

CONSERVATISM & CAPITALISM

AN UNEASY DIALOGUE?



Edited by Dušan Dostanić
and Aleksandar Novaković

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Dušan Dostanić
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(Editors)



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CONSERVATISM AND CAPITALISM: NOT SO UNEASY DIALOGUE

Aleksandar Novaković & Dušan Dostanić

On the 14th of October, 2021 an exciting conference on the relationship between conservatism and capitalism took place in Belgrade, Serbia. The event, organized by the Institute for Political Studies, assembled intellectual representatives of both philosophies, one inclined to conservative values and the other to classical liberalism and free-market economy. Was this just another uneasy (the word with which Robert Nisbet famously depicted the relationship between conservatives and libertarians) dialogue of two opposing and even conflicting worldviews? Gathered in an atmosphere of state-imposed lockdowns and prevailing Covid hysteria, this small but audacious assembly of free-minded spirits passionately defended their most profound convictions, often in open confrontation, but with mutual respect. In live and maskless discussions, they have shown why the dialog comes as a somehow natural event, although the propensity for possible coalition (what William F. Buckley Jr. would call a “fusion”) under the rising common threat was only a distant allusion.

Dr. Gladden Pappin (editor of *American Affairs* and professor at the University of Dallas, Texas) opened the conference

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with a metaphor of “a genderqueer person” who “lives in a pod at home and consumes a continuous stream of Netflix, pornography, and food delivered by mobile delivery services, never encountering anyone else and just living in this cocoon of moral degradation plus endless consumption.” The picture epitomizes the “insane cultural degradation” which the behavioral incentives of the “new normality” exposed in its entirety. But from this Dr. Pappin draws no libertarian conclusions whatsoever. Quite the contrary, he sees the main culprit for the degradation in the libertarian inclinations of American conservatives (their fear of Big Government and their commitment to free-market ideology). By positioning himself on the Hamiltonian line of political tradition, Dr. Pappin strongly urges for a developmentalist revival of American politics. American conservatives need a positive vision in order to achieve this, and here Dr. Pappin proposes that family politics – completely in line with the traditional Catholic moral teaching – has to be at the center of policymaking. The role of the state cannot be overemphasized here, both in the segment of regulation of the economy and in the protection of family and family values. State politics should be based on clear ideas – his ideal example is Hungary under Victor Orbán – that foster and protect family, with concrete measures, like mandating a minimum wage for family support. This has to be, in his opinion, followed by a “redirection of the welfare state through family networks.” From here he raises a broader picture of the society of families with numerous children at the center, because, as Dr. Pappin observes, “economy without children is an old economy.” The only major obstacle to implementation of this project is precisely that stubborn libertarian ingredient of the American tradition.

Dr. David Engels (Instytut Zachodni, Poland) agrees that capitalism does not play a productive force anymore and is in fact working, together with the collectivist forces of socialism,

for the ideals of a dystopian “Great Reset.” This seemingly impossible alliance of capitalism and socialism, of absolute individualism and absolute collectivism, should be understood as a natural outcome of the historical trends of long durée, spurred by irretrievable logic of capital formation and ideological rise of the Left. Both these trends were classically formulated in Oswald Spengler’s thesis of “billionaire socialism” which Dr. Engels accepts. Here, libertarian Randians are on the same mission as cultural Marxists. The alliance of big business and progressivism shapes and deforms the world, paving the way not for a Great Reset as a realization of “utopia” (naively cherished as such by the liberal intellectual elite) but rather for an Orwellian dystopia. In Dr. Engels’ opinion, the result is a state of affairs where a “liberal’ elite, rich beyond imagination, which controls governments, deep state, and media through its financial resources and systemic relevance exists on one side, and, on the other side, the impoverished and disenfranchised masses kept content by ‘socialist’ means such as bread and circuses and deprived of any feeling of solidarity and self-consciousness through political indoctrination, ethnic-cultural fragmentation and, last but not least, fear of terrorism or pandemics. The outcome is that the driving force of progress and stability, the middle class, is vanishing together with the values it embodied – values of liberty, tolerance, and democracy. Historically, the situation resembles the stage of the late Roman Republic in which decadence and power struggles among political and military actors prevailed. The overall erosion of values forecasted the coming of a new age, with the supreme and unquestionable political authority (Octavian Augustus) who would remedy all the social imbalances and alleviate all tensions, by destroying some of the most cherished aspects of the Roman Republic, as was its republican pedigree and decentralized order.

But what is to be done? Dr. Engels asks – should conservatives take that well-known route of resignation and lamenta-

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tion, or should they embrace a more active approach? Dr. Engels strongly opted for the latter, for although the picture he sketched resembles historical determinism, he still thinks that conservatives have to work with the forces of history in order to prepare themselves for the new age of “Augustinianism.” To Dr. Pappin’s question “Should the goal of conservatives be to cultivate oligarchs to compete in this future world?” Dr. Engels answered that they should opt for the Spenglerian solution, for the stance that chose “lesser evil.” This means that if conservatives wish to win, they have to “play the game.” First, they have to be able to access big money “trying to align themselves with one of these competing oligarchs in order to lend some form of conservative legitimacy in exchange for power, and power means access to media, that means access to political parties, that means access to financial resources, etc.” And, second, they have to develop “street credibility,” which means that they “should stop believing that it is up to the state to settle the rifts between parallel societies...” He concludes, in a pessimistic tone, that the old times will never return, but there is a good chance that some of the core conservative values might be preserved for future generations. *That* should be the *raison d’être* of conservative activism. Conservatives have to make their hands “dirty,” but it is the “choice everyone has to make for himself.”

A more positive perspective was proposed by Mr. Andreas M. Kramer (King Juan Carlos University, Spain), in which economic history is the key axis about which the wheel of history turns. Mr. Kramer presented a short history of economics, but from the viewpoint of the Austrian economic school. In his elaboration, he connects the key elements of Catholic political and social doctrine with economic insights of the Austrians. However, he rejects libertarian absolutism, that is, reduction of every segment of life to economic explanations, which in “the worst-case” becomes “a lifestyle philosophy that is doomed to fail” for it

“shows just one side of reality.” Nevertheless, the core libertarian values are mirrored in several of God’s commandments, the ones related to stealing, property, and marriage (as a kind of contract), and that led Mr. Kramer to state that the “Christian civilization had the most respect for private property (more than any other civilization) in history.” The debate that followed centered on the difference of Catholic and Orthodox understanding of the economy, especially on the question of usury, and Dr. Marko Pejko­vić (Institute for Political Studies), asked about the differences between the two. Dr. Pejko­vić commented that “Orthodox thinkers said that if one used the money earned for a wise investment, or for charity, or for a donation to the anonymous poor etc., then it was something very positive. But if such money was used for usury or for fraud, then it was something very negative.” Mr. Kramer retorted that the Catholic view is that greed is a sin, but with the accompanying Misesian addendum that “if you are not earning a profit, you are not serving other people.” Mr. Kramer concluded that high interest traps, interest rate manipulation, big money, central banks, “all of them have nothing to do with capitalism (rightly understood).”

In his moral defense of capitalism, Dr. Aleksandar No­vaković (Institute for Political Studies) rejected both libertarian radicalism, which he located in an objectivist strain of this philosophy, and the conservative perception of capitalism as the main force responsible for the weakening of social bonds. What connects both of these viewpoints is their obsession with greed. For objectivists, greed is the most precious “virtue of selfishness” and for conservatives, the main culprit for social decay. Dr. No­vaković stressed the importance of abandoning reductionist libertarian tendencies and accepting a more balanced understanding of society and human history. He denounced the libertarian approach to social reality as mechanical, constructivist, and “prone to abstractions.” In his opinion, the problems of society cannot

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be approached through the merciless logic that derives a plethora of practical recommendations from a set of “undisputed axioms.” On the other side, he questioned the argument that sees capitalism only as a force of destruction, but neglects its potential for preservation. The late 19th century examples of strengthening local communities, thriving of mutualist associations and religiosity, and a firm preservation of the traditional institution of marriage that went uninterrupted until the advent of the postwar welfare state, all happened during the apogee of capitalism. This is the reason why he thinks that conservative critique of capitalism lacks consistency and is doomed to fail, for it is reductionist and does not consider other important factors that shape our epoch. Conservatism thereby violates its most precious insight about the nature of human beings, one which characterizes it as “imperfect and fallible.” Dr. Novaković sees the market order “as a natural extension of the human need to address the problem of imperfection.” Instead of being obsessed with “the evils” of capitalism, conservatives should rather be more aware of the pitfalls coming from the welfare state and the intellectual support it enjoys. Above all, capitalism is to be defended not on utilitarian grounds – although that type of defense is very powerful – but on a truly deontological basis, for capitalism (or the system of spontaneous social arrangements and the free market economy) is not the condition for liberty, but rather the opposite – the human desire for liberty breeds such a system. Thus, Dr. Novaković concluded, “the substratum of freedom is not the market, but our inherited liberty, ontologically located in the individual property, which Richard Weaver calls the ‘last metaphysical right’.”

The debate that followed revolved around the role, limits, and function of the state in economic life. Where the conservative side identified traditional libertarian negligence of the importance of the state (Dr. Pejković, Dr. Pappin, Dr. Dostanić, Mr. Aron Czopf), the libertarian counterpart (Mr. Kramer, Dr.

Novaković) stressed that the problem is not necessarily the state as such, but a big super-centralized welfare one, opting for some kind of fusion (Dr. Novaković). Dr. Dostanić asked how something like that is even possible, when market forces and big business are working together with progressives, alluding that there are only two belligerents (conservatives and progressives) in the struggle for dominance and ideological supremacy. To this, Dr. Novaković replied that the need for fusion is higher as the threat is bigger, implying – together with Dr. Pejković – that big business is not part of “free market ideology,” but rather an instance of cronyism. This has opened the question of practical politics and Dr. Pappin even directed the attention of his interlocutors to the model of China, namely, its protectionism and orientation towards the national economy as a model that should replace conservative adherence to free markets, pointing out that “libertarianism is always wrong.” Dr. Novaković then asked how China can possibly be a model for American development, when the core values of those societies are completely different, posing a dilemma before any present-day Hamiltonian strategy – that the aggrandization of power of one central authority can lead not to the society of free people, but to one resembling present-day Russia.

Further, Dr. Pappin questioned the merits of libertarian argument that free market favors inventions and stressed the role of the state in this regard. This is the place where the libertarian argument is “deployed in an incoherent way” because even “computer development projects came out of the government and the Department of Defense research projects, as well as vaccines.” He elaborated the broader point that the market society with its obsession with marketing and advertisement creates unnecessary goods. Dr. Pappin vehemently rejected the free-spiritedness of libertarianism by stating “we do not need massive distribution of pornography which libertarian society would never be able

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to stop.” To this Mr. Kramer replied that we should not equate real liberalism/libertarianism with its progressive deviation, that stems from Mill’s philosophy and the harm principle, and which is only rhetorically classically liberal, but in fact constantly working towards expanding the power of the state. Still, in Mr. Kramer’s opinion, unfettered competition today is only really preserved in the digital sphere, that’s why most of the innovation is in this sphere. The regulation of internet content should ideally be locally regulated by parents, schools, etc. The West became so overregulated that firms have been attracted to China. He stressed that “the West should not copy China, the West ought to look at our own heritage – what now the West is copying is the worst of China, we are copying their totalitarian social credit system.” As being conservative himself, Dr. Pejković agreed, stating that historically inventions spurred from the sector separated and distanced from the state, from “monks, pastors, bishops, some intellectuals...,” to which Dr. Pappin retorted that this was not true for computer development, sketching the Hamiltonian picture of the history of American technological and educational growth as completely state-guided and state-planned. Finally, Dr. Pappin stressed that the role of libertarian tradition in America’s development is overemphasized because the libertarian tradition in America is an “agrarian one.” The government is not the solution, Mr. Kramer opined, for it heavily regulates business and overtaxes the population. There first has to be an idea of “why we are here today” before we can propose solutions. And we are here, according to him, because of the expansion of state power in the postwar period, stating that only feasible state interventionism might be the protection of natural law in line with the Ten Commandments. For him “libertarianism is an excellent defense of the material commandments”, namely, ones that pertain to the respect of property. Thus, Mr. Kramer concluded, there is no need for the expansion of the welfare state, because fathers don’t

need more welfare, we don't need more men primarily living off of welfare raising children.

In the second panel, Dr. Zoltan Petö (National University of Public Service, Budapest, Hungary) analyzed the early British critiques of capitalism through the ideas of two “distributivists”, G. K. Chesterton and Hilaire Belloc. In their work Dr. Petö sees the structural similarities of the critique of capitalism that are more than topical today, when “the dystopian trends of robotization, digitalization, so-called 4th industrial revolution” are being announced by the leader of the world economic forum. Both Belloc and Chesterton saw that the development of capitalism leads to the “tyrannical standardization of life, collectivization, absolute domination of gigantic economic trusts” that diminish the autonomy of individuals and destroy basic human values. From here Belloc developed his idea of “The Servile State” (for him, the counterpart to the socialist one), ruled by the logic of capitalism that leads to the separation of personality from production. Only Christian values – or Christian society articulated through his theory of distributivism – can stand against the evilness of this dehumanization. In the same spirit, Chesterton rejects the reduction of a human being to an economic animal, for there is no necessity that “the natural development of every society leads to modern industrial capitalism.” These excesses of capitalism lead to the “monotone civilization”, where the political elite, governments and big business are usurping every segment of human life. For Chesterton, the model of the distributive state is the negation of this gloomy dystopian character of modern civilization. The model is described with the help of the metaphor of an arch which, in Dr. Petö's opinion could represent “the beautiful symbol of medieval Christian civilization” that outflanks the economic environment of small peasants' farms, decentralized societies, and free individuals. However, Dr. Petö considers the critiques of distributivism justified, as

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the conception is “unrealistic”, “romantic”, “anachronistic” and driven by “agrarian utopianism,” but he nevertheless stressed that the description of the problems brought about by extreme industrialization accompanied by the centralization of economic and political power is a true depiction of the present historical moment. Thus, Dr. Petö sees the “idea of a return from modern capitalism to the simpler way of life worth considering, even if it is not very likely that the modern man would want to go in that direction.” Although the merciless logic of capitalism and power accumulation lead to all these devastating consequences, Dr. Petö still hopes, that at some point in history, “man can simply decide to proceed differently.”

Dr. Dušan Dostanić (The Institute for Political Studies, Belgrade) opened one of the most controversial topics - to the relationship between capitalism and conservatism. Through the ideas and works of prominent conservative thinkers – from Justus Möser, Johann Gottfried Herder, Adam Müller, Friedrich Schlegel, Louis de Bonald, Hermann Wagener, Lorenz von Stein, Hans Freyer, Charles Maurras, to Ernst Nolte and Roger Scruton – he investigated the question whether free market and competition are truly conservative values. In his opinion, the answer depends on how we define conservatism, or which elements of conservatism we extol and which we criticize. If we extrapolate “human imperfection, intellectual and cognitive limitations and unintended consequences of human action” as the core elements, then these values can be part of conservative *weltanschauung*, since “market can be observed both as a means of social discipline and as an instrument for the maintenance of social stability”. But this conclusion, in the opinion of Dr. Dostanić, would be oversimplified because these values might be in conflict with the more fundamental conservative insights that stimulate a completely opposite vision of life from the philosophy of the unfettered market that reduces everything to the

contract-based relationships of private owners. Dr. Dostanić stressed that the German romantics were adamant critics of capitalism for they saw that it produced “the general decrease of religion, culture and morality, and creation of discord and disharmony.” For Adam Müller, it “destroys solidarity and charity among people,” because everything becomes subject to unrestrained competition. Dr. Dostanić stated that for Müller, “the unconditional freedom of profession and competition ... means the same as unconditional free love, i.e., the end of civil order and promiscuity.” As was the case for other conservatives, Müller too sought the remedy in return to traditional agriculture and the institution of land property. Dr. Dostanić directed attention of his interlocutors to a very sharp critique of Louis de Bonald, who saw „commerce, industry, and large cities just as subversive of ‘constituted’ society as the natural rights doctrines of the Jacobins.” This is compatible with the views of Hans Freyer and Charles Maurras, who blame capitalism for the destruction of national identities and the traditional societies, at least in the same measure as socialism and democracy are to be blamed. Dr. Dostanić mentioned the historian Ernst Nolte, who reminded us too that the market could not be that final reality to which everything is to be reduced, because the market itself relies on other “counter realities”, without which it could have not existed, such as the “police, state, idealism, emotions, etc.” So, what is the final “judgment” of “the conservative court” – should the market be disciplined or not? Should it be restrained in order to prevent the plethora of problems it produces? In the opinion of Dr. Dostanić, the conservative answer is an unequivocal “yes”, and the only thing conservatives disagree on is how this is to be done, with or without the help of the state. Dr. Dostanić reminded us that Roger Scruton, on the other hand, considered that this should not be the job of the state.

The debate that ensued centered around two important is-

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sues, one was the relationship between conservatives and socialism, with the sub-question of conservative understanding of the economy, and the other was on the origins of private property. With regard to the former, Dr. Dostanić answered that conservatism is a “house with many rooms.” At least historically, in his opinion, there was a “socialist” strain of conservative thought. The term is put under quotes because Dr. Dostanić questioned the originality of at least some of the key concepts of socialist ideology. He reminded us that some of these have, in fact, conservative pedigree, like “proletariat” (Franz von Baader) and “pauperization” (Lorenz von Stein). Conservatives were very sensitive to the nascent social problems of the 18th and 19th century, in which they saw a possibility for the social revolution they wanted to prevent. That is the reason, in Dr. Dostanić’s opinion, why many conservatives accepted non-Marxist but still (what is today seen as) a socialist understanding of the causes of economic and social problems. The conservative response was the introduction of social laws, like in the case of Bismarck’s ambitious project. But is then the conservative understanding of the state compatible with the welfare-state ideology? To this, Mr. Kramer objected that the introduction of welfare incentives provided by the state is a “slippery slope” to socialism and that it is difficult to draw firm lines between the acceptable scope of elaborate social benefit schemes that may be helpful at a given time (he mentioned that even Friedrich von Hayek accepted its minimal version) and the ones that are destructive. Dr. Dostanić replied that the welfare state advocated by conservatives is not the same as the one that exists today, for a “state should help the workers to help themselves, to acquire capital and accumulation through their own work, and not to be dependent on the state or anything like that.”

With the last point, the sub-question of the conservative understanding of the economy was opened, and Dr. Pejković in-

quired whether mentioned conservative thinkers distinguished between a small business and a big one, to which Dr. Dostanić replied that the conservative understanding of the economy rests on complex and non-linear explanations, in a sense that “laws from urban, industrial economic life, cannot be applied to agriculture.” This was the opinion of Adam Müller, but also of many other contemporary and older conservatives. Regarding Dr. Pejković’s question about enterprises of different size, Dr. Dostanić replied that even Novalis was thinking about the line of difference, since “the trade in medieval time was something heroic, producing new things, but now it is plainly commerce, materialistic, it is not that kind of trade anymore.”

An interesting question came from the audience, about the economic problems spurred by the forces of industrialization in the 18th and 19th century, that could not be ignored in the evaluation of the positive and negative merits of capitalism. Mr. Kramer responded that the population growth during the Industrial Revolution speaks for itself about the positive change – the unprecedented rise of the population would not be possible without the increase of wealth and living standards. In the opinion of Mr. Kramer, economic history is “largely ousted from history departments” with the consequence that many historians, wittingly or unwittingly, accept a Marxist interpretation, despite the fact that the phase of the Industrial Revolution was a transitional stage in European history, and every transitional phase is accompanied by certain drawbacks and deficiencies.

The last observation led the panelists to the issue of the origins of private property. Dr. Pappin stated that private property is “the construction of the state,” to which Mr. Kramer responded that private property is not the invention of the state, that historically and theoretically it precedes any state as an outcome of natural law, and that it can be derived from the Ten Commandments. This was resolutely rejected by Dr. Pappin as a “radical

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reading of Locke” that has nothing to do with Catholic social and political teaching. Dr. Pejković agreed that there is no direct link between the Ten Commandments and private property, but at least in connection to the 7th commandment the indirect link exists, since “in order to steal something, that has to be possessed by someone.” To this Dr. Novaković reacted by stating that it is not a coincidence that this right was not explicitly mentioned. In his opinion, the sole fact that it is tacitly assumed speaks about its importance. In other words, far from being a construct, private property was a fundamental fact of life that naturally had not needed any positive articulation or defense.

But if the relationship between Catholic social teaching and capitalism is not without tensions, what about the relationship of markets and Orthodox understanding of life? Dr. Marko Pejković (The Institute for Political Studies, Belgrade) approached this question through an analysis of historical practices and written sources from the Byzantine commonwealth of Greece, Serbia, and Russia. What can be seen as the key segments of his elaboration are the elements of tradition and precedents that shape Orthodox understanding of the economy. Dr. Pejković stated that there is no place for any intellectual constructivism within it, whether it be a construction of economic theories, an appeal to some set of abstract principles, or a conceptual abstraction such as “natural rights.” Instead, the Orthodox relation to the economy is shaped by the forms of economic behavior largely unregulated and partly libertarian – at least by the standards of our time. Nevertheless, to understand the legacy, it is essential to put the term “capitalism” under brackets. And here Dr. Pejković directed our attention to the distinction - made by Fernand Braudel - between “capitalism” as a notion that signifies the convergence of big business and politics from “free market” that stands for “small and medium enterprises without ‘rent-seeking’ provided by political intrigue.” Still, the Byzantine-orthodox

world was by no means a medieval libertarian heaven or some Nozickian libertarian utopia, because the Byzantine state intervened in the economy to a certain degree. What, however, differentiated the Orthodox understanding of the economy from its Catholic counterpart, at least in its post-revolutionary, post-enlightenment forms, was that these interventions were “not the consequence of some intellectual plan or theoretic, scientific discussions” but rather “legitimized or disguised via tradition or precedent.”

Although historical sources from the Byzantine era affirm the “freedom of economic transactions as the basic pillar of the economy,” Dr. Pejković warned us that this was not understood unconditionally. The difference between legitimate and illegitimate profits and investments was crucial, and the practice of usury was strictly condemned as a form of “fractional banking,” which foreshadowed Rothbardian ideas. In the Greek hagiography of St. Spyridon, it is said that “the merchant should have used the money borrowed for trade for profitable investment and not for excessive consumption.” St. Nikolaj Velimirović summarized the Serbian Orthodox understanding of the economy as a middle point between “plutocracy and monastery.” He wrote that the Serbian Orthodox economic tradition was based on two pillars, private property and communal property (“zadruga”). This knowledgeable and charismatic Saint was a vehement opponent of communism, but not an uncritical supporter of markets. The Russian Orthodox understanding of the economy is best summarized in the work of the intellectual circle “Slavophilia” and their idea that the “economy as such should be predominantly out of reach of any state.” Again, Dr. Pejković warned us that we should not draw explicit libertarian conclusions from this, because the Orthodox approach has “much more patience with the state, and thus it is more realistic.” Dr. Pejković concluded by saying that “the basic traits of the Byzantine conservatism

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and its relation to the phenomena of non-crony capitalism are pretty much identical with the classical conservative thought of the West, although ... the Orthodox conservatism was more prone to underline the realities and the possibilities of social, communal institutions and common property than the western conservative thought.”

In the ensuing discussion, Dr. Pejković stressed the importance of rejecting the constructivist approach to the phenomenon of social reality. In his opinion, that approach is evident in the libertarian obsession for setting firm conceptual and practical boundaries of state interference in the economy. This is where the Byzantine intellectual and practical legacy is of significance, for it demonstrates that the “boundaries are illusions and wishful thinking.” Dr. Pejković insisted that “we” (referring both to conservatives and libertarians) “ought to revive conservative spirit and private property as an initial starting point” but if the state inflates itself exceedingly even conservative revolutions, as spontaneous events, are justified. This is the message from the long and rich history of the Byzantine empire.

In the last session of the conference, Mr. Áron Czopf (*Kommentár*, Hungary) presented the critique of capitalism in the work of Adam Müller. This critique is important because it precedes Marx’s attack on capitalism and is illustrative of the general conservative attitude towards the market. Mr. Czopf analyzed Müller’s relational understanding of wealth which rests on the idea that, apart from material, there is also spiritual wealth. In Mr. Czopf’s opinion, Müller’s economic views were most succinctly elaborated in his treatise *Theory of Money – with particular relevance to Great Britain*, which Mr. Czopf considers a highly original piece that comes long before Marx’s *Das Kapital*. He especially analyzed the trend of commercialization of the state, which led to the creation of the state as a “dead machine” that “swallows” its citizens. A man should not become a slave

to the state and should not subordinate all his interests and aspirations to the profit-seeking arrangements. Man becomes a slave only when the relationship between things and persons is legally recognized, which can be done only when the institution of private property is granted an absolute meaning. However, Müller, in Czopf's interpretation, is both against absolutism of the state and absolutism of property, i.e., the economy. If personal self-interest becomes the only legitimate interest in a society, the state transforms into a dead machine, and the society, as a living organism, vanishes. Mr. Czopf stresses that the conservative moral is that man should always govern the business and not the other way around – business should never govern man. This resembles and certainly precedes Marx's thesis on alienation and additionally confirms the unoriginality of Marx's doctrine. From this interpretation, Mr. Czopf formulates the idea of market totalitarianism which is the same as state totalitarianism, in his understanding.

The last point was disputed by Dr. Novaković and Mr. Kramer in the sense that the market cannot be totalitarian but only the state, as, e.g., in the case of Stalin's Russia. In their opinion, the free market cannot exist in a state which is totalitarian. But Dr. Dostanić pointed out that totalitarianism should not be understood here in historical terms, but rather in a sense that stresses the prevailing or absolute status of market relations in society, which are protected by the state. For Dr. Dostanić, Léon Bloy correctly summarizes the phenomenon: "A man well fit for business is a stylite who never leaves his pillar. He doesn't have any thoughts, feeling, eyes, ears, nose, taste, tact, or stomach except for Business. Businessmen do not recognize any father, mother, uncle, aunt, women, children, nor beauty, ugly, clean, dirty, warm, cold, God and demons. He carelessly ignores letters, arts, sciences, history, and laws. He only needs to know and learn about Business." But then a dispute ensued on whether this is

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just the description of particular character traits – as was suggested by Dr. Novaković – or truthful description of the social reality of capitalist societies.

Unfortunately, this question was left open for some other occasion where conservatives and their liberal colleagues can continue their passionate discussions. At least, this gathering showed how the dialog between these two philosophies might not be “uneasy” in the end, but rather constructive and informative. For what unites both groups of people is their commitment to a rational understanding of reality – “rational” in the sense of Aristotelian *phronesis* and not Descartes’ *ego cogito* – which presupposes that there are no definite answers to the problem of social organization. More importantly, the dialog has demonstrated honesty and humbleness, qualities one can hardly detect, even in the smallest form, in the era of “wokeness”, where the priests of progressivism convinced in the indisputable truth of their doctrines, work towards shutting off any possibility for rational dialog, or any dialog at all.

THE ESSENCE OF CONSERVATISM

Friedrich Romig

Speaking of the Essence of Conservatism is today an important necessity. Conservatism is contrary to mainstream. The religion of the mainstream is progressivism. Conservatism is married to tradition. Traditions have roots in true religions, originated in revelations of God to mankind and in natural rights.

It was Claude Lévy-Strauss, who by analyzing different religions, came to the conclusion that Christianity is the religion that expresses the most perfect form of religious thought, “a perfect myth.”

But even if we accept with Levy-Strauss Christianity as “structural mind setting“, we cannot deny that there are about forty thousand different denominations of Christianity. This is due, in good part, to the effects of the teachings of Martin Luther and of his followers like Calvin, Zwingli and the Puritans. Under the formula of “here I am standing, I cannot do otherwise,” subjectivism was introduced and destroyed the authority of the Church. That destruction was furthered by what the Germans

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call “Aufklärung,” the French “Illumination” and the English “Enlightenment.”

Here you find the enemy of Christian tradition, truth and authority. Enlightenment is always resulting in relativism, individualism and utilitarianism, the three markers of Liberalism. Liberalism is poison to the Common Good, the *Imperium Christi*.

It is most meritorious that His Eminence Joseph Cardinal Ratzinger, in his time as Prefect of the Congregation of Doctrines and Faith, issued in the year 2000 the statement “*Dominus Jesus*,” which made it clear that there is only one true Church of Christ, the Catholic one. I can only recommend reading the full text of that document. By doing so, you may grasp what conservatism really means, namely ABSOLUTE truth, authority and tradition. “Stay with truth” was the powerful weapon of Aleksandr Isayevich Solzhenitsyn to break the ice of Communism.

But today a man who said of himself “I am the way, the truth and life” will be looked upon as a fool, and would become a subject of psychological treatment and probably confined in a closed psychiatric institution. The Great Inquisitors of our time take care that a man like Christ does not cross the doorstep of his Church.

Fyodor Dostoevsky has foreseen that about a hundred and fifty years ago. In 1871 he entered in his notebook: “Europe has left Christ. That is the reason why Europe is dying, only because of that.”

Whether dying or not, some “*Katechons*” came up with definitions near to the true meaning of conservatism. Ernst Albrecht Günther has understood conservatism “not as adherence to that which was yesterday, but living from that which is of eternal validity.” Conservatism has nothing to do with the conservation of fresh fruits for later consummation.

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Edgar Julius Jung – assistant to Chancellor von Papen and murdered by Hitlerian hangmen in 1934 – gave conservatism a more radical notion. With his book about “The Ruling Underdogs” and his famous saying that Conservatism intends to “destroy secular orders for eternal ones,” he became the head of the German “Conservative Revolution.” But a “Conservative Revolution” is a *contradictio in adiecto*. Prior to revolution is reformation. Revolutions without true reforms will always end in Fascism and terror.

A more systematic and scientific approach to Conservatism was delivered by Othmar Spann. Armin Mohler admitted in his famous book about “The Conservative Revolution,” that Othmar Spann and his academic followers have given the Conservative Revolution “the most refined and complete system of thought.” In fact, said Gerd-Klaus Kaltenbrunner, “Othmar Spann has during his lifetime created a system, a cathedralic ‘summa’, that avoids no sphere of spiritual importance in the society, reaching out to Philosophy, Natural Rights, religious thought and even to what is called ‘German mystic’” (“*Meister Eckharts mystische Philosophie*,” the root of German Idealism). His work is now accessible in 21 volumes, with exemplary editing. Spann’s “History of Economic Thought” became most famous for studies in economy, with 28 editions – and even translated into Mandarin. Generations of economists were formed by this book. Recently, in 2019, Spann’s “True State” (“*Der wahre Staat*”) was given credit to be the model of Right-Wing Catholicism (“*Rechtskatholizismus*”).

To get a sense of the scope of thinking by Othmar Spann, a colleague of mine, Professor J. Hanns Pichler, has issued a monography, entitled “*Othmar Spann oder die Welt als Ganzes*” (“Othmar Spann or the World as a Whole”). The last assistant of Spann, Walter Becher – a former member of the German “Bundestag,” stated in the “Worldview of Othmar Spann – Thoughts

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at the Turn of the Millenium” (*Das Weltbild Othmar Spanns: Gedanken zur Jahrtausendwende*) that the holistic approach is now common to everything, from education to environment, language and politics.

Othmar Spann himself has marked the work of his lifetime “to restore idealism from Socrates and Plato via Augustinus and Thomas Aquinas to Hegel and the German Romantics. And he knew who is binding together all idealists: God, the Almighty, the Creator of all visible and invisible things.

I do not want to flatter Victor Orban, but any sample of his more important speeches show that he, probably by natural instinct and talent, is going along the lines that Othmar Spann has laid down in his vast work. Like Spann, Victor Orban is convinced that defending national independence and sovereignty is a foremost task of politics. Both are rooted in Christianity. “Christianity is not only a religion, but is also a culture on which we have built a whole civilization. This is not only a choice, it is a fact. If people feel that European politics are fighting against their own origins and are ashamed to admit that we are really a Christian continent, this will only alienate more people from the European Union.” “Let us confidently declare that Christian democracy is not liberal. Liberal democracy is liberal, while Christian democracy by definition is not liberal: it is, if you like, illiberal” in questions of multiculturalism, globalization, immigration and the concept of the family. There is, according to Victor Orban, we may add, no room in the realm of Natural Rights for LGBTI-propaganda or Pride Parades.

Orban has taken a clear stand in questions of mass migration by Muslims. But “our problem is not Mecca, it is Brussels.”

Orban does not hide his sympathy with Putin’s Russia: “We are convinced that locking Russia out of Europe is not rational. Whoever thinks that Europe can be competitive, that the Eu-

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ropean economy can be competitive without economic cooperation with Russia, whoever thinks that energy security can exist in Europe without the energy that comes from Russia, is chasing ghosts.”

No doubt, the Austrian and Hungarian people have much in common, a special relationship, based on history and the Christian spirit. You may just remember the events of 1956, when the Austrians opened their borders for fugitives of the Communist terror. That special relationship continues to exist. Whenever Victor Orban comes to Vienna, it is somehow a festival for everyone, not only for our “Bundeskanzler” and the diplomats.

BILLIONAIRE'S SOCIALISM

David Engels

In August 2020, the Christian publicist Rod Dreher wrote in the “American Conservative”:

Many conservatives still operate under a badly outdated framework that holds Big Business to be fundamentally conservative. The idea, a Randian one, is that Business is the antagonist to Government. Conservatives have long sided naturally with Business. Well, guess what? Big Business is now on the other side. It is arguably more a threat to conservative values than the state.

Indeed, those corporations that are most likely to serve the libertarian ideal of the “self-made man”, such as Google, Facebook, Twitter, Microsoft, Amazon or even Ikea, are clearly in favour of a culturally and politically left-wing worldview and are currently the most important forces behind the pseudo-socialist “Great Reset”, i.e., the long-intended transformation of our society, which has now been accelerated with the help of the Covid-crisis and cloaked in fine words such as climate protec-

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tion, tolerance, multiculturalism, self-liberation, or equality.

I am deliberately writing “pseudo-socialist” here, since liberalism and socialism in their presently existing form are no longer to be thought of as fundamental opposites, but rather as converging forces that argue from different starting points, but ultimately share a materialistic image of man that can be attributed to the same ideological school.

This is becoming abundantly clear especially today, when extreme individualism and extreme collectivism flow into one another, as do left-wing regulation frenzy and big-capitalist lobbying. Marx already predicted, with good reason, that capitalism in its pure form would have to tend towards monopoly and authoritarian structures; he was only wrong when he saw socialism as ultimately overcoming this state of affairs: in fact, both forces, ultra-liberalism and socialism, now operate complementarily, not antagonistically.

The result of all this is a wholly new form of government, which Oswald Spengler once alluded to as “billionaire socialism”. Indeed, for Spengler, the European future – our present – is characterised by a dichotomy between the Anglo-Saxon and the Germanic worldview; the former being fundamentally liberal, the latter bureaucratic. Towards the end of their evolution, both start to merge with socialism, though from different perspectives, leading, in the case of the Anglo-Saxon world, to the emergence of “Billionaire Socialism”. Thus, in “Preußentum und Sozialismus”, Spengler wrote:

With due respect to the magnificent flowering of this ideal in the Yankee type, we might speak of two forms of socialism existing in the Anglo-Saxon world and in Germany: socialism for the billionaires and socialism for civil servants. As an example of the first type we can point to Andrew Carnegie, who

first transformed a large amount of public funds into a private fortune, only to turn around and distribute it with sovereign gesture among public enterprises. His pronouncement, 'Whoever dies poor dies in dishonor', implies a high regard for the will to power over the totality. This kind of private socialism, in extreme cases simply the dictatorial administration of public monies, ought not to be confused with the socialism of true public servants and administrators (who themselves can be quite poor). Examples of this latter form of socialism are the otherwise quite different personalities of Bismarck and Bebel. (transl. D.O White)

While the outcome of the fight between “Billionaire socialism” and “Prussian socialism” was still largely undecided during Spengler’s lifetime, it has become obvious since 1945 and 1989 that the former seems to have largely won the game. Once the fall of communism made it unnecessary to dress up capitalism as social market economy in order to keep the working class in line, “Billionaire socialism” has become ever more evident and radical.

As we can see today, “Billionaire’s socialism” is based primarily on the elimination of the middle class, the classic bearer of bourgeois and democratic ideals. All that remains is a “liberal” elite on the one side, rich beyond imagination, which controls governments, deep state and media through its financial resources and systemic relevance, and, on the other side, the impoverished and disenfranchised masses who are kept content by “socialist” means such as bread and circuses and who are deprived of any feeling of solidarity and self-consciousness through political indoctrination, ethnic-cultural fragmentation and, last but not least, fear of terrorism or pandemics.

It should by no means be denied that at least some actors on the left as well as on the liberal spectrum see with horror where their own ideology ultimately leads and accordingly seek

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to “return” to earlier aggregate states such as the social market economy and classical social democracy.

However, this does not change the fact that the overwhelming majority of the people misunderstands the “Great Reset” as a positive utopia and therefore, unanimously and enthusiastically, commit themselves to the fight against conservative social and cultural models as being the allegedly “greatest danger” for the West and thus do not realise that by doing so, they are undermining the last barriers that hold back chaos.

Indeed, the Great Reset will hardly be peaceful. In fact, it does not only imply the implementation of a planned economy for the overwhelming mass of citizens on the one side and the consolidation of a previously almost unimaginable abundance of power in the hands of a tiny elite on the other, but also the actual end of progress and capitalism, as computerisation, robotisation, AI and transhumanism threaten to turn the masses into insignificant henchmen in a self-sustaining cycle, which after the extinction of the middle class is based on stagnation instead of expansion.

However, such a stagnation will hardly endure as long as there is competition between the main players of the new system. And such a competition exists in abundance: not only between the big power blocs such as China, the USA, Europe, Russia or even India or Brazil, but also between the various economic competitors and the demagogues and governments they support.

Admittedly, the upcoming conflicts, as in the late Roman Republic, are increasingly being fought out not for ideological goals, but for purely power-political issues. But the fickleness of public opinion, the limits of the population's ability to suffer, the hunger for transcendence and finally the ultimate self-destruction of the new “culture of death” may bring some unexpected factors into play.

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In order to assess what such a perspective would mean, let us return to Spengler who firmly believed that, whether it was initiated by liberalism or by bureaucratism, socialism would be the ultimate fate of the Western world:

The 'state of the future' is the state made up of civil servants. That is one of the inevitable final conditions toward which our civilization is steadily moving. Even a billionaire's socialism could imperceptibly transform a nation into an army of private 'officials'. The big trusts have already virtually become private states exercising a protectorate over the official state. Prussian socialism, however, implies the incorporation of these professional-interest 'states' into the state as a totality. The point at issue between conservatives and proletarians is in truth not at all the necessity of the authoritarian socialist system, which could be avoided by adopting the American system (that is the hope of the German liberals), but the question of supreme command. It may look as though two socialist alternatives exist today, one from above and another from below, and both of a dictatorial cast. Yet in reality either would gradually merge into the same final form.

This would mean that the ultimate demise of the middle class and the division of the population into a small leading elite and large disenfranchised masses is unavoidable, the real political decision being who will become the Caesarist leader stabilising this increasingly unstable plutocratic system through the influence of his personal charisma and his military power. Once such a revolution has been accomplished, the elite will fall in line: if emerging from a capitalist background, its private propriety will be increasingly considered as a mere fief that can be taken back at any moment by the ruler; if emerging from a bureaucratic background, its hierarchical structures will increasingly become

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hereditary and combine power with wealth.

Thus, we have to come to terms with the fact that the old world is irretrievably lost and stop lamenting about things such as the demise of the middle class, the destruction of the social market economy, the increasing monopolies of big tech, big data, big pharma and the deep state. Of course, we should realise that the ultimate stability of our society may depend on conserving as long as possible the last traces of the “old world”, but we should have no illusions about its ultimate demise and include the sad reality and perhaps even the advantages of Billionaire Socialism into our calculus.

As stated before, “Billionaire Socialism” will sooner or later transform from an autonomous political system into a mere functional infrastructure of Caesarist authoritarianism, and history shows that the wheel of history is more likely to advance to its initial starting point rather than being turned back by a few years. After the downfall of the plutocratic Senatorial Republic, the Caesarist revolution was legitimised by Augustus’ archaising reform policy, and there are numerous other examples on how other late civilisations saw oligarchical multilateralism superseded by archaising authoritarianism. This would mean that the West’s “Billionaire socialism” will very probably be ultimately overcome by something that could be considered as a “Carolingian” renovation.

If we take the Roman Republic as a blueprint, this would imply that, at one moment or another, the social tensions in Western society would become such that independent groups of people wielding autonomous police or military power would emerge and be gradually considered as guarantors of peace and stability by the people and organised or at least subsidised by the competing members of the elite. Sooner or later, the conflict between these groups would lead to the rise of one individual or a group of individuals managing to assure order and tran-

quillity for the masses and ongoing profits and security for the elites once again. The obvious blueprint would be a return not to the political systems of the 20th or 19th century, but rather to the Middle Ages, essentially to the Carolingian Empire or the Sacrum Imperium as the ultimate fountainheads of Western civilisation; an archaism already hinted at in the numerous authoritarian regimes of the mid-20th century such as Italy, Spain and Portugal.

As the actual power would shift from a multilateral polit-economic system to military charism, this would imply, as already suggested by Spengler, that Billionaire's Socialism would lose its edge and become a means rather than an end, slowly transforming from a modern plutocracy into something increasingly resembling feudalism, though the evolutionary direction would be one of regress, not of progress.

The political consequences of this scenario for modern conservatism are obvious: Instead of stabilising a status quo that is irredeemably lost, it should rather concentrate its effort on benefitting from the current situation by creating the appropriate cultural narrative for a "Carolingian reform", by tying links with ambitious economic players, and by focussing not on parliamentary means of action, but on very concrete influence on street level.

NEO-SYNDICALISM – NEW ECONOMIC ORDER AND THE STRUCTURAL PATTERN OF WORLD TRANSFORMATION

Christian Zeitz

1. The current Corona crisis: precursor of a dystopian dictatorship?

With the Covid crisis, a new consciousness and a new ability to perceive the condition of the states and societies and possible development into a new social order of the third millennium arose world-wide in the circles of thinking humans. Starting in March 2020, events occurred within days that would have been considered completely impossible just a few weeks before, even by competent analysts and actors in political events. The fight against a virus and its real or perceived health threats and effects produced – just in time, so to speak – the total transformation of the social fabric of almost every country in the world.

Implementation of a set of measures which were immediately declared to be without alternative and necessary for sur-

vival, quickly became the “gold standard” of pandemic control: lockdowns including going out and working bans, compulsory masks, mass testing, quarantine regulations, total isolation of the sick and those who tested positive, travel restrictions and the now well-known universal “social distancing” have completely changed everyday life and reshaped the way people interact with each other. Drastic restrictions on private and public gatherings, bans on events and cultural activities of all kinds, far-reaching interventions in the collective practice of religion and thus in religious or ecclesiastical life, and complicated rules and regulations, often changed at short notice, concerning visits to catering establishments and cultural institutions have deformed “civil society” as well as private circumstances and relationships beyond recognition. Finally, the roll-out of the universal vaccination agenda as supposedly the only truly sustainable approach to ending the Corona pandemic has made radical intervention in people’s physical and psychological integrity politically respectable.

After realization that the measures could only be enforced with coercion, fundamental rights and freedoms were suspended, frequently changing and sometimes contradictory laws and ordinances were put in place, and sometimes enforced with police-state methods. Arbitrariness and legal uncertainty became the standard of public life.

Government measures were always dogmatized as the only goal-oriented method of safeguarding health and life. The economic losses and loss of earnings they caused were partially compensated with government grants and bridging aid as part of bureaucratic allocation procedures. Private enterprises thus became de facto government departments and reportable public institutions. In this way, the economic structure was de facto transformed into a centrally planned command economy. Even more than on the occasion of the financial crises of recent years

and decades, the financial resources needed to cover all these grants and compensations were provided by acts of arbitrary money creation, whereby the creation of “fiat money” was no longer carried out primarily through lending by commercial banks, but through direct issuance by central banks and through the creation of so-called special drawing rights by the IMF (International Monetary Fund).

The coup of governments against their own populations described here was ideologically enveloped by an unprecedented synchronization of the respective media sectors and thus removed from criticism, with critics rudely stigmatized as swindlers, conspiracy theorists, fake news producers and right-wing extremists, and de facto scorned and attacked as enemies of the state. Particularly noteworthy was and is the complete unification of communication by large “private sector” enterprises, such as supermarket chains, department stores, banks and financial service providers, transport companies and leisure facilities, which – practically from the first minute of the proclamation of the “pandemic” – staged propaganda campaigns that had the obvious goal of a collective frenzy to remove all doubt and provide justification for the regime of measures: “Gemeinsam – Zusammen – Wir schaffen das – Mit vereinten Kräften – Jeder leistet seinen Beitrag”. The new “we-feeling” was quickly strong enough to stigmatize opponents and dissenters as “endangerers,” “pests,” even “enemies of the state.”

2. Totalitarian Collectivism and the “New Normal”

Fear and quasi-religious collectivism – these are always the ingredients of a totalitarian reorganization of society. History knows many examples. But this concept has never been implemented as quickly as in the “Corona pandemic”.

The thrust of this new form of totalitarian collectivism has not only been unusually rapid, but it has also had a particularly lasting effect. A large part of the population has accepted without dissent that the alleged “right to life and health” will always trump the basic rights of freedom and self-determination in the future, since all basic rights and rights to freedom are nothing if one’s sheer life and health are in danger. The well-founded balance of fundamental rights and liberties, whose mutual limitation constitutes the core of the constitutional idea, thus becomes the legitimizing basis for an irreversible elimination of liberal democracy. This creeping revolution has a name, and it has been given and dogmatized by one of the great tacticians of the Corona regime: Bill Gates has put into play the trademark “The New Normal.” It establishes the claim of the elimination of conventional normality in favor of a radical overhaul of the system. The “New Normal” is another term for the illegitimate abrogation of the constitution and the elimination of the democratic, constitutionally based order. This claim is readily announced by its supporters with a code word that identifies its users as insiders of the desired social change: “Build Back Better” – a concept of using social catastrophes for radical social change.

The period of the global Corona measures regime is typically a time of “discernment of spirits.” In fact, there are people who react to fearful threats by submitting to the pressure of the collective, while others reflexively tend to actively resist when they feel threatened by collectivist conformity. The opposing reactions must of necessity lead to a division of society. As the authorities exert increasing pressure on the population through their policies, the two population groups move away from each other and begin to view each other as members of hostile camps. Responsible politics seeks to counteract such tendencies. A strategy of “Build Back Better,” which aims to establish the New Normal, does the opposite.

3. Fear and division as a precursor to a coup by the elites?

From the very beginning, the global Corona measures regime has fostered a massive division of societies. While some surrendered to the suggestive power of professional “story telling” others sensed from the very start that something must be wrong with the setting of the pandemic crisis. Some were hypnotized by the images of the intensive care units and the graphs of the “exponential curve” and thought they could literally see the pandemic with their own eyes. Others took the inconsistencies and contradictions in the statistics on illnesses and deaths, incidences and bed occupancy rates as an opportunity to fundamentally question the credibility of the ruling political elite and pressed to find out what was actually “behind it”.

The question of what “lies behind” is indeed central, and the answer to it is crucial for correct dealing with the change in civilization taking place today, the dimension of which must be understood as larger and more massive than anything that has taken place since the beginning of the Industrial Revolution, i.e. during the last two and a half centuries.

The starting point of the following analysis is the insight that the Covid crisis is the culmination of a development that directly covers the period of a little more than last three decades, but indirectly has a much longer antecedent. Due to the limited space available in this essay, only the time period of the immediate past will be referred to in the following.

4. The Prehistory: 1989 and its Consequences

As in the 18th century, the year 89 was a revolutionary breakpoint of unimagined significance in the 20th century. In 1989, the communist system collapsed in a “velvet”, i.e. peace-

ful, revolution in the states of Central–Eastern Europe and was transformed into a market economy and democratic order. Poland, Hungary, and Czechoslovakia became “capitalist,” and the Soviet empire began to totter, dissolving in December 1991, almost seventy years after its founding and seventy-four years after the October Revolution. Yugoslavia began to fractionate in the same year and, in a twelve-year, sometimes warlike process of secession, was transformed into seven, also more or less “capitalist,” successor states.

The failure of communism had political effects on the states of democratic Europe as well. Some left-wing parties of Marxist provenance no longer wanted to be called “socialist” and renamed themselves “social democratic”. An unprecedented process of “privatization” swept not only through the states of former communist Eastern Europe, but also the mixed economies of Central and Western Europe (especially Germany and Austria, partly modeled on Great Britain in the Thatcher era). Even China abandoned economic centralism and implemented more and more elements of a decentralized profit economy guided by a price system.

The world seemed to be reorganizing itself according to the direction of the title of a book by F.G. Hanke, which he had written back in 1982: *As the “Final Victory” of Capitalism*. In general, some titles of successful books of that time signaled the expectation of the hoped-for advent of a golden age: Francis Fukuyama even spoke of the “end of history” (1992).

Of course, the privatization process in Eastern, Central and Southern Europe was sometimes a bit rough and not everywhere as model-theoretically clean as, for example, in the context of the “voucher privatization” developed and implemented by the Czech Minister of Economy Tomas Jezek, inspired by the great Austrian economist Friedrich A. Hayek. Profiteers of “privatization” were in many cases bigwigs and minions of the communist

system that had just been laid to rest, and the history of the so-called “oligarchs” on the territory of the former Soviet Union is as impressive as it is legendary. But the result of this transformation was, after all, an economic regulatory structure that can be described without irony as “workable competition,” which brought a considerable increase in prosperity to the countries concerned. This also radiated to the neighboring countries of the Central European “West,” as many, predominantly medium-sized companies seized the opportunity, entered the newly developing markets, invested in company acquisitions and new branches, formed joint ventures with local firms, exploited the wage differential for their competitiveness on the world markets and acquired company shares, whose trade boosted and expanded the European capital markets.

5. Was the “final victory of capitalism” squandered?

The enormous technological superiority of the “capitalist West”, as well as in the areas of corporate management and marketing, led to a kind of colonization of the economies of the former “communist East”. Sectors such as motor vehicle manufacturing, the building materials industry, the food industry and the entire branded goods industry were virtually taken over by Western companies and completely dominated by them. In the banking and insurance sectors, almost exclusively the companies with Western owners and their names remained after privatization.

The process mentioned here led to a complete reshaping of the outward appearance of everyday culture of the affected states and to a radical change in the attitude toward life or social life. Under communism, the public space of cities and villages was characterized by the dominance of the “crooked line.” Light

poles, building edges, and streetcar tracks were consistently crooked and slanted, facades were pitted, streets were damaged, and squares were gloomy. Stores and pubs were conspicuous by a lack of choice and offer, and the private infrastructure was broken and damaged. In just a few years, the “profit economy” ensured a complete renewal of all public and private living spaces. Last but not least, medical and pharmaceutical standards developed massively, and within a few years life expectancy in the former communist states equaled Western and Central European levels.

The total dominance and superiority of the West: market economy, rule of law and parliamentary democracy, and all this wrapped up in a lifestyle of freedom, equality of opportunity and universal satisfaction of needs. Was this really the “final victory of capitalism”?

In order to answer this question, it must first be clarified whether the money in circulation is “capital.” This question will be tackled below, after some other essential aspects of the economic cycle and its development have been illuminated.

At first glance, the development of money and capital markets in Europe and in the regions of the world particularly linked to Europe economically seems to speak in favor of this. In the 1970s and 1980s, budgetary restraint, debt policy and fiscal bribery of voter target groups were the order of the day in the politics of European countries. To be sure, empty state coffers and the dictates of the so-called Maastricht criteria (restrictions on government borrowing and budget deficits), which were intended to establish monetary convergence as a prerequisite for single European currency, temporarily forced a certain discipline on government budget policy. But the wide participation and expansion strategy of Western entrepreneurs in Eastern Europe was to a considerable extent credit-financed, and the creativity of the money and capital markets created new forms of investment and derivatives. These, in turn, formed the basis for further

acts of derivative money creation, which were not limited by the introduction of the Euro but, quite the contrary, expanded. The amount of uncovered credit money swelled steadily and progressively. “Fiat money,” money out of nothing, emerged increasingly uncontrolled, in the system of so-called “fractional reserve banking”: the central bank acquires money and capital market paper from commercial banks and keeps it liquid in banknotes, while the commercial banks, on the basis of this, create fiat money by granting loans to their customers, which enters the general economic cycle.

These aspects include, first of all, the development of the institutional framework of the economic cycle. It deserves a special mention and presentation that in the period of assertion of “capitalist supremacy”, namely in the last decade of the 20th century, there was a reshaping and shifting of emphasis of the project of European integration. This can be depicted most rapidly with reference to the rapid succession of the three significant EU “constitutional treaties” that were concluded and entered into force in the 1990s of the 20th century and the 00s of the 21st century:

6. The Transformation of the EU: From Peace Project to Serfdom

The Maastricht Treaty (entered into force in 1994) added the elements of the Common Foreign and Security Policy and cooperation on domestic and justice issues to the classic EU agenda of economic cooperation. The Amsterdam Treaty (entered into force in 1999) established the highly ideological agenda of anti-discrimination legislation, forcing member states to enforce “equal treatment” of cultural, sexual, and religious minorities in civil life, and established a commitment to the

principle of so-called gender mainstreaming. The Treaty of Nice (entered into force in 2003) eliminated the principle of unanimity in the Council of the EU, de facto removing the sovereignty of member states. Finally, the Lisbon Treaty (entered into force in 2009), with which the EU de facto “crossed the line” from a confederation of states to a superstate, enforced a code of “European values” that, among other things, relativized the classical image of the family.

A synopsis of the effects of the above-mentioned treaties reveals two essential aspects from a sociopolitical point of view: First, the sovereignty of the former nation states is eliminated in essential ideological questions. And second, the legal basis is created for making private institutions, i.e. business enterprises and civil society organizations, the carrier substrate of an ideological agenda and thus of a sociopolitical transformation project. This is of utmost importance from the perspective of the present investigation.

Economic enterprises, in their classical self-understanding, have always been institutions for the production and provision of goods and services on the basis of acquisitive intentions with the aim of creating profit for their owners. From a Marxist perspective, they were accordingly enemy images of “exploited labor” and bridgeheads of the ideological basis of capitalist interests. Classical socialism has therefore always sought to weaken private enterprise and sought concepts to replace it in the context of establishing a collectivist, centrally planned system of economy. The lack of efficiency and ability to satisfy consumer needs in socialist economic systems has not gone unnoticed by the political left. In order to regain its footing in power politics after the “final victory of capitalism,” the left therefore began – probably more instinctively and blindly than consciously and in a planned manner – around the turn of the millennium to renounce the dogma of the profitless common economy in order to turn more and more toward cultural socialist objectives.

7. Leftist Misinterpretation of the Crisis

The left did so nonetheless, attempting to decry the excesses of the profit economy at the turn of the millennium in classic style. It labeled the system of these supposed excesses “neoliberalism” or turbo-capitalism and branded it anti-human. Especially the takeover of public service institutions and institutions for “services of general interest” (health, water, energy, transport, housing, old-age provision) as well as the supranational adaptation and standardization and framework conditions had made it easy for transnationally or globally acting “exploiters” to form powerful companies and to circumvent state restrictions.

While cultivating the bogeyman image of predatory capitalism, however, numerous leftists have increasingly discovered that profit-making enterprises are in many respects better suited for the implementation of their political objectives than antiquated and inert political parties. Shareholder value, hire and fire, going public, futures and stock options are well known new German key words from the yuppy world of the new economy. Nevertheless, they represent references to the mentality of left-wing hedonists who have discovered economy as a playground for their own self-realization. New working conditions or “new self-employment” with not inconsiderable exploitation potentials, orientation toward short-term and unrestricted profit maximization, growth fetishism and a tendency toward speculative borderline morality, and the fun factor in work consciously sought by managers and decision-makers are undoubtedly outstanding features of the changed world of work.

It may be doubted that all this has anything to do with the concept of classical liberalism or was even influenced by it. Rather, the economic culture of “anything goes” is a projection of the neo-Marxist pseudo-ethics of the 1968 generation, which dog-

matized liberation from the “constraints of traditional morality” for the purpose of pleasure gratification. “You can do anything if you just want to” is equally the guiding formula of leftist social change-makers as it is of group-dynamically oriented consultant gurus of modernistically operating business enterprises.

8. I want everything now – self-realization and hedonism

In fact, numerous old-68s and young-leftists have demonstrably found shelter and a rewarding field of activity in many advertising agencies, management consultancies, IT companies and high-tech ventures, but also in the executive suites of conventional enterprises, after the program of cultural destruction of Western societies had been largely advanced and had become self-sustaining. The concepts of self-realization and hedonism are central foundations of 1968 Marxism and correspond mirror-like to the egomaniacal fantasies of omnipotence and the inhuman ruthlessness of the rule-less predatory economy. This is seamlessly embedded in the fun society.

Admittedly, the argument that the rules of the game of the liberal-based competitive economy produce a world order in which the big get richer and richer, the poor get more and more miserable, people become more and more conformist, and countries and cultures become more and more uniform is a serious one. This is the world of monopolies and cartels, of multinational corporations and their influence over governments. It is the world of the supposed primacy of economics over the needs of the individual. If the competitive money economy had always been the source of exploitation and inequality, the opening of world markets, the reduction of state exchange controls, the expansion of money and capital markets, and their deepening through privatization and deregulation would have laid

the groundwork for turbo-capitalism. But the left-wing rhetoric according to which “neoliberalism” must be vigorously fought as the antithesis of the primacy of politics and its ultimate responsibility for a consciously and jointly shaped economic and social order has long been nothing more than a propaganda façade. For the left has long since discovered that high-tech corporations, pharmaceutical giants, media conglomerates, and even banks and financial service providers are much better suited to realize its ideological objectives than staid left-wing parties and subculture associations.

9. Planned economy or cultural socialism

The socialism of the third millennium does not struggle with insoluble questions of collectivist planned economy, nor does it want to suffocate from the consequences of its well-known inefficiency. It is not class-struggle economic communism, but elegant cultural socialism. And in this capacity it is not concerned with the banal question of the organization of production processes and their property-law basis, whether these are organized privately or by the state. Rather, it is concerned with the whole: with man as such, with his morality and culture, with his body and his sexuality, with his needs and his way of thinking, with his psyche and his soul, with his faith and with what he understands as his God.

From the point of view of such mental access, it is ultimately neither distinguishable nor relevant whether, in the desired form of polity, it is primarily economy that influences politics or politics that influences economy. Interlocking, interdependence and subordination under a certain image of man and ethics of the “new normal” corresponding to it are the essential features of the social order striven for here.

It is absurd to associate such an economic and social order with the concept of “neoliberalism,” as often happens, or to understand it as “capitalist. For the postulates of privatization and liberalization are merely instrumentalized for the new order, while large corporations are used as powerful substrates for the cultural-socialist transformation of society.

The term “neo-syndicalism” is proposed here to designate the economic and social form that emerges above the foundations of this structure and on the ideological basis of cultural socialism. The system of neo-syndicalism has been a robust economic reality for years and determines the political and ideological structure of meaning on the national as well as on the global level of this planet. The findings of the constitution and functioning of actually existing large-scale enterprises and their leading cadres, practically all over the world, leave no doubt about it.

10. What is specific about neo-syndicalism?

The thesis of neo-syndicalism as an explanatory pattern of economic society at the beginning of the third millennium refers not only to the constitution of individual large-scale enterprises, but also to the pattern of the national and international structure of mankind actually existing today. An adequate model for the representation of the pattern and process structure of this inter-relationship looks something like the following.

In my home country Austria, even a brief look at the situation of typical medium-sized and large companies presents the following picture: Renowned enterprises such as OMV, Erste Bank, Verbundkonzern, Telekom Austria, Raiffeisen International or VOEST have in common that their ownership structure shows a striking tripartite division: shareholdings of one or more states or sovereign wealth funds are intertwined

with strategic investments of private investors and a free float of numerous small “savers.” Raiffeisen International, for example, has a Norwegian state shareholding and, on the other hand, is under the influence of Austrian regional authorities, including the government of Lower Austria, through a personal union. On the other hand, the Raiffeisen Group holds stakes in many industrial enterprises, e.g. in STRABAG, Austria’s largest construction company. The latter, in turn, is partly owned by the founding family as well as in free float and, on the other hand, has a significant stake held by a Russian oligarch.

At the global level, the same structural pattern emerges, but of course in a much more impressive dimension. By far the largest institutional investors are based in the USA. They are Vanguard, Black Rock, JP Morgan & Co, T.Rowe Price, Morgan Stanley, Bank of America, Goldman Sachs, Berkshire Hathaway Inc, Parametric, KKR, State Street, Dodge & Cox, Capital Group Companies, 3G Capital, ABM AMBO. The list of sounding names could go on. The above-mentioned and several other corporations own strategic stakes in the global commodities industry, automotive industry, food and branded goods industry, and leading energy companies. They also control large parts of the pharmaceutical industries in many countries, as well as the telecom and electronics sectors, the entertainment industry and the media worldwide. An organizational chart would show that they, in turn, are intertwined with numerous economic drivers of nationally relevant ventures.

11. The building blocks of neosyndicalism

The aforementioned conglomerates are hybrid entities located between the economic and political sectors and multimodally linked to both. They have emerged from the slow process of

transformation of traditional components of the market order into a new type of collectivist rule that has emerged in the course of performing tasks at the intersection of the economic and political spheres. Neo-syndicalism forms a holistic socio-economic entity located in three levels of action:

- the sphere of small and medium-sized enterprises, which operates more or less strictly according to the free enterprise mode of operation and is a source of real economic production and reliable taxation,

- the layer of “big business” of the industrial and infrastructural sector, whose undertakings are connected with numerous international associates, partners and interested parties, and

- the sphere of the political nomenklatura, especially that of the European Union, where fundamental decisions are made, that directly affect corporate policy or (co-)determine the social and cultural environment that must be accepted as a framework in business life.

The anchoring of companies in the spontaneous order of the market on the one hand, and the structured political decision-making process on the other, results in a hybrid state between a self-referential system and a projection surface of political and interest-related influence. For the sake of brevity, we will refer here only to examples of the instrumental variables with which the European Union can influence the decision-making and behavior of corporate entities embedded in the structure of neo-syndicalism:

- * The European system of funding, especially considering the marriage of national and international funding instruments

- * The European research policy and its anchoring in the ideological idea of a so-called “knowledge-based society”

- * The European Infrastructure Network

- * The systematic encouragement of multiple lobbying activities

* The multiple practical–economic restrictions resulting from the compulsion to observe excessive anti–discrimination legislation

12. Great Reset, New World Order, or culture of philanthropy, creativity, and self-determination?

A correct assessment of the phenomenon of neo-syndicalism is of fundamental regulatory and practical-operational relevance.

Returning to the starting point of this essay, we need to feed back the phenomenon of neo-syndicalism and its structural analysis with the question of a political assessment of Corona despotism and its probable further development. The attempt at an evaluation boils down, among other things, to the question of whether the Corona despotism is the direct product of a conspiracy that is heading linearly-causally toward the Great Reset desired by, for example, Klaus Schwab, or whether we are “only” dealing with the struggle for a new world order in the sense of Henry Kissinger’s book of the same name.

There is no question that in the political as well as in the scientific sphere it has obviously not yet been realized that the neo-syndicalism prevailing today represents an economic and socio-political system that differs substantially both from that of the free market economy and from that of a command economy that can be controlled according to plan. This lack of problem awareness entails risks and uncertainties for all stakeholders. At the same time, however, it gives hope to those forces that would like to orient the social and economic system of the third millennium to a culture of human dignity, charity and the powerful creativity of free and self-confident citizens.

THE THREE-LINE DEFENSE OF CAPITALISM: A REPLY TO CONSERVATIVES

Aleksandar Novaković

Liberty, the Mother, not the Daughter of Order

Proudhon

I would like to sketch the contours of a possible defense of the free market or, if you like a different term, capitalism. I reject the objectivist moral defense of capitalism because it assumes a reductionist understanding of social relations, and as such is counter-productive for the purpose it is set for. Objectivists extoll the “virtue of selfishness”¹ as the most precious human virtue. By doing that they misrepresent human behavior and sell bad anthropology.² In other words, they offer an easy prey to enemies of freedom. Socialists, being the other side of the reductionist’s coin, extoll altruism as supreme value by fostering equally bad anthropology, and disastrous economic policy. Conservatives have been balanced in their critique of capitalism and therefore more successful. They accuse capitalism of weakening social bonds and the destruction of communities. But they err too, for they draw conclusions based on caricatured represen-

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tations of market actors. The picture of capitalism they portray, resembles those unscrupulous characters from Charles Dickens's novels – despicable people obsessed with material accumulation and exploitation of fellow humans. But the real picture is far more complex than that.

Both socialists and conservatives in their critiques of capitalism take a “higher” moral ground. To defend capitalism from such accusations it is not sufficient to invoke arguments from social utility³ that demonstrate the superiority of the market economy to its alternatives. Although these arguments are well-known and compelling, they are, nonetheless, not convincing for the “human heart.” For conservatives affirm values like love, loyalty, humbleness, and devotion to transcendence, while socialists cherish justice, equality, and solidarity. How can possibly an argument from economic utility win in the arena where something other than the criteria of material progress is sought?

A compelling approach in the defense of free market should be based on both utilitarian and ethical grounds. I will try to sketch here such a defense based on three lines of argument: the *naturalness* of capitalism, its *preservation capacity*, and, most importantly, its *ethical supremacy*. The argument from naturalness is based on Misesian praxeology⁴, where the market is seen as a consequence of the fundamental axioms of human action. The argument from preservation states that the market generates – and not only destroys – social bonds. The third argument is centered around the strictly speaking ethical (deontological) dimension, that can be traced back to Locke's idea of individual rights and the Kantian categorical imperative.

The market is a consequence of institutional recognition of the ethical supremacy of the individual moral universe over the state-imposed “common good.” Ontological element of this recognition is the system of rule of law based on *legitimate* private property.⁵ Both conservatives and socialists see the market as a

fairly artificial phenomenon and thus subject to many necessary restrictions, because they deny the ethical supremacy of individual freedom. Conversely, libertarians stress the naturalness of market phenomenon. Combined, these arguments present an answer to the conservative critique. My conclusion is that the conservative critique is misdirected, and it misfires. It should be directed, but it is not, to those factors responsible for the devastation of traditional ways of life, which I see in the rise of the welfare state and its intellectual priesthood – not in capitalism.

The structure of the paper is the following. In the first section, I present a conservative critique of the market which rests on a vision of capitalism as a manifestation of limitless greed. Paradoxically, the same vision, but with a different foretoken, is shared by many libertarians, notably – objectivists. In the second part, I present the argument from naturalness, where I focus on the key anthropological insights of the Austrian school of economics. In the third, the argument for preservation is presented and additionally strengthened with the reference to the role of intellectuals and the welfare state in the deterioration of individual freedom. The fourth section presents the argument of ethical supremacy based on Richard Weaver's explanation of the relationship between property and freedom as a cornerstone for the moral defense of capitalism. I conclude with several remarks on the significance of the argument presented here, and with the thesis that, if the argument stands, conservatives face a very important dilemma.

The conservative critique

Conservatives are seldom willing to appreciate the rich intellectual legacy of pro-market philosophy. Most of them still adhere to that caricatured image that sees the free market as

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the scene for the exposition of the lowest passions. Especially conservatives of the statist kind⁶ are predisposed to such misrepresentation of capitalism. They fall into a trap of judging the phenomenon based only on its most notorious manifestations: the picture of greedy capitalists steeped into materialism, ready to sacrifice anything to aggrandize their wealth; the picture of the Reality Show society ruled by the lowest of human passions. But other kinds of conservatives, anti-statists like Burke, Tocqueville, Lord Acton, and the late Roger Scruton, were inclined to a more balanced and realistic understanding of the market. In orientation toward markets they recognize something more than a devastating character trait – a truly authentic, not invented human phenomenon.

The prevailing conservative critique of the free market commits itself to the opposite sort of reductionism from the one associated with objectivism. In her many publications⁷, Ayn Rand has elevated selfishness to the virtue of freedom and capitalism. Many young libertarians are followers of this cult of individualism and adherents to the philosophy of strong individuals. Rand thought capitalism was to be defended on moral – and not on utilitarian – grounds, but the core ethics underpinning the free-market system was the one that placed a selfish individual at its center. The market is seen as cooperation between numerous selfish individuals fighting in the arena where only the strongest survive.

Conservative critique has, rightly, directed most of its attacks on capitalism as a manifestation of this conception. It admitted that greed indeed is one of the core traits of human nature, but not the one around which the moral universe is to be centered. Other values, such as love, sacrifice, belonging, religious devotion, and family values, contribute more profoundly to society's preservation and thriving. While conservatives would not typically reject the free market and individualism, they pre-

dominantly despise greed, selfishness, and market fundamentalism cherished within objectivist ranks.

Such a conservative view is a counterpart to the objectivist's deification of greed. In both cases, greed is the subject of central concern. For objectivists, greed is the champion of freedom; for conservatives, greed is the key factor responsible for destroying the most cherished human values. While the philosophy of objectivism is incapable of seeing any limitations of greed, statist conservatives are seldom willing to recognize its positive effects.

Naturalness

Through such perception, conservatism sidelines some important implications of its own anthropology, especially those relating to the human imperfection and the merits of spontaneously created institutions, as it is formulated by the Austrian school of economics.

Human beings are imperfect and fallible, and the market order is a natural extension of the need to address the problem of imperfection. Markets are tools of an imperfect being to solve the problem of scarcity. At markets, whether in their most primitive forms or most advanced ones, and whether collectively or individually, people struggle to overcome the problem of scarcity. Markets are, in a word, the most important elements of human cooperation.

But markets are also spontaneously created institutions. They emerge from the human need to cooperate and to solve the problem of scarcity. Although highly developed markets require specialization to address the peculiarities of an industry at a high level of sophistication, the fundamental market behavior is strictly speaking not learned. One does not need to attend classes or read a pile of books to understand how market operates and

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what the rules that guide it are. Market-oriented knowledge is learned and transmitted through experience.

Praxeology discovers that market is the product of the most fundamental need for cooperation, which is both rational and purposeful, but not planned (organized by the state):

Society is concerted action, cooperation. Society is the outcome of conscious and purposeful behavior. This does not mean that individuals have concluded contracts by virtue of which they have founded human society. The actions which have brought about social cooperation and daily bring it about anew do not aim at anything else than cooperation and coadjuvancy with others for the attainment of definite singular ends. The total complex of the mutual relations created by such concerted actions is called society. It substitutes collaboration for the – at least conceivable – isolated life of individuals. Society is a division of labor and a combination of labor. In his capacity as an acting animal man becomes a social animal.⁸

From this, Mises stresses the *a priori* facts of human action:

The fundamental facts that brought about cooperation, society, and civilization and transformed the animal man into a human being are the facts that work performed under the division of labor is more productive than isolated work and that man's reason is capable of recognizing this truth.⁹

A market order presupposes dispersed knowledge on the background of a dynamic structure of human needs, which cannot be easily predicted. For this is the reason why “the use of knowledge in a society”¹⁰ if it is to be productive, can stem only from the individual action of private owners but by no means under the direction of some collective economic authority, that

is incapable of recognizing those needs. A free market is an environment where the most significant number of these desires and needs become recognized and presented to a broader audience (the economically globalized world being the broadest audience). As Ludwig von Mises characterized it, the free market is “democratic,” in the most unladen sense of the words.¹¹

This does not mean that various aspects of human cooperation in the field of economics, politics, ordinary life, or any other field, cannot be organized by some collective authority, or the state. Obviously, a large part of human activity is thoroughly regulated today. But in order to function all these fields need not be organized in a centralized, “top-down” fashion. Human cooperation precedes and best functions outside the social order of the modern state.

On the other side – although no impartial observer would see the market as the highest temple of virtues, at least in the sense of primary motivations of businesspeople – a free market, if the whims of external factors do not distort it, has its own self-cleaning mechanism that, as a consequence creates specific virtues. Those are extolled famously by Deirdre McCloskey, but they are well-known in this form or another historically, at least from the time of Phoenicians and firmly embodied in the Levantine culture. Bourgeois virtues also play an essential role in creating, sustaining, and strengthening social bonds. They emerge from the three-component meaning of the Greek verb *katallattein* (English noun *catallaxy*, or market order), which, according to Hayek, “meant, significantly, not only ‘to exchange’ but also ‘to admit into the community’ and ‘to change from enemy into friend.’”¹²

Preservation capacity

Isn't this a suitable counterexample to the most devastating critique of markets leveled by conservatives, namely the argument that the free market, by its internal logic, leads to the disintegration of social bonds and organic communities? The conservative critique originates from conviction that the bourgeois virtues are the very element of destruction, because they facilitate behaviors inimical to the idea of traditional societies. Instead of recognizing national borders, individual cultures, and local identities within the paradigm of the national state, they create an abstract and extended order in which all particularities of language, blood, and soil wane and lose their importance. Some of the well-known renderings of this sort are exemplified in Adam Smith's "Great Society" and Karl Popper's "Open Society", but it is nevertheless the "negative force" of capitalism expressed most notably in Schumpeter's idea of "creative destruction"¹³ that lies within the essence of conservative animosity towards the free market.

Schumpeter viewed capitalism as a force of creative destruction. The destruction is benevolent, piecemeal, and nonviolent. In the process of never-ending change, the democratic voting of buyers and sellers erodes the old and replaces it with the new, thus making progress possible.

Plausible as it may be, the idea of creative destruction is too general to represent a suitable explanatory model for the major changes that happened in the last century or even longer. It should not be forgotten that capitalism, at least for the most part of the nineteenth century, positively affected the preservation and expansion of traditional institutions, especially in the Western world. Ross Douthat, a New York Times columnist, has recently directed our attention to this fact by quoting the report made by Lyman Stone.

Tocquevillian utopia didn't really yet exist when Alexis de Tocqueville was visiting America in the 1830s. Instead, the growth of American associational life largely happened during the Industrial Revolution. The rise of fraternal societies is a late-19th- and early-20th-century phenomenon. Membership in religious bodies rises across the hypercapitalist Gilded Age. The share of Americans who married before age 35 stayed remarkably stable from the 1890s till the 1960s, through booms and depressions and drastic economic change.¹⁴

A similar observation could be made for the American educational system during a significant part of the 19th century when small communities spontaneously developed a network of educational institutions. Families and pastors – not state educators – had the final say in the sphere of education. For the contemporary mind, it is almost shocking to acknowledge the fact that state-run public schooling was an unknown concept until the federal state gradually, during the 19th century, started taking over and incorporating the old system under its institutional auspices. The first intrusion of the state into education happened in 1833, when the federal government introduced subsidies in the educational sector. As Tom Palmer observes, the state's intrusion in the educational sector happened when "... voluntarily provided educational services had already spread literacy before the state crowded them out and started to reverse the trend."¹⁵

The same trend manifested itself throughout Europe, even in those parts of the continent recently freed from the clutches of the Ottoman Empire (during the first part of the 19th century). Everywhere the modern, highly centralized state inspired by the ideology of the Enlightenment emerged as a supreme provider of educational services replacing traditional institutions and spreading literacy.¹⁶

The voluntary institutions of mutual aid in the USA and

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elsewhere, together with more traditional forms of spontaneous welfare schemes provided mainly through churches, demonstrate how the existing set of spontaneously created institutions was not undermined during the era in which capitalism thrived. In many cases, the thriving of capitalist culture helped them thrive too. Based on similar historical experiences great many liberal authors believe that liberalism is not the doctrine of atomized individuals. Ralph Raico directs our attention to the following words of Rothbard:

...the network of these free exchanges in society – known as the “free market” – creates a delicate and even awe-inspiring mechanism of harmony, adjustment, and precision in allocating productive resources, deciding upon prices, and gently but swiftly guiding the economic system toward the greatest possible satisfaction of the desires of all consumers. In short, not only does the free market directly benefit all parties and leave them free and uncoerced; it also creates a mighty and efficient instrument of social order. Proudhon, indeed, wrote better than he knew when he called “Liberty, the Mother, not the Daughter, of Order”¹⁷

Conservatives, especially those of a statist disposition, are reluctant to accept positive aspects of capitalism. They despise capitalism so much, that they too often and too easily resort to the ideology of a strong state as a proper response to the “menaces” of an unfettered market. They think the market should be “disciplined”¹⁸ so that its “excesses” be curtailed and aligned with the authentic needs of a society (“protection” of the national economy, as well as national identity). They speak about “change through continuation” but in fact, they are opting for no change at all. With the inclination to statism, and unwillingness to recognize the magnitude of the changes brought about by modern

technology and the modern understanding of life, they become quite “unconservative” for not recognizing that these changes are intimately connected to the basic settings of our civilization.

The very statism they cherish prevents them to identify factors responsible for the rapid decline of traditional values and social bonds. Factors such as the modern welfare state and the role of ideas and intellectuals in democratic societies profoundly and unprecedentedly shape the zeitgeist.

The conservative case against “market driven destruction of social bonds” typically neglects these factors. There exists no direct connection between the operation of the free market and the intellectual climate inimical to the traditional ways of life.¹⁹ Nor does this mean granting validity to fusionist hopes. Namely, that the logic of an unfettered market leads to societies of conservative inclinations.²⁰ Markets *qua* markets are neutral to any particular set of social commitments and value positions, they are ideology-neutral but nevertheless social.²¹ As we have mentioned, they generate certain types of virtues, but these are general virtues compatible with both conservative and liberal understanding of life.²²

There is, however, one respect in which the free market may be blamed for the rise of destructive ideologies.

Joseph Schumpeter prophetically claimed²³ that the success of capitalism linked with modern democracy inevitably contains the seeds of its demise. Capitalism necessarily leads to progress and to the fulfillment of human needs. Once the basic needs become satisfied people will start to desire the things they do not possess, or which are still not in their possession. This simple logic will inevitably lead to the fulfilment of wishes that are damaging for the system that enables fulfilment of wishes. “The consumers” (population living in the capitalist system) are rarely interested in recognizing this fact. Not because they are prevent-

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ed in any way (intellectual, educational, social...) but because such considerations are not their priority. They are not obliged to know how market functions and how it improves their wellbeing. They do not have to know anything about economic history or the causes and merits of the Industrial Revolution. What they see in front of them are hardships of life, existential struggle for sustaining themselves and their families. Simply put, they have neither time nor will to delve into the complex issues of the functioning of market economy. Here, the intellectuals that Hayek calls “professional second-hand dealers in ideas,”²⁴ enter the scene, as “suppliers” who can offer to “customers” (the general public) the goods they might strive for. From the Bolshevik revolution and welfarism, to the ideology of critical race theory and wokeness – the span of the possible wishes that ought to be satisfied is endless.

Compared to earlier times, intellectuals are no longer an “endangered species,” nor “a court extravagance” that plays only for the joy of kings and queens. *Intelligentsia* is now a class of its own, stretched both horizontally and vertically within a labyrinth of the modern Leviathan and its complex network of educational institutions, think-thanks, media outlets, advisory boards, etc. Moreover, intellectuals are not even “dealers” but creators and the main source of ideas for political elites. They do not only supply the intellectual market of ideas with new theories and analyses, they are active “trend-setters” for policy makers. In becoming present in all spheres of individual life, the state needs ideological guidance, and this cannot be provided by the already stigmatized and “despised” class of “neoliberal” pundits.

The “court” intellectuals of the modern Leviathan set the standards of political correctness and new ideological orthodoxy. Financially supported by the state on which they depend, they work for it as it works for them, i.e. it is guided by their intellectual plan. Only those who can offer “alternatives” to the

socio-economic condition of capitalist societies, who seek “social justice”, “equality” and a “new way” of economic organization are of the service to the state. Nozick calls them “wordsmiths,”²⁵ but more pertinent to my point, Michael Rectenwald refers to them – using Althusser’s terminology – as “the dominant ideological state apparatus.”²⁶ They shape the politically correct interpretation of reality and what part of economic life should be controlled and in what measure. Here Capitalism is only an element of an already established equation.

Thus, the collaboration of the state and intellectuals has the power to attract market players too. A corrupt state backed by progressive intellectuals creates the symbiosis that, like in the most recent cases of suppression of free speech by the Big-Tech companies and the global media outlets, sets the scene for fostering of a “civilizational agenda” or what is now widely known as “the Great Reset.”²⁷ When Mark Zuckerberg or Jeff Bezos side with the progressive intellectual elite in their witch hunt against dissenting, politically incorrect views, they are, in fact, jumping into the train that is already going full speed. They are just “petty collaborators” trying to take an opportunity for their businesses, being well aware that siding with the progressive elite is a secure way to acquire protection from any sort of institutional attacks. The big government, the modern Leviathan, is responsible for the destruction of the old way of life and its mores and manners cherished by conservatives. But still, conservatives blame the free market for this outcome.

The Ethical Supremacy

Undoubtedly, the minimal state is the most fertile soil for the blossoming of various kinds of voluntary exchanges and various types of spontaneous arrangements, not necessarily com-

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mercial. People when left alone are inclined to making mutual arrangements and deals, and also to building communities on the basis of many different commitments. Historically, a vast dimension of human activity emerged without any reference to the authority, external and distant from the individual and community. The modern state apparatus tends to suck many of those activities into itself, in order to regulate them. This is also the case with modern markets which are usually heavily regulated. The overregulation of markets creates an impression that the market itself is the product of institutional engineering of the modern state. The socialist experiment even demonstrated how the state can perform market actions without essential market mechanisms.

In such a way, the idea of the market as an artificially created entity obscures the fact that it relies on a more fundamental basis. For the substratum of freedom is not the market, as it is often assumed by the value neutral defense of capitalism that stresses the importance of implementation of (proper) institutions. Rather, the substratum is liberty ontologically tied up with private property, or what Richard Weaver calls “the last metaphysical right”.²⁸

By referring to private property as a metaphysical entity, Weaver aligns himself with the rich intellectual history of natural rights theory, from Aristotle, St. Thomas Aquinas, John Locke, to Murray Rothbard and Robert Nozick. There is a bond between property and self, which

*... does not depend on any test of social usefulness. Property rests upon the idea of the hisness of his: proprietas, Eigentum, the very words assert an identification of owner and owned.*²⁹

Thus, property cannot be a mere formal institution, even less an artificial creation, for it

... rests on the prerational sentiments in that we desire it not merely because it “keeps the man up”—this would reduce to utilitarianism—but because somehow it is needed to help him express his being, his true or personal being. By some mystery of imprint and assimilation man becomes identified with his things, so that a forcible separation of the two seems like a breach in nature.³⁰

From here Weaver goes further, explaining why such a right is the cornerstone of the Western civilization characterized not only by the rule of law, but also by “private right defending noble preferences.”³¹ For the institution of private property enables that “not all shall be dependent of the state” and that political leaders are not “playing with their heads,”³² enabling dissent to be constitutive for the order. This is the *differentia specifica* that drives the wedge between the Western civilization and those civilizations where individual freedom is suppressed or does not exist. Thus, the system of private ownership gives rise not just to economic, but also to political freedoms: “Private property cannot, without considerable perversion of present laws, be taken from the dissenter, and here lies a barrier to *Gleichschaltung*.”³³

Above all, from here arises the ethical, or “deontological” defense of free markets. Markets are inconceivable without individual freedom and every transgression of that freedom, whether by the state or a fellow man, is considered *ethically* unjust. Conservatives who advocate curbing of economic freedom in order to “protect” a specific way of life or to “freeze history” are paving the way for the diminishing of their own field of action. The establishment of the big government is the slow but inevitable road to socialism, and as such detrimental to the last metaphysical right.

Conclusion

The importance of the last metaphysical right cannot be overestimated. Weaver prophetically warned about the threat of the “monolithic police state” as “the invention of our age assisted as it is by technology, surveillance.”³⁴ The modern police states – from Putin’s Russia to Xi Jinping’s China – are examples of the “unholy alliance” of modernity and repression.³⁵ From high-tech supersonic missiles to the face-detection cameras on streets, from the (literal) liquidation of political opposition to the concentration camps for entire ethnic groups – everywhere the symbiosis of modernity and repression has presented the nascent contours of a new road to serfdom. The introduction of the China-style Covid-19 response within most Western democracies, has demonstrated how easily the precious institutions of freedom could succumb when the state started playing the card of fear.

Many conservatives see the policies of contemporary illiberal, authoritarian states as an authentic alternative to the pathological political agendas promoted by Western intellectuals. They see these pariah states as a “lesser evil” and the rhetoric of their leaders as a proper reaction to the menaces of progressivism. They loath the new lifestyles professed by the ideology of wokeness and imposed institutionally. In certain respects, their reaction is understandable. But they are wrong in assuming that these “alternative regimes of truth” are the manifestation of a deeper care for the preservation of the values of the “old order”. On the contrary, the regimes of truth are only the most recent forces of dehumanization and oppression that announce the coming of a new social order – *after liberalism*. By backing these regimes, conservatives undermine the institute of individual freedom, which many of them, at least rhetorically, recognize as a value. By such inclination, they are renouncing the last metaphysical right.

These conservatives are not ready to acknowledge the significance of the rise of the modern state for the diminishing of the values they cherish. This is the reason why they are mistaken in thinking that it is sufficient to change the helmsman of the welfare ship while keeping everything on it firmly in place. Sooner or later, such logic leads to a new deterioration of individual freedom, because the modern state lives only when it grows. There is no way around free market capitalism and the sanctity of private property – “no way around” at least if one strives for the preservation of our civilization.

If it is shown that the argumentation along these lines is credible and well founded, the ball might end in the conservative field. For it would be up to them now to face a practical dilemma, obscured in regular times by the high-tone narrative of the intricacy of a conservative “mind.”³⁶ In historically heated times, when civilization threatens to crumble, the dilemma amounts to the choice between different and quite opposing values, the individual freedom on the one side and oppression on the other. Conservatives who stick to the former, should reconsider their anti-totalitarian aspirations and decide which is the one they prefer, life in a society with various lifestyles, some of which are extremely “free,” or with dispensing of political and economic freedom altogether.

The three-line defense of capitalism is in line with a plethora of liberal theories that usually stress one or another aspect. It acknowledges the merits of conservative critiques without the usual libertarian reductionism and even constructivism that presupposes an ideal society. The intellectual contribution of the conservative thinker Richard M. Weaver is illustrative in this regard. It shows, also, that the fundamentals of our civilization are at stake when and if the individual liberty and institutions protecting it are systematically and brutally endangered. If conservatives are seriously committed to the preservation of civiliza-

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tion, they should acknowledge and accept this conclusion without succumbing to the dangerous relativism that extoll “regimes of untruth” as alternative to the “decadent West”.

Endnotes

1. Cf. Ayn Rand, *The virtue of selfishness – a new conception of egoism*, Signet, 1961.
2. In this paper, the term “objectivism” refers mainly to Ayn Rand and her novels in which she portrays a vision of society and human behavior that largely aligns with conservative and left-wing perception on markets. There are, however, a more refined versions of objectivism like the one presented in the work of Tibor R. Machan (notably, his *Libertarianism Defended*, Ashgate, 2006), but they, unfortunately, are at odds with the dominant and popular reception of the free market.
3. This route of defense was typical for 19th fin de siècle classical liberals. See Rothbard’s “Frank S. Meyer: The Fusionist as Libertarian Manque”, *Modern Age*, Fall 1981, p. 355.
4. L. v. Mises, *Human Action – A Treatise on Economics*, Ludwig von Mises Institute, 1998.
5. M. Rothbard, *Ethics of liberty*, New York University Press, 1996, p. 52.
6. Hans-Herman Hoppe famously calls them “culturally conservative statists” or, more precisely, “the right wing of the socialists and social democrats.” In other words, the ideological camp that aims to use big government (with all of its power and redistribution schemes) for its own purposes. (Hans-Herman Hoppe, “The Intellectual Incoherence of Conservatism,” available at <https://mises.org/library/intellectual-incoherence-conservatism>.)
7. Most notably in her novel *The Virtue of Selfishness*.
8. Ibid. L. v. Mises, *Human Action – A Treatise on Economics*, p. 143.
9. Ibidem, p. 144.
10. F. A. Hayek “The Use of Knowledge in Society” *The American Economic Review* 35 (4) 1945, pp. 519–530.
11. L. v. Mises *The Anti-Capitalist Mentality*, The Ludwig von Mises Institute, Alabama, 2008, p. 9.
12. F. A. Hayek *Law, Legislation and Liberty – A New Statement of the Liberal Principles of Justice and Political Economy*, Routledge, 1998, p.

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13. Joseph A. Schumpeter *Capitalism, Socialism and Democracy*, Routledge 2003, Ch. VII. Even more pertinent to my point here is Tyler Cohen rendition of the concept in his *Creative Destruction: How Globalization Is Changing the World's Cultures*, Princeton University Press, 2004.

14. Ross Douthat “Is Capitalism Killing Conservatism?” *The New York Times*, May 8, 2021.

15. Tom G. Palmer (ed.) *After the Welfare State*, Students for Liberty & Atlas Network / Jameson Books, 2012, p. 51.

16. This is paralleled with similar trends in the defense, health, and monetary spheres.

17. Ralph Raico *Classical Liberalism and the Austrian School*, Ludwig von Mises Institute, 2012, pp. 23-34.

18. See the paper of colleague Dušan Dostanić in this collection.

19. Let alone market players that are not engaged in tacit or open arrangements with the state.

20. But one should acknowledge Frank S. Meyer’s warnings about the pitfall of the “state-enforced communities” as a recipe of various sorts of authoritarianism. See: Frank S. Meyer, *In Defense of Freedom and Related Essays*, Liberty Fund, 1996, p. 122.

21. See Murray Rothbard’s classical exposition of the state as an “anti-social” instrument and “society” as a “convenient label for the voluntary interrelations of individuals, in peaceful exchange and on the market”, *Ethics of Liberty*, p. 187.

22. Also see Murray Rothbard “Myth and Truth About Libertarianism” in *Modern Age*, Winter, 1980.

23. Joseph A. Schumpeter *Capitalism, Socialism and Democracy*, Routledge 2003.

24. F. A. Hayek “The Intellectuals and Socialism” *The University of Chicago Law Review* (Spring 1949), pp. 417-420.

25. Robert Nozick “Why do intellectuals oppose capitalism?” *Cato Policy Report*, January/February 1998.

26. Michael Rectenwald *Beyond Woke*, New English Review Press 2020, p. 160.

27. Michael Rectenwald “What Is the Great Reset?” *Imprimis*, December 2021, Vol. 50, No 12.
28. Richard M. Weaver “The Last Metaphysical Right” in *Ideas Have Consequences*, University of Chicago, 2013, pp. 129-147.
29. Ibidem, p. 132.
30. Ibidem, p. 134
31. Ibidem, p. 136.
32. Ibidem, p. 135.
33. Ibidem, p. 136.
34. Ibidem, p. 136.
35. Conservatives, especially those leaning onto the Hamiltonian approach to development should be aware of this fact (see Gladden Pap-pin’s comments within the Introduction to this collection), for granting the state the right to “conduct” the economy and plan “development” is the slippery slope to the overall control of society, that is, to socialism.
36. Cf. Russel Kirk *The Conservative Mind: from Burke to Eliot*, BN Publishing, 2008.

BRITISH CRITIQUES OF CAPITALISM (BELLOC AND CHESTERTON)

Zoltán Pető

Joseph Hilaire Pierre René Belloc writing mostly in the first half of the twentieth century, a British-French writer who, although almost forgotten today, was one of the most prolific authors of his time. Although he was a strict critic of the modern world, he ran his short career as a party politician not in the ranks of the Conservative but of the British Liberal Party, of which he was an MP from 1906-1910. However, his concept of liberalism was quite different from the majority of today's concepts of liberalism and also different from the (then still) "new" liberalism that had sprung up in the wake of John Stuart Mill, and was criticized by "old Whig" liberals as James Fitzjames Stephen. Belloc, like Stephen, did not think in abstract formulas about freedom or formulate a rigid political-social ideology, but rather defended the autonomy of the individual from state intervention, taking a stand against socialism, which he believed would strengthen the role of the state at the expense of the individual. Of course, a critique of socialism in this sense would not in itself constitute an excessive novelty. The novelty is, that

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Belloc also highlighted the detrimental effects of modern industrial capitalism on freedom in a way that was not really typical of most liberals and has features that can be regarded as conservative. He believed that the capitalist and socialist directions were only seemingly contradictory, as they were connected by a line of thought characterized by the idea of material progress: the replacement of human goals by purely economic goals. The ideas expressed in his political essay *The liberal tradition* (1897) are to be understood as a critique of contemporary socialism as well as of contemporary capitalism.

There is, again, a theory in economics and politics directly the opposite of our own, cutting at the root of our most obvious principles; and it is growing daily. It involves an attack upon personal production, personal accumulation, and consequent personal possession: a theory which makes the individual and all the individual virtues of small account, and desires to emphasise rather the vague qualities of a State.

It would dissolve thrift, and self-control, and the personal honour which keeps a contract sacred, and replace them by a State system, releasing men from the burden of private rectitude. It is a theory which is absolutely certain to find stronger and stronger support as our economic system develops. [...] The conditions which industrial development have brought about in England are the very antithesis of those which Liberalism devises in the State: capital held in large masses and in a few hands; men working in large gangs under conditions where discipline, pushed to the point of servitude, is almost as necessary as in an armed force; voters whose most immediate interests are economic rather than political; citizens who own, for the greater part, not even their roofs.¹

Belloc apparently did not predict a great future for liberalism, an idea that he otherwise traced back to the concept of free will and an interpretation of “Christian freedom.” He perceived processes which, despite the solemnly stated principles of freedom, are not at all conducive to individual spirit, individual freedom, and an economy built on responsibility. He believed that the tendencies associated with modern capitalism would lead to the tyrannical standardization of life, collectivization, and ultimately the absolute domination of gigantic economic trusts, both over the life of the people and states. This line of thought led him to develop a new economic theory, later called distributism, which has connections to Catholic social teaching.

A short writing, which perhaps best summarizes his Catholic worldview, in his typically ironic-sarcastic style, was published in 1907 in the relatively widely read weekly of The British Fabian Society, devoted to the idea of progress. “I fully agree with the thesis,” wrote Belloc “on which this edition of *The New Age*, or any other edition, is based; with the thesis that the current conditions of society, especially in England, are intolerable. [...] Modern English society needs to be transformed, quickly, if England is to survive. [...]”²

Belloc, of course, proposed a very different solution to the transformation of society than socialist Fabians, as “Catholic societies reject the monstrous economies of industrialism from the very beginning” because they perceive that “the separation of production and personality is inhumane.” On the “contrast between the modern spirit and Catholicism,” Belloc remarked: there is undoubtedly such a contradiction, but this can be grasped primarily by looking more seriously at the “modern spirit”: then we realize that this can best be expressed through negativities, as a denial of certain Catholic principles.

He set out his views on the critique of capitalism in detail in one of his well-known works in political and economic theory,

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The Servile State (1912), which he wrote after his career as a party politician in the Liberal Party ended. Belloc argued that the development of capitalism was not a natural consequence of the Industrial Revolution, but a consequence of the earlier dissolution of the monasteries in England, which then shaped the course of English industrialisation. English capitalism then spread across the world. Belloc defined the “servile state” as follows.

‘That arrangement of society in which so considerable a number of the families and individuals are constrained by positive law to labour for the advantage of other families and individuals as to stamp the whole community with the mark of such labour we call THE SERVILE STATE.’³

Of course, on the basis of such a definition, we should think much more of the states marked by the economic-political system of “communism” or “feudalism” rather than of capitalism, which is often portrayed as one of the markers of “free society.” In Belloc’s critique, however, it is the remarkable thing that he associates capitalist states with a state that leads back to slavery.

“That if or when slavery were re-established in England a particular man would in time be found the slave not of Capitalism in general but of, say, the Shell Oil Trust in particular, is a very likely development”

Belloc’s view was that in history virtually every society creates a slave state, only Christian institutions could prevent the formation of a slave state for a time.

[...] the old Pagan slavery was transformed into a free society some centuries ago. I shall then outline the further process whereby the new non-servile society was wrecked at the Reformation in certain areas of Europe, and particularly in

England. There was gradually produced in its stead the transitory phase of society (now nearing its end) called generally Capitalism or the Capitalist State.⁴

Belloc's friend and intellectual partner Gilbert Keith Chesterton applied, if possible, an even more thorough criticism of capitalism. He articulated his criticism in the most complete way in *The Outline of Sanity*, a work of 1926. In his interpretation, capitalism does not generally mean a capitalist economy or the use of capital in the economy - in this sense, apart from the simplest societies, almost all human societies should be considered as 'capitalist', the concept would not be specific. Capitalism, Chesterton wrote, refers to an economic structure where there is a relatively narrow group with so much capital that the majority of citizens are forced to serve it for wages. Chesterton did not make any historical arguments about the development of capitalism in this sense, but states that the society in which England [in 1926, when the work was published] and the greater half of the world is, is defined by the capitalist economic system.

Capitalism, which is becoming increasingly global, does not promote freedom, real 'free competition' or 'prosperity for all', the general enrichment of society and the peaceful exchange of goods around the world, but the expansion of the interest of big business, which Chesterton has paralleled with, among other things, the lack of real property and prostitution.

The true contrary of the word 'property' is the word 'prostitution.' And it is not true that a human being will always sell what is sacred to that sense of self ownership, whether it be the body or the boundary. A few do it in both cases; and by doing it they always become outcasts. But it is not true that a majority must do it; and anybody who says it is, is ignorant [...].⁵

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In his view, it is not true that man strives for maximum profit in all circumstances and that the natural development of every society leads to modern industrial capitalism. In reality, this is exactly what “exactly never happens.” The system of farms based on small estates of approximately similar size prior to modern industrial farming did not “evolve” into the current system because it is not a natural necessity — or the “direction of progress.”

Rather, we should talk about the fact that the mass of small-holders (the former free peasantry) by the end of the Middle Ages became dependent on their lords and could no longer make a living from their land: social and economic conditions, where the traditional small-tenant peasantry is strong, do not allow the development of modern capitalism. But,

Wherever there was the mere lord and the mere serf, they could almost instantly be turned into the mere employer and the mere employee. Wherever there has been the free man, even when he was relatively less rich and powerful, his mere memory has made complete industrial capitalism impossible.⁶

The most characteristic phenomenon of modern industrial capitalism in Chesterton’s assessment – as well as according to Belloc’s analysis – is the development and creation of the so-called “trusts,” economic monopolies that deliberately strangle small businesses, while not infrequently operating as a criminal consortium, intertwined with political and state power. This form of monopoly is possible because, as a result of the industrialization of the world, super-rich capitalists, billionaires emerged who are able to influence the state and society according to their own business interests. According to Chesterton, the means of manipulating or ‘hypnotizing’ society is, above all, advertising, which

[...] can hypnotize the human brain; that people are dragged by a deadly fascination into the doors of a shop as into the mouth of a snake; that the subconscious is captured and the will paralysed by repetition; that we are all made to move like mechanical dolls when a Yankee advertiser says, "Do It Now".⁷

Through the processes of capitalism described above, the world of the British utopian socialists (Bellamy, Wells, Webb) had already been realized by the capitalists: 'a centralized, impersonal, and monotonous civilization' – wrote Chesterton – an accurate description of the civilization that exists today. Employees of capitalist states have exactly the same urges and characteristics that would exist in them if they were servants or slaves.

[...] from the moment he wakes up to the moment he goes to sleep again, his life is run in grooves made for him by other people, and often other people he will never even know. He lives in a house that he does not own, that he did not make, that he does not want. He moves everywhere in ruts; he always goes up to his work on rails.⁸

What kind of solution does the author propose for the resulting situation, which does not promise a positive end in the least? First of all, his solution is the distributive state already mentioned by Belloc. In Chesterton's interpretation, a distributive state would be a kind of return to the system of smallholder free peasant farms. There is a need for dividing large estates, the cessation of trusts, economic-industrial-political mergers, the current banking system and for many people returning to agriculture. Chesterton emphasized: He does not intend to seduce people out of a thriving business, but suggests a resumption after an already bankrupt attempt – assessing the situation of the British economy at the time (after World War I) in relation to

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the loss of 19th-century trade supremacy. He believed that the further path of capitalism would in any case lead to economic and social collapse, while most of the people still have the will and determination, to break away from the undoubted benefits of modern industrial civilization — above all, luxury, power, and convenience — and return to a “simpler” way of life.

Chesterton believed that the free peasant is living a „full life” as he consumes products produced by his own hand or his proximity, so much less affected by the destructive and deceptive effects of advertising and the Plutocracy of advanced industrial civilizations than the so-called “progressive” urban man. A free peasant, since he is no one’s employee and lives by his own land, could be less blackmailed than a modern employee or industrial worker who is virtually exposed to his employer. Because the peasant’s activity is “non-mechanical” much less detached from nature, so he is more creative, less characterized by the depressive monotony, which is a hallmark of a modern metropolitan society. In Chesterton’s view, the distributive state — although the practical operation of that state is rather vague, is essentially the only chance for humanity to escape the complete mechanization and complete rule of industrial and technological trusts which, like Belloc’s concepts of the servile state or slave state, would bring about the total control of the capitalist corporations over humanity.

The symbol of the distributive state is typically the arch, which could also be a beautiful symbol of medieval Christian Catholic civilization. An architectural piece that demonstrates the theory: the many forces can balance each other and run in the same direction that can hold the arch toward the sky, that is, overcome the “gravity” of human nature and thus create the vertically ascending connection between heaven and earth, creating the wonderful inner spaces of a gothic cathedral.

Of course, both Belloc’s and Chesterton’s ideas have been

widely criticized. Fabian George Bernard Shaw, for example, saw the distributist idea as the result of “Catholic credulity susceptible to fairy tales.” A great number of critiques exist about the utopian or overly optimistic approach of the distributist theories.

The idea of the human person, which is not bound by principles of economy, can be derived primarily from religious moral considerations.

It is naive to think that the human mind will not seek to create an economic situation against potential competitors that would give it an advantage — even along with a possible disadvantage for the competitor. It can also be argued that if people were more intelligent generally, the “hypnotizing” power of advertising and political-economic propaganda would not work, but the fact is - the large masses are easily influenced and manipulated. To suggest that the masses, socialized in the environment of the industrial-technical apparatus of late modernity and its advanced technical civilization, would voluntarily return to a social existence where almost everyone has to do uncomfortable physical work is, to put it mildly, unrealistic. A critic of distributionism can also say: While capitalism and its current state — whether we consider it ultimately negative or positive — are in line with the real qualities and possibilities of man, the ideal peasant society based on smallholders envisioned by the distributist is nothing more than a romantic Utopia.

Anti-capitalist and distributist thinkers could also be criticized for the fact that they have not noticed: the direction of modernity is not only unfavourable, but leaves no room for any agrarian utopia. Forced industrialization may be temporarily pushed into the background, but the technocratic rationality that underlies and serves it, the proven possibility of material power over nature, and the material benefits of exploiting nature as a resource are deeply integrated in the mentality of modern economy. The idea that, leaving the triad of consumption-con-

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venience-entertainment created by the processes of modern technology, humanity would almost automatically return to a near-natural economy, thereby undertaking a conscious reversal of the direction of the economic processes, contradicts the logic of modernity. Looking back from the beginning of the 21st century and taking into account the processes leading so far the facts are: complete mechanization of agriculture, quasi-cessation of agriculture in vast areas of Europe and the world, almost complete disappearance of the traditional peasant class, high-tech factory cities instead of garden cities. Creating an agrarian and distributist state seems an even less realistic option.

Contrary to the above, however, one could argue: we must not forget that the concept of ‘human nature’ is sufficiently flexible to enable justifying something by reference to it and, at the same time, to the opposite. As the Hungarian political philosopher Tamás Nyirkos formulates, “When an economic theory describes man as a rational, egocentric, and profit-maximizing being, it actually wants to create this type of man as the most appropriate for a free-market economy.”⁹

The contradictions, historical anachronisms, and other weaknesses of Belloc and Chesterton’s critique of capitalism can be easily noticed, but it is worth noting that these weaknesses are more about justifying the proposed solution, and less about the critique itself. And the fact that there have indeed been periods in human history when economic functionalism may have been surpassed by a materially “useless” endeavour, is no better than a symbol they so fondly use and refer to: the monumental enterprise of the construction of a Gothic cathedral. Everything else, the somewhat romanticized and idealized conception of the peasantry’s positive simplicity, or the paradigmatic nature of medieval Catholic civilization can be understood above all together with this background.

The idea of a return from modern industrial capitalism to

a “simpler form of life” is worth considering, even if it is really not very likely that modern man would want to do so, either in a larger mass or at all. However, from the fact that current world processes, from a global perspective, do not clearly point in this direction, we cannot necessarily conclude that there may never be a possible moment in human history when man simply decides to proceed differently, or a possible tragedy forces him to continue otherwise.

As for the distributist arguments against capitalism: Highly mechanized technical civilization can undoubtedly give the appearance of development and progress in the eyes of those who identify civilization with culture. In contrast to the “pre-capitalist” economy based on agriculture that has been brought to the fore by distributists, it seems clear that increased economic activity tends to reduce poverty. Although very few super-rich billionaires and relatively few *totally* impoverished people appear in the later stages of capitalism, it does not appear that a large mass of humanity would be placed in worse material conditions *because of* the enrichment of billionaires. In non-capitalist and non-industrialized peasant societies, there is no abundance of goods or comfort, and the raw nature of the conditions, the vulnerability to natural processes seems to be associated with underdevelopment of financial management. It is worth noting however, that Chesterton and Belloc are undoubtedly right about the following: the vast majority of the population of modern states do not have an autonomous economic base, and are directly dependent on their employer as employees, their lifestyles and living conditions, their most direct economic and social relationships are primarily affected by them. We also owe a number of valuable insights to distributists, regarding their thoughts on monopoly.

The conditions of modern industrial capitalism realize the dominance of economy, or the spheres directly related to it, over areas and *values* outside economy. This is reflected in the efforts

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to continuously increase production, the constant expansion of multinational corporations, which may be able to shape and manage state politics. We can see some of these processes mirrored in the events of today's world politics: politicians have a lot of shareholding and interests of big business, the so-called democratic states have a lot of authoritarian or near totalitarian features, they are increasingly built on propaganda, while politicians try to protect the people from more and more possible menaces with growing amount of regulations and restrictions.

If we mention the tendencies and projections of capitalism related to *Kultur* in the Spenglerian sense: in the current stage of capitalism, we see that the technical processes related to production and acquisition of physical objects, the related professions and activities are so appreciated that culture is ultimately subordinated to "civilization." Modern capitalistic civilisation puts man's intellectual and material activity at the service of material accumulation and the seemingly endless technical development. A successful businessman today undoubtedly has a higher status, either in the life of society or in the eyes of the fellowman, than the traditional representatives of culture: the priest, the teacher, the writer, or the scientist in the classical sense, and the all-encompassing commercialization is undoubtedly the general law of social coexistence, in which economically non-convertible values are threatened with destruction.

If economic processes, thanks to the undoubted success of a modern, highly technological economy, continue to develop to a degree and in a manner similar to the current one, it will also help mechanical and technical processes to take over other areas of life. Along with technical development, in addition to the ideas that seek to rationalize it, there have been a number of recent negative trends, dystopian ideas, along with the idea of robotization, digitization, and the so-called "fourth industrial revolution" – which was announced by the leader of the World

Economic Forum. Undoubtedly, these processes could be associated with the growing power of economic trusts – mentioned by Chesterton and Belloc. In connection with the negative effects of further mechanization: working with machines also makes the work process mechanical and one-sided, unlike in the traditional peasant economy, where human work was indeed more in tune with natural processes. “The problem is not that machines are mechanical, but that people are made mechanical”¹⁰ as T. S. Eliot wrote in connection with Chesterton’s critique of the machine – and in this warning we can grasp ideas to consider for the present processes and developments of world capitalism.

British Critiques of Capitalism (Belloc and Chesterton)

Endnotes

1. Hilaire Belloc: The liberal tradition. In: F. Y. Edgeworth (szerk.) *Essays in liberalism by six Oxford men*. Casell and Company. London, 1897. 1-31, 29.
2. Hilaire Belloc: Thoughts about Modern Thought. *The New Age*, 1907, II/6, december 7. 1907. 108.-111, 108.
3. Hilaire Belloc: *The Servile State* T. N. Foulis, London and Edinburgh, 1912. 18.
4. Ibid, 12.
5. Gilbert Keith Chesterton: *The Outline of Sanity*. Ihs Press, Norfolk, 48.
6. Ibid. 42.
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ARE FREE MARKET AND COMPETITION CONSERVATIVE VALUES?

Dušan Dostanić

If we understand conservatism as a “philosophy of imperfection”, or “limited style of politics,”¹ we will hardly find a principled objection why conservatism so defined would not be linkable with the market. It is not difficult to notice the connection between spontaneous, historically created order and action of free market. In fact, from the conservative premise of human imperfection, intellectual and cognitive limitations and unintended consequences of human action, it is possible to derive an argument in favor of the market. In addition, market can be viewed both as a means of social discipline and as an instrument for maintenance of social stability.

Nevertheless, it seems this connection is not so strong and self-explanatory as it might look at first glance. Unlike traditional conservative emphasis on the value of involuntary institutions, duties and obligations, the market logic implies contractual relations among people. However, it was the conservatives who, by defending traditional institutions, protested against contractualist logic, insisting that the state, nation or marriage are more than a contract.

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So, is the tension between conservatism and market contingent, or is it an essential irreconcilability? In order to answer this question, it is necessary to reconsider the relation of conservatives with the free market from historical perspective.

We will not be wrong if we say that European conservative tradition, since its very beginning has been looking with suspicion both at trade and at competition. Conservative relation towards the market and competition primarily reflects their relation towards trade and money, i.e., the aversion which the nobility nurtured against cities and urban economic life. Thus, in European aristocratic-conservative tradition we very early notice the opposition between the city and the village, which would be accompanied with opposition of city manufacture and trade to village and agriculture.

In fact, there was a feeling of displeasure towards money, luxury and monetary economy among the conservatives. Commerce was viewed similarly; therefore, for conservatives, the usurer and the merchant were not essentially different and this resulted in requests for prohibition of interest, and for limitation of trade. In Coke's opinion "usury is directly against the law of God".² Graf zu Solms requested that peasants and craftsmen be protected from merchants, who redeem and take out everything from the country, in order to supplement such created shortage by import, thus harming the domestic craftsmen.³ Early conservatives also advocated against absolutist attempts to introduce free entrepreneurship i.e., to allow free choice of profession and abolish guilds.

In the article "Keine Beförderung nach Verdinsten" Justus Möser attacked the principle that the advancement in the mil-

itary should be based on personal merit, arguing that human nature is such that all think the best of themselves. With such thoughts we drive away sorrow, hope for success and continue to work. In a society in which no advancement is merit-based, everyone is free to flatter himself that his merits were big, but that he was not lucky. But if merits were to decide, then those who were unsuccessful would feel insulted and humiliated, and start to feel hatred and hostility towards those who surpassed them.⁴ Möser's argument does not refer only to merit-based advancement, but is in fact an argument against competition. As long as human nature is like it is, for those who had worse results it will be difficult to admit to themselves that they are the ones to be blamed for the failure. Instead, they will hate and envy the more successful ones and suffer for being underestimated. Möser thus pointed to social and psychological price of promotion of meritocracy. Competition will ultimately breed frustration among the majority of population and thereby undermine the community and traditional ties as well.

This animosity towards trade continues later on, so we also find it in Herder, who claims that the commercial spirit of the Netherlands brought it to unavoidable failure which was, indeed, coming gradually. The commercial spirit and commercialization, according to Herder, bring moral deterioration. They squeeze out the spirit of valor, of great undertakings, of real statesmanship, wisdom and education, so ultimately everything becomes merchandise and everything is on sale. The commercial spirit deprives a country of genius.⁵ So, already in Herder we find the argument that commercial spirit reduces the cultural level of a state.

The German romantics developed a strong conservative critique of capitalism. Maybe the worst consequence of market action was the general decrease in religion, culture and morals, and creation of discord and disharmony. Market economy favors

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growth of materialism and general utilitarianism, it esteems only what contributes to direct, physical enjoyment, thereby leaving no room for spirituality, philosophy and art.⁶

Friedrich Schlegel is on the same track when saying in *Reise nach Frankreich* that ‘profit and usury’ are what guides everything and decide on everything.⁷ Not without animosity, Schlegel points to commercial bustling of the city of Metz. In the streets there is one shop next to another, masses of people and tumult everywhere, while living seems dissolved in general purchase and consumption. Here one can find everything to satisfy the senses, but nothing to satisfy the fantasy.⁸ What romanticists find particularly annoying is the idea brought by the market, that everything is alienable.

According to Adam Müller, monetary economy is the “most general manifestation of asocial spirit, arrogant egoism, immoral delight for false mind and wrong enlightenment...”⁹ It destroys solidarity and charity among people. In that sense Müller readily drew parallels between the development of enlightenment, political revolution in France and industrial revolution in England.

Müller developed the idea that division of labor negatively influences human development. In his works we see the commitment against freedom of the market. In order to be productive, private wealth needs to be in relation with general wealth, however not with any, but with its own- national, state, homeland. In order to illustrate his position, he refers to the example of matrimony. The question whether a defined, permanent general wealth also belongs to each particular and permanent individual wealth, or if individual wealth unconditionally must preserve the freedom to enter by its own will into the relation with any possible earthly general property is the same as asking whether one specific marriage and the sacrament of marriage should exist, or everybody can enter the relation with all representatives of other sex regardless the civil order.¹⁰ Unconditional freedom of profes-

sion and competition therefore means the same as unconditional free love, i.e., the end of civil order. According to romanticists, competition and free market cannot guarantee the good of the whole.

Arm in arm with this distrust toward the market is the romanticists' aversion toward money; Burke and Tocqueville, also expressed animosity toward fluid, movable, monetary property, describing it as the main reason for instability. If not everything is for sale, it also means that not all values can be expressed in money. Müller of course did not want to abolish money; moreover, he claimed that there is no society without money because money is the ultimate symbol of human sociability, that is, community. However, he wanted to limit its power, and the best dam against the rule of money, in Müller's opinion, were traditional agriculture and land property. For Müller, and for Burke as well, there is a war between the old, noble, land-wise and new, monetary wealth. Money implies the desire for change and instability, while interest in land requires stability, order and responsibility.

The acting power of money is large and blessed when opposed by independent agriculture, personal force of real art, unpayable honor and virtue and when it is contained within beneficial limits. In fact, only unalienable things and indivisible work of a higher order are capable of limiting catastrophic intrusion of monetary interests into the sacred matters of life, as they are not blindly interfered with by the need for money and enslaved by it.¹¹

Müller also insists that market and unlimited competition lead to an increase in poverty, and not of "natural" but "artificial" poverty, which is the consequence of unnatural business environment. Artificially poor were not impoverished only in material sense, it is accompanied with "personal and moral humiliation" of those who in full strength live in poverty. i.e., slavery, deprived of the "self-feeling of free action" and their fellow citizens dis-

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regard them.¹² Müller concludes that such order will unavoidably lead to dissolution of the nation and division to the group which works and pays taxes and idle group of capitalists and landlords,¹³ which might bring class struggle and revolution as a consequence. Thus it can be said that romanticist conservatives were the first to draw attention to the social issue before the leftist Hegelians, i.e., they forged the concept of 'proletariat'.¹⁴ Considering that a man is always a part of a family, corporation, municipality, and that he is committed to them with his life and death, these same institutions have obligations towards their members and should take care about them. None should be left unprotected against the forces of the market.

In addition, the state is observed as the power which should discipline economic forces. According to Friedrich Schlegel, its task is to oversee the exchange of property and to unify all forces towards the same goal. The state takes care not to allow accumulation of too much wealth on one side and too much poverty on the other.¹⁵ Schlegel also proposed that only the state can deal with foreign trade.¹⁶ It is not difficult to note parallels among the works of Schlegel, Müller and Baader¹⁷ and Fichte's ideas about commerce, profit, money and state intervention presented in *Der geschlossene Handelsstaat*.

Such development is characteristic not only of German lands in the 19th century. Namely, in France Louis de Bonald saw „commerce, industry, and large cities as just as subversive of 'constituted' society as the natural rights doctrines of the Jacobins“. ¹⁸ The city increases social distances among the individuals, weakens marriage and family and attributes moneyed character to everything in life. And similar ideas were to be found in Britain by Coleridge and Carlyle.

The nineteenth century, however, led to divisions in the conservative camp. On the one side one can follow the conservatives' attempt to approach liberals as much as possible, and the

emergence of social-conservatives on the other. Social-conservatives notice the weight of social issue, understanding it as a crisis of social life which cannot be resolved by charity organizations. This crisis was, according to Hermann Wagener, caused by social-destructive forces of economic liberalism which destroyed old, traditional and organic structures of social-economic order and led to wide-spread poverty and misery.¹⁹ In order to avoid the evils of workers' revolution, it was necessary to carry out serious structural reforms and integrate the working class into the state. Lorenz von Stein, the most important representative of social conservatism, recognized that exploitation and poverty in comprehensive sense, are characteristic of industrial society and domination of the market. He says that industrial society brings along a new kind of poverty, pauperization or mass poverty – material, as well as spiritual. “In recent time, the focus was rightly on this industrial poverty, more than on any other form of poverty. Because it is not only an accidental and temporary situation, but *an unavoidable consequence* of industrial society.”²⁰ However, Stein did not speak only about material misery which workers live in. He was interested in their spiritual poverty as well, because daily repetition of the same actions throws not only the body, but also the spirit out of its natural balance.²¹ It is not difficult to notice similarities between what Stein calls spiritual poverty and what Schleiermacher and Müller wrote before him.

Pauperization gains its full contents when one understands that it is not only plain poverty, but poverty which is reproducing itself – poverty which becomes hereditary.²² Therefore, it is a qualitatively new phenomenon, because while common poverty emerges due to the lack of job, and therefore the wage, pauperization is produced with work and wage. In other words, workers are not capable of rising above their position through their own work. Work hence does not liberate, as philosophers once believed, but it subjugates.

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The confrontation between work and capital, rich and poor, in Stein's opinion only leads to further conflicts, and its logical consequence is social revolution. In order to prevent breaking out of revolution, Stein advocates for comprehensive reforms, with no intention to remove social inequalities as such, destroy hierarchy or abolish antagonism between work and capital, which he believes will exist as long as the human society.²³ Stein does not advocate abolishment of private property either, because like other conservatives he thinks that property enables freedom. His reform implies enabling workers to acquire property and education, i.e. to overcome the state of poverty with their own work. "Definition of personal freedom in this society is therefore in that the last worker has the possibility to become the capital owner."²⁴ The background of Stein's system clearly shows typical conservative foundations, so we can also find in his work the idea that unconstrained forces of market and competition, when allowed a limitless action, destroy the community and freedom, and lead to submission. According to Stein, the state should preserve the community and enable individual development of all. In that sense the state not only has the right to interfere into economic flows, it also has the moral obligation to do so. The crown of Stein's insights is his idea of social kingdom. Stein's, and Wagener's king is the king in an old, conservative interpretation. He is the father and the protector of the nation.

In certain sense, this conservative emphasis on social reforms also meant departure from old conservative ideal of estate based society, as well as recognition that the existing policy is unable to resolve the pauperization problem. This breakup is obvious in Wagener who says that there are no estates, so that something new should be created, which would correspond to it.²⁵

Conservatives during the 20th century go even further. Hans Freyer criticized market economy from the point of ethnic nationalism, because it destroys nation and national identity.

Like Möser and Herder, Freyer espouses respect for particularisms, uniqueness and cultural specificities, and criticizes capitalism which cancels these specificities and deprives life from the sense which only the collectivity, such is the nation and specific national culture can give it. Finally, Freyer concludes that open society is a senseless society.²⁶ Some conservatives advocated non-Marxist socialism, like Spengler who preached Prussianism as the German variant of socialism. The main issue for Spengler is whether commerce will rule the state or the state will rule commerce. “For the conservatives there can be only conscious socialism or annihilation. But we must be freed of the English and French forms of democracy. We have our own. The meaning of socialism is that life is dominated not by the contrast of rich and poor but by rank as determined by achievement and ability. That is *our* kind of freedom: freedom from the economic capriciousness of the individual.”²⁷

Arthur Moeller van den Bruck was a conservative who advocated creation of an order worth preserving. In that new order socialist ideas would have a special place, so in his fight against Marxist socialism he declared: “Each people has its own socialism” and “The conservative’s enemy is the liberal.”²⁸

In France, Charles Maurras thought that capitalism and plutocracy are as guilty of the destruction of traditional society as are democrats and socialists. Maurras is disgusted by an economic and social order which is left to “the blind conflict of self-interest and ... the indomitable pursuit of individual advantage.”²⁹ Instead of proclaimed paradise, emancipation from the chains of traditional society offers in return a new slavery to faceless forces of money, without any feeling of responsibility. “This most absolute domination, and the most irresponsible of all, is however the one that prevails in the countries that are called advanced. In America it begins to weigh more than religion, which it does not fail to do in Europe only because it is placed under the tutelage

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of political power when it is based on blood.”³⁰ Thus Maurras reiterates the old conservative attitude that the traditional order was better than modern society.

The trend of rapprochement of conservatives and liberals continued also during the 20th century, primarily through experience of World War Two and Cold War, as well as numerous weaknesses of the welfare state noticed in the aftermath. Conservatives will not hesitate to note that in the long run, the welfare state harms people which it wants to serve. However, even among conservatives who tried to approach liberals, from time to time one can notice certain skepticism towards the market forces.

Thus Ernst Nolte notices that the market cannot be the total or only reality. Counter-realities would be market rules, police, state, idealism, emotions... Without these necessary counter-realities, market could not exist. Without charitable or social state impulses, the despair of the poor could lead to serious rebellions. For the market to exist, it requires other, non-market directed institutions, among which are independent judiciary, consumers' organizations and, ultimately, the state. Therefore, a “pure capitalist” society of “egoistic devils” would be impossible. Application of the principle of competition to all spheres of society is thus considered harmful. Nolte is also aware of political fickleness of entrepreneurs. In the time of economic boom, entrepreneurs demand opening of borders and bringing labor force in, while in the time of economic bust they leave the care for the unemployed to the state. Accordingly, the state must discipline the capitalists. In short, a certain balance must be established between “structure” and “competition”.³¹ Thus we observe the old conservative elements directed to ‘disciplining’ the market in Nolte’s work as well.

Roger Scruton also advocated disciplining the market and limiting its negative effects. He argued that in a “true spontaneous order the constraints are already there, in the form of customs, laws and morals. ... Although Hayek may be right in believing that free market and traditional morality are both forms of spontaneous order and both to be justified epistemically, it does not follow that the two will not conflict.”³² The market therefore cannot properly function without the support of legal and moral sanctions affecting those not observing the agreement. “But modern economies have developed ways of avoiding costs or passing them on, that effectively remove the sanctions from dishonest or manipulative behaviour.”³³ Scruton does not want to leave the job of disciplining the market to the hands of the state. Thus modern conservatism attempts to avoid both the traps of the market and of the state. Therefore “the role of the state is, or ought to be, both less than the socialists require, and more than the classical liberals permit. The state has a goal, which is to protect civil society from its external enemies and its internal disorders. It cannot be merely the ‘night watchman state’... since civil society depends upon attachments that must be renewed and, in modern circumstances, these attachments cannot be renewed without the collective provision of welfare. On the other hand, the state cannot be the universal provider and regulator advocated by the egalitarians, since value and commitment emerge from autonomous associations, which flourish only if they can grow from below.”³⁴ Actually, Scruton wanted to put *oikos* back to economy (*oikonomia*), because without the *oikos* economy ceases to be a practical science and becomes an ideology instead, an ideology every bit as insane as Marxism or fascism. In short, conservatives refuse to sacrifice community, sovereignty and tradition to the idols of economic growth and global market.

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Regarding this, it can be said that for conservatives market is not a value. Conservatives were always deeply concerned about the negative effects of the free market and unconstrained competition. The market was considered a mechanism with dangerous flaws, which undermines community, traditional structures, religion, morality, culture... Each defense of competition which sees a value *per se* in it and which insists on market principles everywhere is not and cannot be conservative. After all, today's forces of global market probably have more in common with the left-wing agenda than with conservatives. Market and competition should remain limited to their sphere and disciplined. Conservatives agree with Othmar Spann's words that the economy should serve the nation and not the other way around. What changed in conservative thought over time are only the methods and scope in which market forces should be disciplined.

Endnotes

1. See: Noël O'Sullivan, *Conservatism*, London, 1976; Anthony Quinton, *Politics of Imperfection*, London and Boston, 1978.
2. Panajotis Kondylis, *Konservativismus, geschichtlicher Gehalt und Untergang*, Stuttgart, 1986, p. 179.
3. Ibidem.
4. Justus Möser, „Keine Beförderung nach Verdinsten“ in: Justus Möser, *Sämmtliche Werke*, Zweyter Band, (Berlin, Stettin: Friedrich Nikolai, 1798), 190-194.
5. Johann Gottfried Herder, *Journal meiner Reise im Jahr 1769*, (Stuttgart: Philipp Reclam jun, 2008), 88-89.
6. “With growing culture, needs had become more diverse, and the moral attitudes had lagged behind all these luxurious inventions, all the refinements of the enjoyment of life and comfort. Sensuality had too quickly gained enormous ground. In just same proportion as people cultivated this side of their nature, and become lost in the most multifarious activity and most comfortable feeling of self, the other side had to seem to them insignificant, narrow and distant.” Friedrich von Hardenberg Novalis, *Glauben und Liebe oder der König und die Königin*, in Novalis Schriften, ed. Jakob Minor, Dritter Band, Jena, 1907, no. 30, p. 158.
7. Friedrich Schlegel, *Reise nach Frankreich*, in *Kritische Friedrich-Schlegel-Ausgabe*, ed. Ernst Behler, Band 7, (München, 1966), pp. 71-72.
8. Ibid., pp. 69-70.
9. Adam Müller, ‘Die heutige Wissenschaft der Nationalökonomie kurz und satzlich dargestellt’ in *Ausgewählte Abhandlungen*, ed. Jakob Baxa (Jena, 1921), p. 21.
10. Adam Müller, ‘Von der Gewerbefreiheit’ in, *Ausgewählte Abhandlungen*, ed. Jakob Baxa, (Jena, 1921), p. 36.
11. Adam Müller, ‘Die heutige Wissenschaft’, p. 22.
12. Adam Müller, ‘Über die Errichtung der Sparbanken’ in *Ausgewählte Abhandlungen*, ed. Jakob Baxa, (Jena, 1921), pp. 67, 68.
13. Adam Müller, *Die innere Staatshaushaltung; systematisch dargestellt auf theologischer Grundlage*, in *Schriften zur Staatsphilosophie*, ed. Rudolf Kohler, (München, 1923), pp. 260-261.
14. Franz von Baader, ‘Über das dermalige Mißverhältnis der Vermö-

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- genslosen oder Proletairs' in *Franz von Baaders Schriften zur Gesellschaftsphilosophie*, ed. Johannes Sauter, Jena, 1925, pp. 319-338.
15. Friedrich Schlegel, *Die Entwicklung der Philosophie in zwölf Büchern*, in *Kritische Friedrich-Schlegel-Ausgabe*, ed. Ernst Behler, Band 13, (München, 1964), p. 120.
16. Ibidem, pp. 120, 129.
17. See for example Franz von Baader, 'Über das sog. Freiheitssystem' in: *Franz von Baaders Schriften zur Gesellschaftsphilosophie*, ed. Johannes Sauter, Jena, 1925, pp. 9-21.
18. Robert Nisbet, *Conservatism: Dream and Reality*, Routledge, London 2017, p. 77.
19. Hans-Christof Kraus, 'Hermann Wagener' in *Politische Theorien des 19. Jahrhunderts III. Antworten auf die soziale Frage*, ed. Bernd Heidenreich, Wiesbaden, 2000, p. 176.
20. Lorenz von Stein, *Geschichte der sozialen Bewegung in Frankreich von 1789 bis auf unsere Tage*, II Band, Leipzig, 1850, p. 75.
21. Ibid., II, p. 80.
22. Ibid., II, p. 83.
23. Ibid., I, p. XXIII.
24. Ibid., I, p. CXXXVIII.
25. Kraus, 'Hermann Wagener' p. 188.
26. Jerry Muller, *The Mind and Market: Capitalism in Modern European Thought*, New York, 2002, pp. 278-282.
27. Oswald Spengler, *Preussentum und Sozialismus*, (München, 1920), p. 98.
28. Arthur Moeller van den Bruck, *Das dritte Reich*, Hamburg, Berlin and, Leipzig, 1931, pp. 29, 246.
29. Charles Maurras, "The Politics of Nature" in: J. S. McClelland (ed.), *The French Right*, New York and Evanston: Harper & Row, Publishers, 1970, p. 265.
30. Charles Maurras, *The Future of the Intelligentsia & For a French Awakening*, Arktos Media, London, 2016, p. 7.
31. Ernst Nolte, *Späte Reflexionen: Über den Weltbürgerkrieg des 20. Jahrhunderts*, Wien, 2011, pp. 218-223.
32. Roger Scruton, *How to be a Conservative*, London, 2014, p. 57.
33. Ibid., p. 58.
34. Ibid. p. 136.

A CRITIC OF CAPITALISM BEFORE MARX: ADAM MÜLLER

Áron Czopf

For most scholars, political romanticism and romantic economic theory seem to be divisive issues, therefore they generally agree on the one point – that the spirit of Romantic thinkers is best understood in terms of contradictions. If we reduce the complexity of life and work of these thinkers, it is indeed hard to find any underlying principle in the romantic mind, other than overwhelming oppositional structures. But what is a paradoxical contradiction to the rationalist approach, is a simple juxtaposition for the romantic. It is remarkable that both biographies and intellectual portraits of Romantic authors are full of sharp contrasts.

One of the founding fathers of romantic economic theory, Adam Müller, for example, followed a remarkable path in this respect. As Hannah Arendt highlights, he was born a Protestant bourgeois in Prussia and, surprisingly, given his background, died a Catholic nobleman in Vienna.¹ It would be hard to imagine a more contrasting intellectual portrait in the German-speaking

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countries of 19th century Europe. According to Carl Schmitt, Müller was a typical Romantic in that he resolved the opposing forces of political reality into some higher unity, thereby obscuring the notion of the political.² Somewhat contradicting this late criticism, Müller's thinking was consciously built on the juxtaposition of opposites.

In his first major work, *Die Lehre vom Gegensatze* (The Doctrine of Opposites) Müller founded the very notion of identity on opposites:

der Begriff der Identität wird nur möglich durch den Wechsel, durch die Veränderung des Standpunktes, ich bin den, welche jetzt hört und vorher redete, denselbigen (eundem) zu nennen nur dadurch veranlaßt, daß ich ihn jetzt in einer andern Gestalt wiedersehe. Wir werden weiter unten in der Darstellung des Gegensatzes von Ich und Gegenich, diese Kritik der Identität fortsetzen³

[the concept of identity becomes possible only through change, through a shift of standpoint; I am the one who listens now and spoke before, the only cause for calling it the same (eundem) is the fact that I now see it again in a different shape. We will continue this critique of identity below, in the description of the opposition of ego and counter-ego]

If we follow the author's logic, we must assume that there is an all-embracing totality in which all the different realisations of identity can be equally embedded. According to Müller's theory, by relying on the synthesis of opposites, we can form a picture not only of a person's identity, but also of his real wealth.

Eine wahre Darstellung seines Reichthums muß also zugleich aus dem entgegengesetzten Standpunkte betrachtet, Darstellung seiner Oeconomie seyn. Beziehn wir di-

esen Reichthum nicht auf ihn und seine Person, so muß irgend eine andre Einheit als Beziehungsgrund eintreten⁴

[A true representation of his wealth must therefore at the same time, viewed from the opposite standpoint, be a representation of his »Oeconomie«. If we do not relate this wealth to him and his person, some other unity must enter as the ground of relation]

For Müller, it makes no sense to speak of wealth without taking into account the political universality of being as the basis of all economic relations. To focus exclusively on individual, a capitalist understanding of wealth would be a drastic reduction compared to his approach. Capital, which has become a central concept in economics, primarily as a result of Marx's theory, is of course not central to Müller's thinking. He uses the concept of wealth, money, and in particular the medieval German concept of property (*Eigentum*), which does not refer to alienated capital, but to a personal sense of belonging and to a complex system of social determinations.

It was due to the premodern idea of property that the first conservatives in most countries of Europe opposed the liberalisation of free trade of land, because they believed that land cannot be alienated from man, and likewise man cannot be alienated from his land. Until the rise of capitalism, land represented the most dominant frame of reference for the consciousness of the nobility and peasantry. As Mannheim puts it, in the premodern experience of history, "land and soil take over the place of a shortlived individual as a substratum."⁵ No wonder that the rise of capitalism has literally shaken the foundations of the traditional worldview.⁶

This general conservative attitude is also manifested in Müller's opposition to the liberalisation of trade in land.⁷ We can clearly see that conservatism was initially not the least connected with the idea of free market. Müller's criticism of the emerg-

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ing new industrial and economic system is best expressed in his theory of money (*Versuch einer neuen Theorie des Geldes*). Without even opening the book, we can make some preliminary statements just by looking at the cover. Judging by the title, we can see that Müller maintained the claim of originality, since he wanted to create a new theory. The subtitle (“mit besonderer Rücksicht auf Großbritannien”) shows that he took Anglo-Saxon theories as his starting point, whereas he later departed from them. The simplistic claim that Müller was an importer of Anglo-Saxon economic thought is not true - over time, he became a sharp critic of the individualist approach of Smithian economic theory.⁸ The publication date of the book indicates that it occupies a prominent place in the history of German socioeconomic thinking. In 1916, we are still years before Marx was born. In the next section, I will argue that Adam Müller’s theory of money laid the theoretical foundations for a conservative criticism of capitalism.

Let us now open his book and read the sentences in which he focuses on the dehumanising effects of industrial and business activity:

Die unendlichen Gewerbe, Geschäfte und Handthierungen des Menschen, sowohl geistiger als körperlicher Art, darunter jede Einzelne wir heutiges Tages einem einzelnen Menschen übertragen sehen, würden den Staat in eine todte Maschine verwandeln, wenn nicht jeder Arbeiter ungeachtet des ganz einseitigen Geschäftes, welches er treibt, ein vollständiger Mensch zu bleiben vermöchte. Wie einförmig, wie absorbirend das Geschäft der Bürgers auch sey, die Forderung wird immer seyn, daß Er es treibe, und nicht bloß einseitig von dem Geschäfte getrieben werde.⁹

[The infinite trades, businesses, and labour of man, both in-

tellectual and physical, every one of which we now see given over to a single man, would turn the state into a dead machine if every worker were not able to remain a complete man, notwithstanding the entirely one-sided business he is engaged in. However monotonous, however absorbing the business of the citizen may be, the demand will always be that he should do it, and not be merely one-sidedly driven by the business.]

So, if the life of the members of civil society¹⁰ is oriented towards the totality of industry and economy instead of common good, the state turns into “a dead machine”. For Müller, it is also of the highest importance that people do not become cogs in the machinery of industry. They must remain integral persons while maintaining their integrity as political beings. According to his views, this will only be possible if citizens are not driven by business, but they run their own businesses. The most important point here is that the citizen cannot become a passive subject of the economic system, whatever one-sided activity he has to engage in. It is in the interest of the whole of the political community to keep him as a person of integrity.

It is important to stress the distinction between conservative and liberal economic theory, which has already been present since the beginning of the 19th century. They are different primarily in the way they look at the human being. The conservative sees the citizen as a political entity who cannot be abstracted from his social relations or from his supra-individual concept of interest. Liberals, on the other hand, are typically concerned with the abstract individual, detached from all social relations.

For a present day liberal economist, Müller’s criticism of capitalism is almost reminiscent of the rhetorics of the revolutionary left. Reading the following lines, we might find it difficult to decide whether they are from the works of Karl Marx or Adam Müller.

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Geldsklaverei, z. B. die jetzt herrschende Art der Sklaverei ist die schlimmste Art, weil sie mit dem Lügengefühle vermeintlicher Freiheit verbunden ist. Ob man mich ein für allemal unterwirft oder mir täglich alle Lebensbedingungen so lange abspart, bis ich mich unterwerfe; ob ich mich ein für allemal oder täglich von neuem verkaufe, gilt gleichviel¹¹

[Money slavery, for example, the currently prevailing kind of slavery, is the worst kind, because it is connected with the sense of lie of supposed freedom. Whether I am subjugated once and for all, or whether I am daily deprived of all conditions of life until I become subjugated; whether I sell myself once and for all, or daily anew, is all the same]

This could undoubtedly be a description of the capitalist exploitation of the working class, or an integral part of the theory of alienation of labour in one of the works of Karl Marx. However, these lines are not quoted from the *Capital*, first published in 1867, but from Müller's work *On the necessity of a comprehensive theological foundation for political science*, which had appeared almost fifty years earlier, in 1819.¹² What makes the quotation even more interesting is that Müller here not only describes the alienation of labour, but also speaks of the commodification of the worker's body, thus anticipating a biopolitical critique of capitalism that goes far beyond Marx.¹³ In the following quotation we can see that Müller considered the institution of unrestricted private property itself to be a source of slavery:

Hat man also das Bedürfniß der Menschen, das lange Jahrhunderte hindurch in allen wesentlichen Rücksichten eins war mit dem Nationalbedürfniß und unzertrennlich von ihm, von Grundaus privatisirt, und also die Sklaverey des Privateigent-

hums zur einzigen Richtschnur aller menschlichen Bedürfnisse und aller menschlichen Produktion erklärt, nur Verhältnisse zwischen Personen und Sachen gesetzlich anerkannt, dagegen alle Bande zwischen den Personen zerschnitten – dann nehme die Regierung ihre Zwangsmittel wohl in Acht, dann ziehe sie das eiserne Band ihrer Armeen fester und fester, greife alle die ihr verbliebenen Zügel wohl zusammen, und vergesse nicht, daß sie ein unbedingtes und unbegrenztes Privateigentum über diese ganze Horde von Privateigentümern ausüben muß, wie ihr nunmehr auch das Recht dazu zusteht¹⁴

[If, then, the needs of people, which for many centuries in all public spheres were one with and inseparable from the needs of the nation, have become fundamentally private, and thus the slavery of private property is declared to be the only direction of all human need and all human production, and only relations between persons and things are recognised as lawful, and if, on the other hand, all the ties between people and things are cut – then the government should take its means of coercion into careful consideration, then it should pull the iron band of its armies tighter and tighter, grasp all the remaining reins firmly together, and should not forget that it must exercise an unconditional and unlimited private ownership over this whole horde of private owners, just as it now also has the right to do so]

We can try to avoid making the claim that Müller, and with him the first continental conservatives formulated a critique of capitalism. It is true that the term capitalism was not used by them, since it became generally applied mainly as a result of Marx's work. But that is precisely why we have to make the claim which will probably sound provocative: conservatives had a theoretically well-founded recognition of the evils of the capitalist economic system long before the marxists. Conservative authors like Adam Müller were anti-capitalists before Marx.

Endnotes

1. Hannah Arendt: Adam-Müller-Renaissance? [1932]. In: Susannah Young-ah Gottlieb (ed.): *Reflections on Literature and Culture*. Stanford University Press, Stanford, 2007. 38–45. Here: 43.
2. Carl Schmitt: *Politische Romantik*. Sechste Auflage, Duncker & Humblot, Berlin, 1998. 51.
3. Adam Heinrich Müller: *Die Lehre vom Gegensatze*. Erstes Buch. Der Gegensatz. Verlag der Realschulbuchhandlung, Berlin, 1809. 44. The German quotations are inserted with the original orthography in accordance with the close textual analysis of the presentation.
4. Müller: *Die Lehre vom Gegensatze*, 19.
5. Karl Mannheim: *Conservatism. A Contribution to the Sociology of Knowledge*. Translated by David Kettler and Volker Meja. Routledge & Kegan Paul, London – New York, 1986. 98.
6. Baader wrote that this new “absolute money economy” caused a lot of misery by mobilizing the immobile and by making the lands flowing and movable. Franz Baader: *Grundzüge der Societätsphilosophie*. Stahel’sche Buchhandlung, Würzburg, 1837. 22.
7. Thomas Meyer: *Stand und Klasse. Kontinuitätsgeschichte korporativer Staatskonzeptionen im deutschen Konservativismus*. Westdeutscher Verlag, Opladen, 1997. 80.
8. Othmar Spann: *Types of Economic Theory*. Translated by Eden and Cedar Paul. Routledge, Abingdon – New York, 2012. 160.
9. Adam Heinrich Müller: *Versuche einer neuen Theorie des Geldes mit besonderer Rücksicht auf Großbritannien*. Brockhaus, Leipzig – Altenburg, 1816. 133.
10. *Bürger* remained a positive term for conservative thinkers, like the French *citoyen*, in contrast to the bourgeois, which they widely criticised long before Marx. To the central importance of *societas civilis* in conservative thought, see: Panajotis Kondylis: *Konservativismus. Geschichtlicher Gehalt und Untergang*. Klett-Cotta Verlag, Stuttgart, 1986. Kondylis argues that the first conservatives defended civil society in the traditional sense (which roughly corresponds to Aristotle’s notion of political community) against the absolutizing tendencies of the modern state and modern market. In Müller’s case, this latter aim

can be clearly observed in the quote from his book above.

11. Adam Müller: *Von der Nothwendigkeit einer theologischen Grundlage der gesamten Staatswissenschaften und der Staatswirthschaft insbesondere*. Friedrich Christian Wilhelm Vogel, Leipzig, 1819. 55–56.

12. Although the Communist Manifesto condemned “Reactionary Socialism” in general, in his other works Marx specifically referred to Adam Müller, whose work he despised.

13. See Pasolini’s poem *L’orecchiabile*: “La ricchezza aveva il suo ritmo saltellante e prezioso / non orecchiabile. Ma il corpo è col popolo” [Richness had its own bouncy, precious rhythm / [that was] not catchy. But the body is with the people] Pier Paolo Pasolini: *Tutte le poesie*. Volume II. Arnoldo Mondadori Editore, Milano, 2009. 95.

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CONSERVATISM AND CAPITALISM IN THE BYZANTINE COMMONWEALTH OF ORTHODOX NATIONS – THOUGHT AND PRACTICE

Marko Pejković

Conservatism, as Dušan Dostanić has mentioned in one of his works, is not an ideology, but a *worldview*.¹ It is a deep conviction that a paradise on Earth is impossible, and that no human action – no matter how benevolent – is capable of achieving such a goal. The opposite of conservatism would be a belief that social sphere is something to be measured, reformed, shaped and constructed according to the pure rational ideas of human mind.² On the other hand, conservatism is equal to anti-scientism and anti-rationalism. Conservatives, therefore, are not prone to theories about any social phenomena, including economics or capitalism.

Capitalism is much more difficult to define. If we straightforwardly reject the pure marxist definition of capitalism (because it would be completely useless for conservative mind to waste time

with Marxism), we should pay attention to the following dilemma – is capitalism identical to the notion of free market or not? Those who had treated capitalism and free market as synonyms, i.e. as a free and voluntary exchange of goods and services (like Rothbard et al.), hastened to employ special term for a peculiar deviation of capitalism, when economic groups privileged and favoured by the state (although privately owned) use their non-market leverage for their own non-market gain disguised as a market one.³ This deviation of capitalism is called “Big Business”, “cronyism” or “crony capitalism”. Those authors who were neither strictly speaking marxists nor libertarian – like Fernand Braudel – argued that capitalism and free market are different. According to them, capitalism means “big business”, monopolies, fractional banking, speculations and tight connections with state or politicians, while free market was equated with small and medium enterprises without “rent-seeking” provided by political intrigues.⁴ I will employ both these terms as synonyms – free market and capitalism. But, I underline, capitalism only as Rothbard and others have understood it, i.e. capitalism which is not “Big Business” or “crony”.

When I say, “the Byzantine Commonwealth of Orthodox Nations”, I mean the traditional Orthodox societies which have emerged out of the religious, political and/or cultural cradle of Byzantium (Eastern Roman Empire).⁵ Specifically, the dimension of these societies which is untarnished by the progressive European Enlightenment. Here, I will shed light on three such nations: the Byzantine Empire, Serbia and Russia.

Consequently, bearing in mind that, as the Greek historian of economy Oikonomides claims,⁶ the adherence of Byzantium to tradition was a feature of every aspect of state life, profoundly affecting relations between the state and the economy and determining the extent to which the former intervened in the latter, we will dedicate a major part of our speech to the question

of capitalism in the aforementioned societies. These societies weren't libertarian ideals, because the state without any doubt had intervened in the economy, but such intervention was not the consequence of some intellectual plan or theoretic, scientific discussions. As much as was the case in the Western Europe before and to some degree after the Enlightenment, the intervention in economy was legitimized or disguised *via* tradition or precedent. The rationale for intervention was always at least nominally conservative. We are called to determine only the degree and the modes of that intervention.

It is no wonder that we use the term "thought" when elaborating on the issue of capitalism and not the term "theory". Serbian Saint Bishop Nikolay Velimirovic reminds us that Serbian history doesn't recall the time of theoretical or practical attempts to establish the all-pervasive communist society or state, because the Serbs have invented spontaneously and without specific theories and philosophies their rural and urban economic institutions, in full consistency with their Orthodox Faith.⁷ But, the fact that this spontaneous economic practice was something that had preceded the belated, tardy thought about economy doesn't mean that we should not pay our attention to the orthodox economic reflection. Before I proceed to the economic practice, I will point out several important insights in that direction.

Economic thought

Regarding the Eastern Roman Empire, Oikonomides argued that the byzantine politicians had recognized the freedom of economic transactions as the basic pillar of economy.⁸ Angeliki Laiou mentions several Orthodox hagiographies as the main sources for the byzantine economic thought:

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St. Symeon the New Theologian wrote in approving terms of the activities of merchants, lending the weight of his approval to those practices that showed a work ethic and that might maximize profits.⁹ *And similarly: "[This Saint took] as an example five types of improvident merchants who are too lazy to do their job and don't even try to make a profit. The Saint contrasts this with the good merchant who is provident, takes all necessary precautions, works hard, and turns a good profit. (...) and profit is good because the risks and the hard work are all undertaken in the search of profit, what is bad and condemned is to miss the opportunity to engage in trade properly and receive the rewards of one's labor.*¹⁰

Angeliki Laiou also mentions one episode from the hagiography of St. Spiridon, i.e., the parting words of the Saint to a merchant:

*You should not covet the goods of others nor should you pollute your conscience with ruses and lies, for the gain acquired from such actions is not profit but manifest damage.*¹¹

Laiou comments this in more detail. The merchant should have used the money borrowed for trade for profitable investment and not for an excessive consumption. The hagiography of the saint does not condemn at all the merchant's profit, which is conceived as a legitimate part of his trade, rather, it is greed that caused the merchant in question to misbehave as well as his unproductive use of money:

Nowhere, for instance, do we find the condemnation of profits deriving from mercantile enterprise as unclean money... The pious may not touch [the dirty money], but it is not the merchants profit that is at issue. Rather, what is unclean is the

*money made from exactions and from the unjust treatment of the poor, the people who are guilty of such practices are functionaries or the powerful...*¹²

The Serbian conservative thought regarding economy was codified by the aforementioned Saint Nikolaj Velimirovic. This Saint's opinion on Serbian economic praxeology can be interpreted as the *Middle way* between the plutocracy and the monastery. But, before we proceed to analysis of this Saint's thought regarding conservative economy, let me outline briefly his critique of communist ideology *via* his interpretation of the communal life of the first Christian community in Jerusalem - it would be interesting to unmask in this manner all the attempts of contemporary mainstream left to label the Orthodox Christian views on economy as left-leaning:¹³

1. It is true that the property of the first Christians in Jerusalem was common, but the transfer of the private property of all the future members was voluntary and without state intervention, which is not the case in the contemporary socialism or communism.

2. It was the property of the people united spiritually and in terms of values (at least nominally), which is again not the case in the contemporary socialism or communism.

3. The common property was managed not by intellectuals, economic specialists or bureaucrats, but by holy people who had been wielding moral authority and thus had been respected by every single member of the community, which is again not the case in the contemporary socialism or communism.

4. But even there some members had faltered morally - some of them were reluctant to disclose all their private assets.

5. Greeks had been complaining because of the (un)intentional neglect of Greek widows by the Jewish members of the

community, i.e., some ethnic discrepancies had arisen.

Therefore, the first Christian community in Jerusalem had these two setbacks: 1) not all the members were equally capable to endure the new mode of communal life, 2) there were ethnic (in modern era these would almost certainly be ideological) discrepancies.¹⁴ So, after that community had been persecuted and dispersed by the Jews, not all the subsequent Christians resumed this mode of communal life of the first Christian community of Jerusalem, but only some of them and solely as monks in monasteries. Because, as the Saint Nikolay Velimirovic says, Christ had not preached categorically about one and only pattern of economic and social relations that would have been necessary for salvation.¹⁵ And in Orthodox Christianity, throughout history, whenever the communal life and the common property might be observed – one is able to say that it was possible not as a result of certain intellectual or political movement destined to reform society and usher all the mankind in some kind of “earthly paradise,” but as a result of spiritual wish to isolate oneself completely or to a certain degree from the society in order to obtain divine grace. A novice monk was obliged, before he entered particular monastic community, to voluntarily abandon his property and give it to the monastery or to the poor, but the state had nothing to do with it. The Saint Velimirovic continues:

There were no attempts among Serbs [until educated youth returned from the West in the XIX century] to theoretically establish communism or socialism. The Serbs spontaneously – without theories and philosophies – adopted their ‘Middle way’ in economy, and because of that the Serbian history is void of economic-agrarian wars.¹⁶

The Serbian “Middle way” means that the combination of private and common property has spontaneously evolved in Ser-

bia. Private houses, arable lands, workshops, and factories were in private hands, while forests and pastures were common, used by the whole village, valley or region.¹⁷ Also, food storages for farmers and cash reserves (as a sort of private insurance) for entrepreneurs were common. In times of famine or when the head of a family died - every member of the community (that is to say village, valley, region or confederation of enterprises) in need or struck by misfortune could count on stored food or money.¹⁸ And such practice was voluntary without any state intervention or meddling.¹⁹ The Saint concludes his description of the Serbian “*Middle way*”:

*This system helped the Serbs to avoid two equally malignant phenomena: 1) plutocracy of cartels, 2) communism. It helped Serbian man not to become a slave of another man or a slave of the state.*²⁰

The Russian conservative thought about economy was codified by the intellectual circle called *Slavophilia*. The whole thought can be summed up as the idea of preponderance of society over the state, i.e., economy as such should be dominantly out of reach of any state. The historical, spontaneous, non-intentional or organic evolution of Russian society has led Slavophiles to such a conclusion. Just take a look at this quote from one of the Slavophiles – Ivan Aksakov:

The state is like an organic cover or as the bark of a tree, which should be able to change, extend, shrink or adapt itself according to the inner workings and changes of the sapwood (i.e., the people or the society). It would be a misery if the bark of a tree is preponderant - then the bark grows thick, and the sapwood dwindles. And the weaker the sapwood, the worse is that tree whose end is near. And such an outcome no bark-thickness is

*able to prevent. What is at stake here is not whether the bark is robust, but whether the sapwood is robust.*²¹

Economic practice

In Eastern Roman Empire, the estimated total tax burden on the income from land farmed by its owner was 23–30%.²² The main indirect tax was the *kommerkion* levied at 10% in cash on the value of merchandise in transit for sale in a given market.²³ There was a sharp distinction between the economy in the imperial capital Constantinople and in the rest of the Empire.²⁴ In the capital city the economy was much more regulated by the state than in the provinces. But, as Oikonomides points out, although the revenue from Constantinople could have supported the public economy of the empire, and perhaps did in some periods such as the XII century, even then, however, the state's main source of revenue was from the provinces (and it particularly makes sense, because this amount of economic regulation in the capital obviously had no potential to disturb the general economic prosperity of the whole Empire).²⁵ In Constantinople, at least from the X century on, the state set a ceiling on the rate of profit of a number of commercial activities: groceries, fish, bread, resale of bulgarian commodities.²⁶ The profit made by the rich silk merchants who resell to poorer artisans is also regulated.²⁷ All in all, this fixed rate was 8% for poorer traders and 4% for bakers and larger merchants in the aforementioned economic areas.²⁸ At the same time, no rates on profit were set in the provinces. State regulation and administered trade were much less obvious in the provinces and did not even apply to all the commodities in Constantinople. This spontaneous interplay between market and state is vividly depicted by Angleiki Laiou in the episode of the grain market in Rhaidestos in Thrace.²⁹ Here, the sale of grain took place in conditions of pure competition, the prices were

low. The state then once attempted to impose rental fees for the use of special marketplace outside the traditional marketplace of Rhaidestos, but it didn't impose any price on that occasion. Consequently, certain forms of grain-oligopolies were formed and because only these oligopolies were capable of paying newly established fees, the prices of grain simply soared. Nevertheless, this state-sponsored measure failed a few years later. It seems that the state abandoned this measure because the government officials responsible for the grain market in Rhaidestos in coordination with their counterparts in the capital had realized that their policies could have led to the price rise in Constantinople. And that situation would have been possibly detrimental to the imperial political stability. Usury was not prohibited by the state. But, it seems that it was rarely practiced by the Orthodox laymen until the iconoclastic period, when it was practiced more frequently, and soon after it was forbidden by the short-lived imperial measure of Basil I, although it remained forever forbidden later on by the canon law of the Church.³⁰ But to be honest, the usury in the form of fractional banking was also condemned explicitly by some libertarians, such as Rothbard.³¹ The Church, beside usury and dishonest economic ruses and trickeries, had condemned only the profanation of Orthodox Faith by some merchants and people who had been putting their economic values above spiritual ones – for example (according to Laiou), the famous byzantine canonist Balsamon had been complaining about people who go to various locations on feast days and engage in trade.³² To conclude this presentation of economic practice in Byzantine Empire, I would like to quote the following words from Angeliki Laiou:

Unsurprisingly, the rich merchant, as well as the idea that one can become rich through trade begins to appear in the sources. These are people who were making money through trade

*without forming part of an administered trade network, and without being extremely wealthy individuals. The keroularios (chandler) who was robbed of almost 98,5 pounds of gold during the reign of Nikephoros I is a well-known example of people making money by selling products of their trade.*³³

During the medieval period, in Serbia, the serfs were obliged to pay 50% of their agricultural products to the landlord or the monastery (if they were tilling church land), while the landowners were taxed 20% (10% went to the king and 10% to the Church).³⁴ And the Dušan's Code - which is the best known royal charter of medieval Serbia - grants free trade to merchants:

*Merchants are allowed to travel without obstacles and to buy and sell their goods according to the market rules.*³⁵

Of course, certain distortions of market undoubtedly existed. For example, the king's meat and cattle had preeminent position on the market – it had to be sold first and only then the other sellers had a right to offer their products.³⁶ Mining and export of rare metals were also very regulated, as well as grain and wine trade.³⁷ But, all in all, it seems that the state was not more present in the economy than it was the case in the Byzantine Empire.

Let's now take a look at the economic situation in Russia, not during the medieval period, but during the XIX century. According to Yanni Kotsonis, a detailed local case study estimated that tax rates would vary wildly and irregularly as a proportion of household income: 31% of peasant household income in Kursk province and 11% in Pskov.³⁸ Kotsonis narrates the dilemmas that bothered the Russian imperial authorities when the hopes of the introduction of income tax emerged in the second half of the XIX century – the Cadastral Commission in Russia con-

cluded that Russia was too big to be “surveyed,” so the income tax was logistically impossible³⁹ Gathering information about people’s income would be politically unpopular and intrusive.⁴⁰ To classify population according to income didn’t make any sense, because Russia had few incomes as large as in Prussia and no information at all who earned them, so the land was the only taxable unit.⁴¹ The Tax Commission concluded:

*It would require an extreme constraint on each person’s freedom... It would be necessary to investigate each taxable person, and this would strengthen the police or fiscal surveillance of individual persons.*⁴²

Conclusion

The Orthodox capitalism (non-crony capitalism) and the Orthodox conservatism stand in sharp contrast to the progressive socialism/communism, by the mere fact that they are: 1) a kind of capitalism, 2) an antithesis of rationalism. But, these must not be confused with the libertarianism either. Libertarianism is obsessed with the state and frantically eager to reduce the state to its rational limits or dimensions (small, at any rate) or to abolish it completely. The conservative capitalist thought, which belongs to the Tradition of the Byzantine Commonwealth, has much more patience with the state, and thus it is more realistic. It doesn’t strive to abolish the state and it accepts that the state has its logic of existence – sometimes government will be bigger, sometimes smaller in its powers. But, only the practice, i.e., the peaceful, tense or violent interplay between the state and society will determine the temporary boundaries of the government (or the ratio between private and common property), not some ideals, values, intellectual rational plans or logical arguments. Although, the history has shown that the Orthodox society and free trade

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are preponderant over the state – the size of government may vary according to the circumstances, but if it is overstretched in the sense that it is preponderant, then it actually weakens itself to the point of its own extinction, as Ivan Aksakov said.

In my opinion, therefore, the basic traits of the Byzantine conservatism and its relation to the phenomena of non-crony capitalism are pretty much identical with the classical conservative thought of the West, although – I would say – the Orthodox conservatism was more prone to underlining the realities and possibilities of social communal institutions and common property, than the western conservative thought. Also, we must not forget a strong monastic reflection and influence on the orthodox laymen present in the Orthodox conservatism (i.e., the calls for individual repentance, charity and social solidarity with the poor), which was not the case in its western classical counterpart, at least not to such a degree. I also want to debunk the myth of the so-called oppressive and cruel medieval regime of serfdom – at least in our Orthodox world. Serfs were actually an exception in the Byzantine or Russian history. Peasants in Russia and Eastern Roman Empire were, during most of the existence of these empires or civilizations, absolutely free. They could live and work as they wished, the serfdom was imposed periodically and sporadically, or to be more precise, essentially during the later centuries of existence of these empires. In medieval Serbia, the serfs were present all the time, but it seems that majority of the people who tilled the land were actually small landlords and knights, who were very numerous (Konstantin Jirecek, 145, II), and even the priests who were not monks engaged themselves with the cultivation of land together with other laymen. And the tax rate for that minority of serfs who didn't possess their own property in medieval Serbia was 50%, while in many European countries today the total tax burden (along with social contributions) is well above 50% for the people who possess their own

property! It seems that the Orthodox man of the Byzantine cultural circle had had much more freedom before he was swept away by the progressive intellectual currents of modern Enlightenment in the XIX and especially during the XX century.

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