprise there. More contentiously, let me also put forward the hypothesis that it is a superior guide to public policy because it moves beyond transactional analysis to character analysis. The fundamental question for the social sciences is always: does government, at any level, have the function of being concerned with the character of its citizenry? Or instead, should one assume that the government is a creation of a state of nature with voluntary consent as the ideal?

ECONOMIC METHODOLOGY

A colleague recently told me that he had had problems getting a sabbatical leave because the committee claimed that he had given insufficient attention to the methodology in his proposal. He explained, of course, that it was really a political prejudice against his type of

work, which is reading books, assimilating thought, particularly conservative thought, and that they were looking for anything into which they could stick their knives. Bill Campbell's law of methodology is that "When you're talking methodology, you're talking religion." The old *odium theologicum* has been replaced by methodological disputes, for which the Latin phrase might be something like *tedium methodologicum*.

THE PROBLEM OF SCARCITY

It is amazing to me that those who trumpet the importance of methodological individualism seem so neglectful of the radical dimensions of what this should entail. There is no such thing as the "economic problem." There is no generic problem of scarcity. There is no value-free concept of efficiency. These abstractions do not come from methodological individualism. All we truly have are individuals who want more. The desire for more, either in our individual souls or in the souls of those whom we are addressing, cannot be taken at face value. Some attempt must be made to make sure that these wants are in fact legitimate.

Therefore the only valid methodological individualism that is not in fact a disguised libertarian social theory must be based on either the Socratic method of dialogue or the Christian method in the Gospels that discerns that people are needy. The things that they want are not necessarily what they should have. It is true that Martha is busy about many things — should she be the patron saint of the American housewife? — but Mary is concerned with the "one thing needful."

True Orienting Points. William Lind and William Marshner, the authors of *Cultural Conservatism*, when they attack a "me first" ethic of greed and ostentation, are making the same point that not all wants ought to be satisfied. Such a critique does not undermine the importance of markets and private property, it only affirms that there are things beyond supply and demand, such as human character, which are the true orienting points for human activity.

Wilhelm Roepke, the single most important conservative economist of the 20th century, always tried to steer between the shoals of ignorant moralism and blind economism. Economists, most often of the Chicago school variety, have veered in the direction of blind economism. Wrong-headed moralism can be from either the Left or the Right. The treatment of economic and social issues in church pronouncements usually comes from the moralistic Left. But many libertarians in their narrow defense of property rights as the only principle of social organization provide another example of ignorant moralism.

THE ROOTS OF THE CONSERVATIVE POLITICAL ECONOMY

The political economy of cultural conservatism harkens back to an older tradition of politics where economics is subordinated and understood in such a way that the utility closet is where you put mops and brooms. In Greek, economics meant household management; the focus of education including the virtues stems from classic Greek and

Roman thought; it is preserved in Christian thought and incorporated in the complex tradition of American Federalism and the doctrines of police powers.

At the core of a conservative political economy is recognition of the complexity of human affairs. One might almost use Xenophon's description of Socrates in the *Memorabilia* as a rough indicator of the nature of this inquiry. Socrates thought "it a kind of impiety to importune the gods with our inquiries concerning things of which we may gain the knowledge by number, weight, or measure; it being, as it seemed to him, incumbent on man to make himself acquainted with whatever the gods had placed within his power: as for such things as were beyond his comprehension, for these he ought to apply to the oracle; the gods being ever ready to communicate knowledge to those whose care had been to render them propitious."

There is no escape from the necessity of having to decide which problems should be handled by number, weight, or measure and which should not. But the decision of what to count and when to count cannot be decided by any mechanical procedure whatever, whether it is the marketplace, cost-benefit analysis, or even Pareto-Wicksell unanimity.

Instead of grinding out results from a utilitarian calculus or from an infallible process of voluntary exchange, the social scientists would be better advised to use the term sifting. Sifting means to separate out the coarse from the refined grains of wheat. Sifting is a much better metaphor for rational thought and examination because it recognizes that there are different kinds of things in the world; it is perhaps messier because there are always borderline cases. But sifting allows for differences in kind and does not require uniformity or equality. As Willmoore Kendall has emphasized, the whole business of discriminating between things that are different in nature is part of the intellectual life.

LET'S PUT UTILITY BACK IN THE CLOSET

One of the great difficulties that economists have in communicating with the public is that they use words in a technical sense that convey something totally different to the general public, even to other academics. Economists, for instance, have long been fascinated with the concept of utility. When we say that individuals maximize their utility, we are not denying charitable motives; we are not creating a science of egoism. Mother Teresa maximizes her utility as much as Ivan Boesky.

Utility comes up because social scientists need something commensurable such as matter to be in social motion. Everything must be comparable in terms of some common denominator. This reductionist urge stems from the desire to be the universal social science and have unequivocal policy conclusions.

Milton Friedman, for example, argues that all goods "have some common characteristic that makes comparisons among them possible. This common characteristic is usually called utility." But there are two different games that one can play with utility. The Chicago grinders wish to quantify and measure as much as possible; this would be the original social scientific urge begun by Hobbes and best expressed in Jeremy Bentham's "felicific calculus." Since utility is notoriously difficult to quantify, proxy variables must be found.

For Chicago-oriented thinkers such as George Stigler and Richard Posner, the concept of "wealth" is more tractable than utility. Wealth defined in terms of market value or ability and willingness to pay has been one very popular variant. For example, Richard Posner states that "Wealth is the value in dollars or dollar equivalents (an important qualification as we shall see), of everything in society....The only kind of preference that counts in a system of wealth maximization is thus one backed up by money — in other words, one that is registered in a market."

Engineering Approach. One other perfectly consistent fashion in which the economist can maintain his hard-nosed purity of scientific efficiency and optimality can be seen in Gary Becker's work on crime and punishment: "Reasonable men will often differ on the amount of damages or benefits caused by different activities. To some any wage rates set by competitive labor markets are permissible, while to others, rates below a certain minimum are violations of basic rights. To some, gambling, prostitution, and even abortion should be freely available to anyone willing to pay the market price, while to others, gambling is sinful and abortion is murder. These differences are basic to the development and implementation of public policy but have been excluded from my inquiry. I assume consensus on damages and benefits and simply try to work out rules for an optimal implementation of this consensus.

The main contribution of this essay, as I see it, is to demonstrate that optimal policies to combat illegal behavior are part of an optimal allocation of resources. Becker here displays an engineering, bridge-building approach to economics. You tell me exactly what you want, and I will minimize the costs.

The Austrians play another game, but it is closer to computer bridge than Chicago football. It is a game they always win because they hold all the trump cards. In their game, all values are subjective preferences with democratic equality between them all, as long as they are not expressed through coercion or violence.

Individual liberty is the only moral right, and property rights is the name of the game. Individual freedom or autonomy of the individual will become a moral absolute for an axiomatic system. Libertarianism or Paretian Welfare Economics (whatever the tensions between them) are the results of these axiomatic systems.

Distorted Terms. Thinkers of this type would be opposed to the Posnerian or Chicago school attempts to define wealth in any way detectable to an outside observer; radical subjectivity is required. And they usually end up with absolutist views of property rights. As Mario Rizzo put it, "the essential principle underlying rights is that they must act as a trump or protection against distributions on the basis of the general welfare. Efficient resource allocation (or 'wealth maximization' in the social sense) is no less an aggregative common-good idea than some of the vaguer notions fashionable in many quarters." Therefore even Posner is a dangerous character for the libertarian.

If I may indulge a bit of whimsy here, it is time for economists to put utility back in the closet. The terms "utility" and "self-interest" have become so distorted by the dictates of scientific necessity or tautological security as to become meaningless. The original core of

