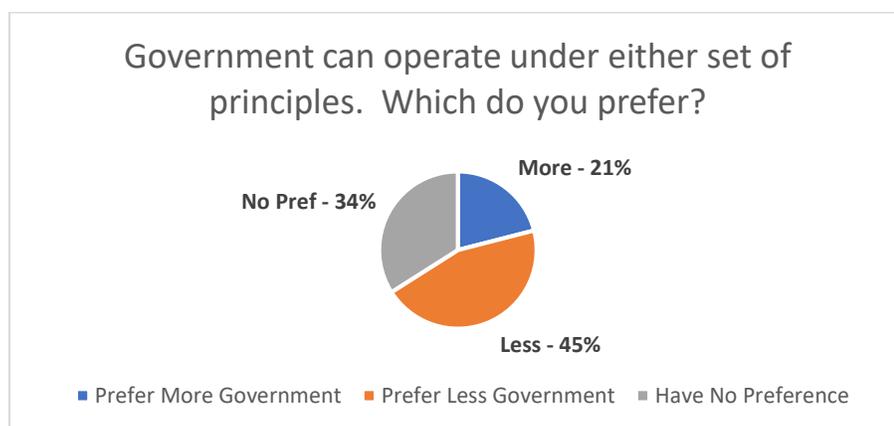


We Are Capitalists! (Sort of)

S.J. Hellebusch
October, 2019

A seasoned researcher, I was curious about what people in the U.S. think about socialism and capitalism. So, I conducted a survey. The results are a “mixed bag.” The good news is that 45% choose capitalism (“Less Government”) – the highest percentage. But 21% choose socialism (“More Government”). A fifth of us are on board with ending freedom! Interestingly (and a little scary), 34% have NO preference. Defending freedom and exercising choice in how one earns a living seem basic, but not only do a sizable minority not think so, even more don’t know!



My curiosity was inspired by reading F. A. Hayek’s books, The Constitution of Liberty and The Road to Serfdom. The survey is national in scope and uses a quota sample of 203 people to reflect the population on age, sex, and geography. I put a full research report on a website (www.HellRC.com).

After declaring their choice – More Government, Less Government, No Preference – people were asked their reasons for it. Some of those who prefer more government picked it because government helps people, keeps us safe, or because they like government control(!). A few thought the government has plenty of money and should share. I wonder where they think government gets money?

Those who prefer less government favor individual freedom, believe capitalism works and socialism does not, and also note government “waste, fraud, and abuse”. They are not fans of government control. They think it very unfair that they work to support able-bodied people who don’t work. There’s strong emotion behind some of those statements.

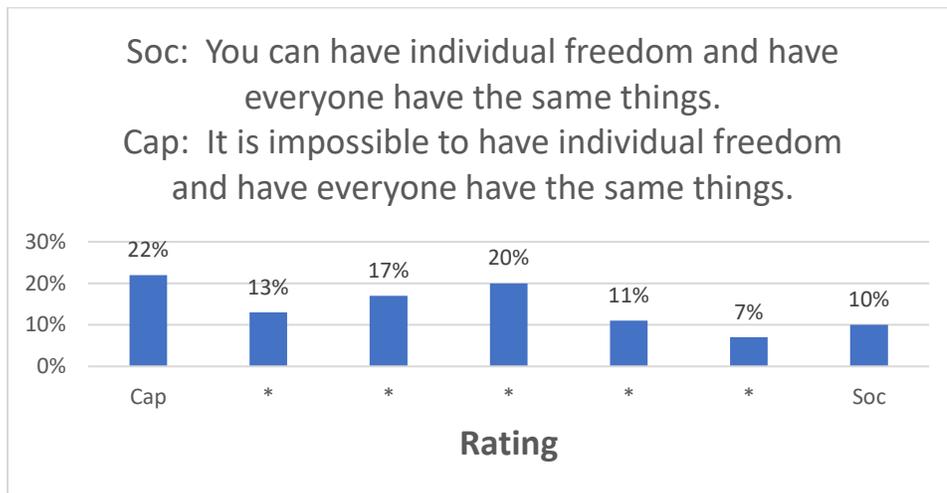
The ‘no preference’ folks startled me. They don’t know why they don’t know, or even scarier, they don’t care which system is in place. Some thought either system was OK; they saw no difference between the two systems. My suspicion is that, because they live

in a free country, these people have no awareness of the incredible power over individuals that a government can exert.

The selections people made between 17 aspects of the two systems showed a net capitalism orientation. But at least a few selected each socialist aspect.

A fifth thought government power to do good should be absolute, rather than limited in case it might be used later for bad. Trusting souls who must know very little history!

On the positive side, the largest group is for freedom and capitalism. Many understand that liberty is not the license to do anything, and that competition is a good thing. Hayek believes that for everyone to have the same things (i.e., zero inequality), a centrally planned economy would be needed, and planners would have to dictate all important parts of life. He also thought that no planning board or group would be able to deal with the complexity of the marketplace. Over a third of the sample agree that it is impossible to have individual freedom in which everyone has the same things. But almost a fifth indicated they thought people could still be free in such a situation.



The other thing that struck me, especially in The Road to Serfdom, was that power of government has over individuals. So, the 2020 election is extremely important. Living in the U.S.A., which is basically free, it never occurred to me how easily the State could remove all freedom, should it choose. Scary stuff. See Hong Kong as a recent example.

One pair of statements explored attitudes toward how judges decide, contrasting an “originalist” versus an “interpretive” philosophy. Most are originalists or are uncertain, but nearly 20% indicated that judges should interpret laws in step with the times, regardless of law’s intent. To me, this boils down to saying judges can do whatever they want – no ‘Rule of Law’ at all. This contrasts with four in ten who believe the purpose of the Rule of Law is to preserve individual freedom. Only about one in ten believe there is no overriding purpose to the Rule of Law.

When contrasting these two statements a third are uncertain:

‘The needs of the many outweigh the needs of the one, or the few.’ and
‘The needs of the one, of the few must be addressed when planning for the many.’

The tyranny of the Many wins, though, with a fourth buying into that, with just over a tenth indicating the one or the few must be considered. These anti-freedom folks represent sizable minorities. The Road to Serfdom was paved with very similar ideas. Apparently, most people are unaware that the U.S. was set up to prevent the Many from dominating the Few completely.

Minimum wage laws, which seem like government interfering in business to the detriment of many, have won the day. The highest percentage, nearly a third, agree that they are a good idea because they help people, obviously ignoring the people who don’t get jobs because of them. You do not see what is not there, which is why opportunity costs are so often forgotten. Just under a fifth indicated that minimum wage laws were a form of price control and a bad idea.

The scale used between the two options on the paired statements did not have a “don’t know”; in such cases, those who are ‘don’t know/no opinion’ often choose the middle position. Consistent with the “no preference” choice between More or Less, a fifth to a third, often about a fourth, chose the middle scale point between the two opposites, suggesting a “don’t know/don’t care” attitude toward each and every issue.

Finally, the well-known observation that a higher percent of older people (60+) than younger are capitalists was confirmed for the preference between capitalism and socialism, but not so strongly as might be expected. The preference for more government decreases as age increases (Under 40 = 32%; 40-59 = 21%; 60+ = 8%). But 38% of the Under 40 prefer less government, so all is not lost. There’s hope for the younger!

Figure 1. Descriptions on Questionnaire

D606 – More Government

In addition to providing roads, parks, sewers, and such, government helps with food, shelter, clothing, healthcare and education.

- People sacrifice for the common good.
- There is voting on various ways to provide some of these aids.
- A large proportion of the salaries of people who work go to the government so it can provide these services to all.
- If something is not permitted by law, it is probably illegal.
- With a few exceptions, those with greater ability or who work harder are no better off than others.
- Government administrators and planners make decisions and implement programs to achieve common goals.

F694 – Less Government

Government provides roads, sewers, parks, and such – things people vote on.

- People mostly make their own way.
- A small portion of the salaries of people who work go to the government so it can provide these things and a modest safety net for the poor.
- The wealthier pay a higher percent.
- Those with greater ability or who work harder are better off.
- Government makes sure laws are enforced to prevent fraud and other crimes.
- If something is not forbidden by law, it is probably legal.
- Government administrators and planners let people comment and then make decisions and implement programs to achieve these goals.