

# PHILOSOPHY OF ECONOMICS & POLITICS

## LECTURE 18: WOMEN & CAPITALISM

DATE **28 JANUARY 2018**

LECTURER **JULIAN REISS**



# Today's agenda

- \* Today we're going to discuss the 'three furies of libertarianism': **Rose Wilder Lane, Isabel Paterson, Ayn Rand**
- \* I am going to **focus on Ayn Rand's** philosophy and ethics, as it is the most systematic of the three
- \* All three were **radical defenders of laissez-faire capitalism and critics of democracy**
- \* First, some general facts and biographies

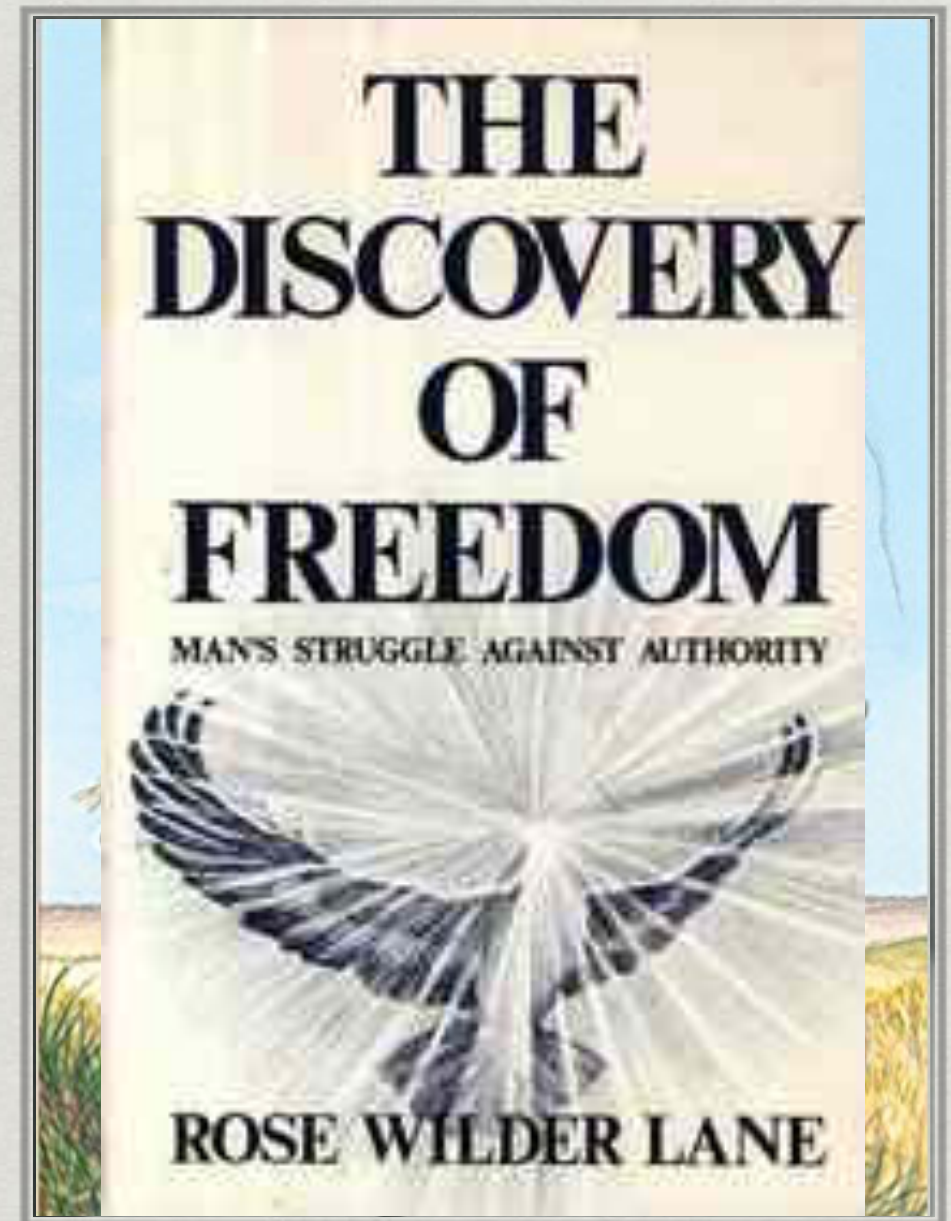
# The ‘Furies’ of Libertarianism

- \* Founding mothers of the **American libertarian movement**
- \* They were united by hatred of **Roosevelt’s New Deal**:
  - \* e.g., Lane: Social Security system is a Ponzi scheme that will ultimately destroy the United States (investigated by the FBI!)
  - \* “young minds with fantasies of ‘races’ and ‘classes’ and ‘the masses,’ all controlled by pagan gods, named Economic Determinism or Society or Government.”
  - \* Rand’s *Fountainhead* was written as indictment of New Deal
- \* The three were friends during much of the 1940s and beyond; but later fell out (in part due to their abrasive personalities — hence ‘furies’)



# Rose Wilder Lane

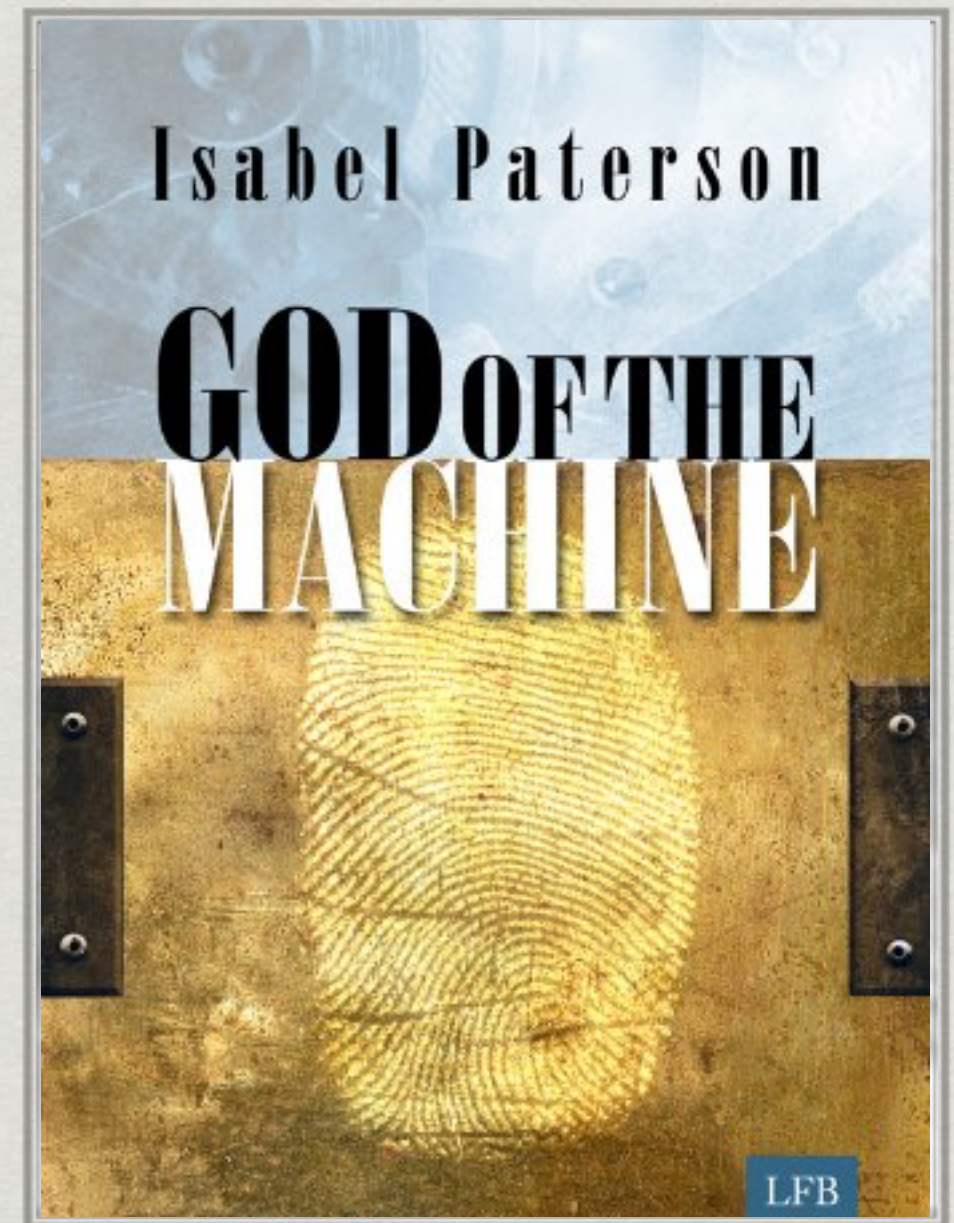
- \* 1886 (De Smet/Dakota) – 1968 (Danbury/CT)
- \* American journalist, travel writer, novelist, political theorist
- \* Daughter of Laura Ingalls Wilder
- \* Worked as an editor and writer for the *San Francisco Bulletin*
- \* After quitting became highly successful freelance writer, one of the highest-paid female writers in America at the time





# Isabel Paterson

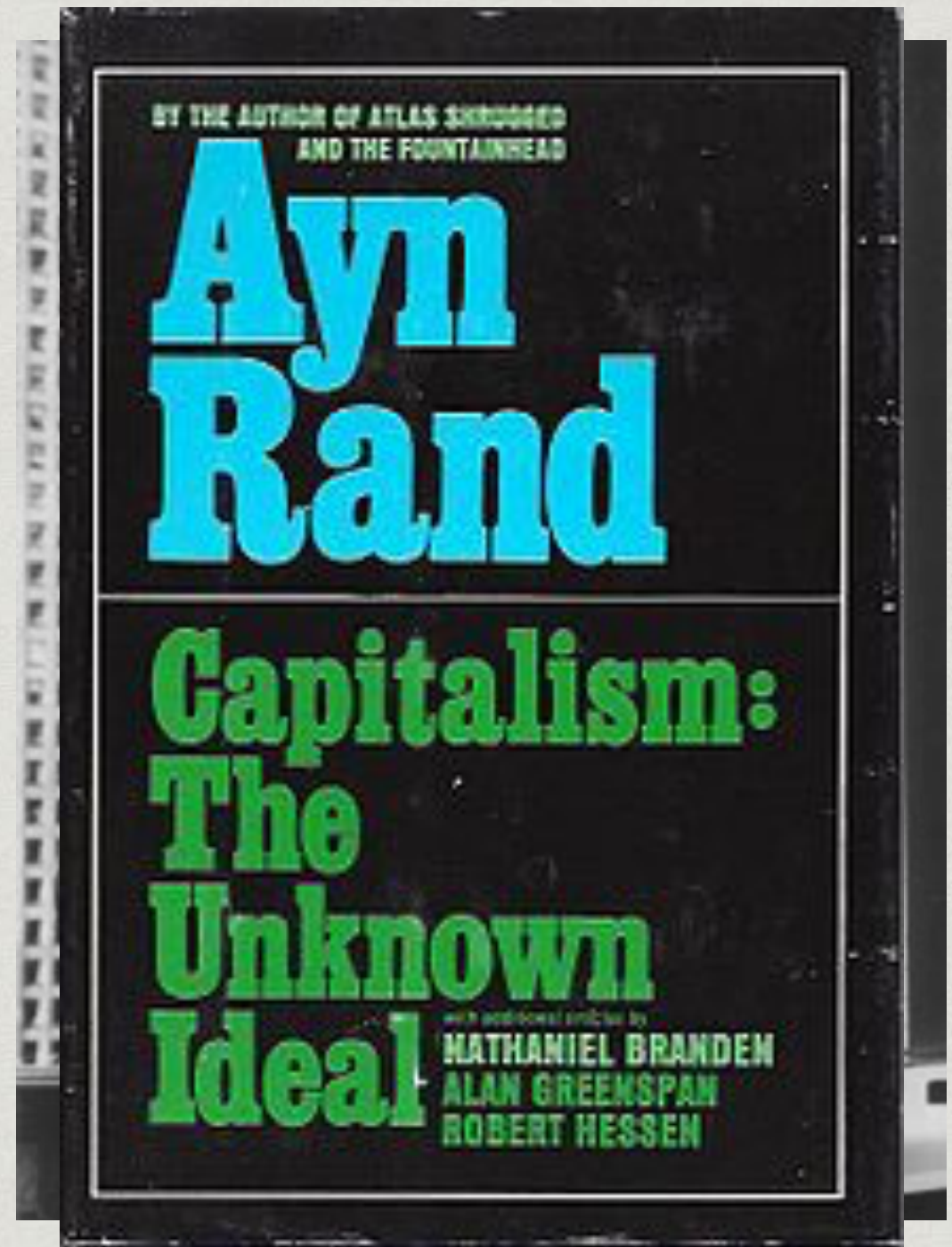
- \* 1886 (Manitoulin Island/Canada) – 1961 (Montclair/NJ)
- \* Canadian-American journalist, novelist, political philosopher
- \* Leading literary and cultural critic of her day
- \* 1924-49, column for *Herald Tribune*
- \* But also successful novelist (8 novels)
- \* Attempted to link capitalism with religion





# Ayn Rand

- \* 1905 (St Petersburg) – 1982 (NYC)
- \* Russian-American novelist, philosopher, playwright and screenwriter
- \* Most 'philosophical' of the three
- \* Wrote fiction, popular pieces and philosophical treatises
- \* Political activist, helped to consolidate the movement in think tanks etc.





# Main Ideas

- \* All three developed social philosophies that are **extremely individualistic**, in which the autonomous self acts as an endlessly renewable energy source that was **threatened only by an encroaching state**
- \* They were strong believers in **individual rights** and **radically anti-statist/anti-collectivist**: government does little except take away freedom (Lane), squander energy (Paterson), or crush genius (Rand)
- \* In international relations, they advocated **isolationism**
- \* They also supported a number of 'leftist' causes such as **female reproductive choices and anti-racism** (e.g., Lane wrote a weekly column for the *Pittsburgh Courier*; Rand identifies errors in concept-formation as one of the roots of racism)
- \* **Rand and Paterson fell out over religion**

# Ayn Rand: Ethics

- \* Ethics is ‘**a code of values** to guide man’s choices and actions—the choices and actions that determine the purpose and the course of his life’
- \* The concept of **value** presupposes the concept of ‘an entity capable of **acting to achieve a goal in the face of an alternative**’
- \* The most fundamental alternatives for a living creature are **life and death**
- \* **Life is the only phenomenon that is an end in itself**: a value gained and kept by a constant process of action
- \* **Survival is the organism’s ultimate value**, the final goal or end to which all its lesser goals are the means
- \* The standard of value of the Objectivist ethics is a person’s life, or: **that which is required for a person’s survival qua person**



# Ayn Rand: Happiness

- \* There is some debate about what Rand's actual view was regarding the ultimate value
- \* Plausibly, she maintained that this was **happiness = the existentially and psychologically successful state of life**
- \* Not just mere pleasure, but **pleasure achieved by acting rationally** (which is similar to Aristotle's *eudaimonia*: 'the sort of happiness worth seeking or having')
- \* Happiness is thus an objectively worthwhile and emotionally positive state of life
- \* As **virtues** are just those character traits of humans which enable them to achieve happiness, virtues are essential to Rand's ethics



# Ayn Rand: Virtues

- \* The chief Objectivist virtues are **rationality, integrity, honesty** (with self and others), **justice, independence, productiveness**, and **pride**
- \* **Rationality is the main virtue:** ‘one’s total commitment to the maintenance of a full mental focus in all issues, in all choices to the fullest perception of reality within one’s power’
- \* The other virtues are defined in terms of the **recognition of and commitment to some fact**, e.g.:
  - \* **integrity** is the recognition of the fact that one cannot fake one’s consciousness (and thus one should be loyal to one’s rational values and convictions, especially in the face of social pressures to surrender them)
  - \* **honesty** is the recognition of the fact that one cannot fake existence, which is expressed in truthfulness in thought and speech



# Ayn Rand: Altruism

- \* Rand's ethics is thus one of (rational) **selfishness** — a virtuous act is one that promotes an agent's happiness — and she is an **adamant opponent of altruism** (if that means self-sacrifice for the benefit of others)
- \* She maintains that the '**human good does not require human sacrifices** and cannot be achieved by the sacrifice of anyone to anyone'
- \* The only alternatives to being rationally self-interested are sacrificing one's proper interests, either for the sake of other people (**altruism**) or for the sake of the supernatural (**mysticism**)
- \* **Altruism is evil**; it is used to justify a country's intervention in other countries and the reason why so many sympathise with bloody dictatorships that proclaim that the sacrifice of the individual is a necessary and noble means to the goal of the collective good



# Ayn Rand: The trader principle

- \* The only ethical principle for dealing with others (personal, social, spiritual, material) is **trade**
- \* A trader is **a man who earns what he gets and does not give or take the undeserved**; he treats other men as equals
- \* A trader deals with men by means of a **free, voluntary, unforced, uncoerced exchange**—an exchange which benefits both parties by their own independent judgment
- \* **People benefit from each other in society** because they can learn from each other and through the division of labour
- \* But only rational, productive, independent men in a rational, productive, free society are of value to each other



# Ayn Rand: Social philosophy

- \* The basic political principle of the Objectivist ethics is: **no man may initiate the use of physical force against others** ('no aggression principle' — hence also isolationism)
- \* Men have the right to use physical force only in retaliation and only against those who initiate its use
- \* And: no man may obtain any values from others by resorting to physical force
- \* **The only proper, moral purpose of a government is to protect man's rights** (to life, to liberty, to property, to the pursuit of happiness)



# Ayn Rand: Rights and capitalism

- \* Individual rights are therefore the **means to subordinate society to moral law**
- \* All natural rights are **negative**, that is, claims on others' non-interference, and not claims on them to provide one with certain goods or outcomes
- \* **Without property rights, no other rights are possible** because to own one's life is to own one's actions and their fruits
- \* A government that violates human rights also violates property rights
- \* The only just social-political system, the only system compatible with our rational nature and with the right of individuals to live for their own sakes, is **capitalism**



# Cronyism

- \* It is important to note that this advocacy of capitalism (on the part of all three) is **not an advocacy of contemporary power structures** or ‘the capitalist class’
- \* Lane, Paterson, and Rand scorned actual capitalists
- \* They did this in part because of their belief that businessmen had **sold out** their principles in cooperating with the New Deal
- \* When the government intervenes in the market, it often creates ‘**rents**’ (excess profits), e.g., by keeping competitors out of business
- \* **Actual capitalists often try to influence regulations in their favour** (‘rent-seeking behaviour’) — which is not the kind of capitalism the 3Fs envisaged



# The 3Fs on Hayek and Friedman

- \* As we have seen last term, **Hayek defended government intervention in a number of areas**, including a social safety net
- \* In a letter to Lane, Rand called these exceptions to the philosophy of limited government **Hayek 'real poison'**
- \* Rand therefore considered **Hayek a false conservative** because he believed it was legitimate for government to provide limited social welfare services
- \* Lane: 'Anyone who says that economic security is a human right, has been too much babied'
- \* **Hayek they called a socialist, Friedman a communist**



# The 3Fs on Feminism

- \* Lane and Paterson crafted a similar vision of **female independence**, rejecting marriage and motherhood
- \* Rand's objectivist philosophy also defends view that women are, and should be recognised as, **men's intellectual, moral, sexual, and political equals**
- \* In her novels Rand also created heroines who lack 'maternal instincts' and pursue independent careers, free of guilt or self-doubt
- \* **Rand, however rejected mainstream feminism** because of its collectivism and emphasis on women as victims
- \* Their feminism is thus **individualistic** and **radically egalitarian**



# Lane on Democracy

- \* **Libertarians have a complicated relationship to democracy** because of their overriding concern for freedom and individual rights
- \* That democracy can clash with these, we have seen in Tocqueville
- \* In *The Discovery of Freedom*, Lane describes the American Founding Fathers' **scepticism of democracy**: they knew that it had been tried in Ancient Greece and didn't work
- \* Governments cannot control anyone, they can only hinder, restrict, or stop anyone's use of his energy
- \* **So the ruler of a democracy quickly becomes a tyrant because nothing checks his use of force against the minority**
- \* This invariably happens, whether in Athens, or France in 1804 or Germany in 1933