

The Hostility of Intellectuals to Capitalism

People whose main occupation is to invent and manipulate ideas are called intellectuals. They come in two varieties: intellectuals by dedication, who invent new ideas, and intellectuals by position, who disseminate ideas secondhand. The latter sometimes rise to the level of mediocrity or higher, but usually not.

With the expansion of education required by an advanced technological society, the number of intellectuals of all varieties has increased greatly. Professors of humanities and social sciences, law professors, journalists, literary people, artists, and critics all qualify. However, people in the physical sciences or in mathematics seldom are called intellectuals. Thus, in common discourse, a professor of English is, but a Nobel Prize-winning chemist is not, an intellectual. This odd classification is comparatively new.

Though always few, intellectuals by dedication have been with us since Plato and Aristotle, and since Plato, intellectuals have believed that they should run the world—or at least society and the state. Plato wanted philosophers to be kings or *vice versa*: the intellectuals of his time were called philosophers. Ever since, intellectuals have resented

the fact that society, though often strongly influenced by their schemes, rarely has given them power. Intellectuals have found it difficult to accept that persons who acquire wealth and power are not selected according to the moral and cerebral excellences which they imagine to be their own.

In his essay, "Why Do Intellectuals Oppose Capitalism?"¹ Robert Nozick suggests that fledgling intellectuals are so well rewarded in high school, where their superior mental ability is greatly appreciated by teachers, that upon entering the business world, or any profession, they feel let down, disappointed. They were so accustomed to seeing their superiority recognized in a scholastic environment that they feel entitled to similar recognition in economic life. They become resentful when their superior ability is not appreciated, and they turn against the capitalist system that refuses to give them what they feel they deserve.

I believe that Nozick is wrong in two ways. First, his belief that the business world fails to recognize and promote according to intelligence is factually wrong. In most

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cases high intelligence leads to rapid promotion—which does not exclude the prospect that those left behind will nonetheless feel embittered.²

Second and more important, I think Nozick is quite wrong in believing that superior intelligence is readily rewarded in high schools. Prestige in high school depends largely on athletic prowess and on popularity. Intellectual ability is as often a drawback as an advantage. Teachers may like it, but in high school, being popular with teachers is not all that is important to students. They tend to dwell on their standing with their fellow students instead.

Even in college, popularity goes more readily to non-intellectuals. Intellectual ability has to wait for graduate school to earn prestige and to be of assistance in career advancement. If high school graduates are disappointed by the world to which they graduate, as Nozick asserts, it may well be because they cannot meet the demands of that world: American high schools seldom demand efforts to acquire and use any human skills beyond athletic ones.

In the middle ages, intellectuals became critical of the pursuit of material things such as wealth. The church, which employed them, was critical as well.³ However, objections were not addressed to the economic system or to its glaring inequalities. The hostility of intellectuals to the economic system became general only with the spread of capitalism in the nineteenth century.

It was then that Henri Murger published his “Scenes de la Vie de Boheme,” which Giacomo Puccini promptly set to music. In one of the first scenes of his opera, the Bohemians—aspiring artists, writers, and poets—have a boisterous party in the flat they share. The landlord appears, asking for the overdue rent. The Bohemians cruelly mock him until he retires, defeated. Ever since, landlords, bankers, industrial-

ists, and creditors have been the anti-heroes of art and fiction. With the somewhat tongue-in-cheek exception of George Bernard Shaw’s *Major Barbara*, I am not aware of capitalist heroes in fiction. Capitalist villains abound.

Why are intellectuals hostile to the capitalist system? After all, it has raised everyone’s living standard (particularly that of the poor) to unprecedented heights and has reduced the work and compulsion formerly required for sustenance. Unquestionably, capitalism is the most successful economic system the world has ever seen. Yet it provokes unprecedented hostility among intellectuals.

Since the middle ages, moralists and churchmen alike have stressed the sinful motives of the rich, which appear to give priority to *sordidum lucrum* over salvation.⁴ Even more sinful are the motives of those striving to *become* rich: merchants who, unlike peasants and noblemen, engage in trade for profit. The “profit motive” of capitalists still is held in low esteem despite its usefulness.

Previous economic systems relied on the *pretium justum*, minimal social mobility, and minimal ambition to keep social peace. These systems were believed to have divine sanction. The free market economy however, which relies on profits and on maximal mobility, is not perceived as morally acceptable. The inequalities it creates are perceived as undeserved and unfair. The notion that economic success is a sign of divine grace, once current among Calvinists, is no longer prominent. The capitalist economic system seems unjust. It certainly is not believed to be instituted and blessed by God. Although the business activities rewarded by capitalism have obvious economic merit, they seem bereft of moral merit, if not downright immoral.⁵ After all, they are self-serving as far as motivation is

concerned. Unlike government activities, they are not undertaken altruistically, to serve the community. They are undertaken—horrors!—for the sake of private gain, for profit. Intellectuals love altruism and despise egoism, also called greed, however useful it may be. They believe, contrary to the evidence, that government actions are motivated only by concern for the public weal. They regard the capitalist economic system—once more, contrary to all evidence—as a zero-sum game. Successful capitalists are regarded as unscrupulous profiteers who succeed only by exploiting others.

Indeed, there is no obvious moral justification for a talented or lucky banker or industrialist to grow wealthy when a courageous soldier, a selfless nurse, an artist or scientist, a dedicated manual worker, or (lest we forget) an academic, can barely make ends meet. Neither the wealthy nor the poor seem morally to deserve their fate.⁶

In the past, inequalities, however undeserved, were attributed to God's inscrutable will, or later, to ineluctable nature. Today they are often attributed to inequality of opportunity, which is used to explain almost all actual inequalities. The intellectuals who inveigh against such inequalities seldom are aware, however, that if we could equalize opportunity, if we had a level playing field (which nature nowhere provides and which society can only approximate), we would probably have even more unequal outcomes than we currently do, because people's talents and inclinations vary enormously, as do the results of their efforts and the value placed on such efforts by the market. Inequalities can be redistributed but they cannot be eliminated. The gap between rich and poor may actually increase when opportunity is more equal. Even if incomes were somehow equalized by redistribution, the poor would remain

with us, since people spend their income, however equal, at different rates.⁷

Some contemporary philosophers find morally objectionable the "natural lottery" which distributes talents unequally.⁸ Among the natural differences they would like somehow to equalize is the capacity, as well as the inclination, to make efforts. Both differ from person to person and may contribute to the poverty of some and the wealth of others. Equality of opportunity, however desirable, would not help much here, unless diligence can be equalized as well.

At best, equality of opportunity is procedural justice, seldom regarded as meeting the goal of social justice, as long as unequal outcomes remain, as they will. However, there is one exception: procedural justice tends to be accepted as satisfactory when it takes the form of an actual lottery. When there is an equal right and an equal ability to participate, and the result is independent of effort, talent, or wealth, a lottery may be felt to be just, even though the result lacks moral justification no less than John Rawls' "natural lottery" does. Intellectuals seldom complain about actual lotteries, however they may regard lotteries as regressive taxes, even though, unlike taxes, they are not compulsory. The "natural lottery" is thought to be morally unjustifiable *per se*. Indeed, it cannot be justified unless talents are thought to be gifts from God, distributed according to his inscrutable design.

Inborn natural talents frequently are conflated with social advantages, so that inborn talents are thought to be not actually inborn but the result of inequalities of opportunity, which, by definition, are unjust and may be equalized by social policies.⁹

Winning or losing through impersonal fate is accepted. However, moralists, i.e.

most intellectuals, oppose unequal outcomes, and the system that permits them, whenever they seem to be the result of the unequal distribution of opportunities and talents—and the “morally arbitrary” market value of the latter.

Intellectuals feel they ought to be more highly rewarded. They feel they deserve no less than businessmen, baseball players, pop singers, or Hollywood actors. Alas, the moral merit which intellectuals claim, and economic merit, which the market rewards, far from being identical, are altogether independent of one another. This is a major grievance for intellectuals, who often fail to see that economic merit is any merit at all.



Courtesy of DeadEconomistsSociety

Adam Smith

Under capitalism the socioeconomic structure—the distribution of inequalities—is not only independent of moral criteria, but also, with some exceptions, unfavorable to intellectuals, who resent the market anyway because it pays only for economic value. Moral value is left out in the cold, and so are the intellectuals who produce and divulge it. However, the longing for a social system in which a just government justly rewards moral merits by bestowing honors and riches cannot be satisfied. It is permanent, as is the outcry: *aperite mihi portas justitiae*.

In the past God willed apparent injustice, and faith justified it. He was “justly secret—and secretly just,” as Saint Augustine put it. Now, only the social system remains to be blamed for the apparent injustices of the world, and the social system does not offer ultra-mundane justice. Yet our social system, capitalism, cannot survive in the end if it is perceived as unjust by intellectuals and by others who feel disad-

vantaged, while those who benefit feel guilty.

The modern world, as created by capitalism, is secular in its basic modes of thought. It does not take religious faith seriously enough to assuage resentment and moral discomfort with inequalities. Here, the intellectuals must be charged with weakening religion while discrediting the socioeconomic system. Their hostility never was entirely reserved for capitalism. It is addressed to the very moral foundations of our society, and has been effective enough to result in the pervasive “disenchantment of the world” first analyzed by Max Weber.

Although religion did not equate moral with economic merit, neither did it object to economic rewards for economic merits, holding that moral, unlike economic, merit need not be rewarded in this world. Thus, limits were set to envy and to the clamor for equality or moral justice in this world. It was in the next world that God would do *justitia dulcore misericordiae temperata*, compensating for any undeserved suffering. Religion opposed no economic system but only the personal emphasis on material advancement. Thus psychologically (though not logically) religion supported almost any status quo.

The legitimacy of inequalities was not seriously questioned as long as tradition had the power to confer legitimacy. But the market economy destroys traditional customs and beliefs, and replaces tradition with mundane rationality. Capitalism believes in economic efficiency and progress, not traditional piety. It destroys, or at least weakens, the precapitalist moral tradition

without offering any other that might justify the capitalist system itself. It offers no moral defense to the moral objections of intellectuals.

Capitalism has also diminished the distance between upper and lower classes and increased mobility between them. It is easier than it ever was to join the middle and upper classes. But contrary to the hopes of reformers (and to the fears of revolutionaries), the lessening of the distance between the poor and the rich, and the decrease in the proportion of the poor, have actually added to resentment. Rich and poor now consume the same goods, see the same movies and TV shows, and drive, or fly, to the same destinations. The differences have become minor: one flies first class, the other coach class.

However, as Tocqueville observed, the smaller social distances become, the more intolerable they seem. Improvements often generate expectations of further improvements that grow more rapidly than the improvements do, and finally exceed possibilities.

Any reduction of inequalities shows that any remaining inequalities are not inevitable. Hence all reductions, short of full equality, which is not really possible, are felt to be inadequate. The inadequate, the unfulfilled promise, is always resented; thus, resentment, articulated mainly by intellectuals, has increased. When acknowledged, or justified, the increase of inequality is seldom seen for what it is: the effect of diminished poverty. To see the one as the effect of the other seems paradoxical because it is so contrary to our expectations. When rich and poor were “two nations,” as Disraeli put it in his novel *Sybil*, the poor experienced and therefore envied each other more than the rich, who were socially too remote for envy. No longer isolated by vast and apparently insurmountable social dis-

tances, the poor now share much of the common outlook—in particular, the consuming ambitions of the non-poor, brought home day and night by television. Yet they still lack the means to fulfill these ambitions to the desired degree, and resent what they now learn to perceive as “deprivation.” So do academics who, if not poor, still feel insufficiently rewarded.

The market relies on an invisible hand, on automatic mechanisms, and not on visible manual controls with visible people at them. When prices rose in the past, heartless speculators could be blamed. It is harder to do so now (though not impossible). The absence of a visible directive authority, when confused with an absence of direction as it usually is, leads to the accusation that the market involves “anarchy of production.” Yet the invisible hand of profit and loss directs the market to respond to consumer demands far more sensitively than any central planning authority would be able to do—even if the central planners were so inclined, which they never are. Multiple individual plans automatically coordinated are not perceived as “planning,” whereas a central plan is.

Usually intellectuals have no experience and worse, no apprehension of practical affairs, particularly economic ones. They despise the capitalist system’s immorality, despite its economic results, and imagine a system which, while just as productive, would reward moral excellence. Such systems have been suggested by intellectuals since Plato, but they have never worked. If the market does not distribute economic rewards, the intellectuals insist that a bureaucracy must take its place. But a bureaucracy is not likely to reward moral excellence any better than the market does. Bureaucracies in fact reward bureaucratic “excellences” and political manipulation, with an attendant loss of economic efficiency. The intellectuals who favor “plan-

ning” and expected to be among the planners are more likely to be among the planned—though, if they remain uncritical, they may be kept in some material comfort.

Another major fashionable grievance against capitalism is the “commodification” of things. The market indeed sets a price on everything that can be traded—that is, on nearly everything. The market price depends on supply and demand, not on moral or aesthetic values. Furthermore, the market tends to make things economically fungible, however unique they are morally and aesthetically. Professors have a market price (on which their income depends) and the books they write may or may not become best-sellers. If they do, the professors’ market price will increase. But intellectuals resent having to depend on the market. Some (usually those whose market value is low) feel reduced to their market value and disregarded as persons and as intellectuals. Their unique contributions are not appreciated. As they see it, the value of their contributions sometimes is inversely proportional to the market price they bring.

Yet, the feeling that persons are *reduced* to commodities does not do justice to the situation. After all, chemists deal with matters in terms of their chemical composition without reducing them to chemicals. Physicians look at their patients in terms of their physical functioning without reducing them to such functions. So the market may deal with things, or persons, in terms of their market value, without reducing them to that value alone.

Still, the charge of commodification is not altogether without merit. With capitalism, far more things come on the market than ever before.¹⁰ The market invades much of our life, causing cultural effects which contribute to the discomfort of intellectuals.

Though people are more free and prosperous than they ever were, cultural productivity has suffered under industrial capitalism—as distinguished from the pre-industrial capitalism of the Renaissance. New York is much larger than Florence was in the Renaissance, or Venice in the middle ages, not to speak of ancient Athens. Yet smaller and less prosperous than New York, these cities were each culturally far more productive. Why? On the assumption that talent is fairly evenly distributed over time and space, one may hazard an hypothesis.

Capitalism has created a mass market for culture that never before existed. This mass market absorbs and diverts potential contributors to high culture. They now may supply that mass market, rather than tending to the creation of aesthetically more valuable, but economically less profitable, unique products. A talented composer may now opt for writing popular music when he might instead have composed music comparable to that of the past. An architect will design airports or supermarkets rather than cathedrals. (Hardly any aesthetically meritorious monumental buildings have been built in our time.)

The diversion of talent to the mass market has only begun, but it already contributes to the marginalization of non-mass market art and artists. We have far more comforts than were available in the past, but we are less comfortable, in part because we all cater to the mass market and are catered to by it. It may well drain off creative energies, leaving all of us, and particularly intellectuals, more comfortable but less satisfied.

In *Capitalism, Socialism, and Democracy*, Joseph Schumpeter predicted that capitalism would be undermined by its own success and eventually be replaced by socialism.¹¹ Time has proved his prophecies wrong. Socialism, not capitalism, has collapsed. However, Schumpeter did see the

basic conflict between economic efficiency (with consequent higher living standards) and, on the other hand, the social need for stability and tradition.

The economic optimum that capitalism inherently tends toward is inconsistent with any social optimum, and even with a minimal degree of social stability. As economists never tire of pointing out, optimum economic efficiency is achieved by totally free trade—when goods, capital, and population are free to go wherever they can be most efficiently used to increase income. In a totally free global market, we would have population flows from overpopulated China, or India, to the comparatively underpopulated North American continent, while capital would flow in the opposite direction. Regional wages would become much more equal than they currently are.

What is now called “globalization” represents the first moves toward this situation. However, such a totally free world market is unlikely ever to come into existence. Long before optimum economic efficiency is reached, political objections will reduce and ultimately stop the free flow of population, capital, and trade. Even relatively minor approximations of the goal of comprehensive economic efficiency cause economic dislocations involving “foreigners” which lead to nationalistic resentment. Actual and anticipated dislocations have already caused protests, led in England by Sir James Goldsmith and in America by Pat Buchanan, elsewhere by similar figures.

The economic arguments of these protesters are clearly wrong. For globalization, which they oppose, fosters overall efficiency and thereby both improves and equalizes global living standards. Globalization may even be characterized as doing justice. After all, why should a child be deprived merely because he is born in India, whereas an American child has untold privi-

leges merely because he is born in the United States. No moral theory justifies this. Yet the true globalization that might equalize the different life prospects of the Indian and American child is far-fetched. No one really wants totally free trade.

Though their economic arguments are wrong, the conclusions of social critics, including the intellectuals, may have merit. The policies they oppose lead to painful economic dislocations, true, but these are likely to be temporary. Unavoidably, however, these policies erode national identity and national cultures. Traditional customs, attitudes, and ideas under the conditions of globalization will be radically changed. Thus, political opposition to totally free trade is unlikely to be overcome. That opposition may be justified by cultural, if not by economic, arguments. The economic ideal of global efficiency, the economic optimum, is simply inconsistent with the social optimum, or even with a modicum of social and cultural stability.

Intellectuals have always insisted that too much is sacrificed to efficiency in capitalist society. They may well have a point, even though their arguments usually are based on fallacious economic ideas. For their part, economists have too long neglected the indispensable non-rational element required for social cohesion. Economists tend to be rationalists. It is ironic that literary intellectuals, so largely responsible for the erosion of non-rational elements in our society—including religion, nationalism, and many other traditions—should be the ones who express uneasiness with policies which ultimately are traceable to the very rationalism that they have championed.

Notes

1. Robert Nozick, *Socratic Puzzles* (Cambridge: Harvard University Press, 1997).

2. Intelligence, in contrast to intellectuality, is highly regarded in the social system. For its role in income distribution, see Charles Murray, *Income Inequality and IQ* (AEI Press, 1998).
3. After all, the purpose of life was thought to be "Lay not up for yourselves treasure upon earth...but lay up for yourselves treasure in heaven" (*Matthew* 6: 19, 20). It was considered irrational to pursue wealth or comfort in this temporary life rather than to strive for salvation in the next, in eternity. In practice, it is true, contempt for wealth was not as universal as in theory.
4. Adam Smith famously noted, but also discounted, these motives.
5. Yet the Bible had high praise for Joseph, who speculated by buying grain when it was plentiful (and cheap) and selling it when it became scarce (and could command a high price). He was inspired by dreams, as speculators often are.
6. Note that businessmen may be rancorously envied, but the wealth of baseball players or movie actresses is accepted as legitimate. Perhaps visible physical assets are more acceptable than the abilities which make businessmen successful.
7. By the "poor," I mean those on the lowest rung of the economic ladder. "Poverty" is always comparative, and thus unavoidable as long as incomes are unequal. In contrast, "indigence" is absolute, but potentially avoidable. Those lacking minimal physical necessities are indigent, and may be helped out of indigence.
8. John Rawls, *A Theory of Justice* (Cambridge: Harvard University Press, 1971).
9. Since about the eighteenth century, intellectuals have tended to believe that men are born as *tabulae rasae* and that the abilities and any talents they develop are acquired entirely in society through opportunity and education.
10. In some respects, fewer things as well: in modern market economies, we do not trade in human beings.
11. Joseph Schumpeter, *Capitalism, Socialism, and Democracy* (New York: Harper, 1942).

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