
ON SINS, VIRTUES, CAPITALISM, AND LIBERALISM

Using a religious reference as a book title doesn't mean that the author regards himself as a kind of devotee (old-fashioned or newborn) pleading, on economics and in general, for some forms of cardinal, contrary or heavenly virtues. Yet these, or at least some, may admittedly come in handy in times of economic and financial distress. *"I could've had religion"*, as the Irish blues rocker Rory Gallagher sang it. *"But..."* a loss of faith may be at work here indeed... For the sake of clarity, and as the title hints at, *"I'm no sinner, but I ain't no saint."* I was baptized a Catholic, then have turned into, as I put it, a "post-Christian agnostic (or is it atheist?)", with Protestant leanings and real admiration for Buddhist attitudes, and have great respect for any form of individual faith or collective set of beliefs, as long as liberties and secularism are not in danger. Even if faith is often stronger than reason, for better or worse, reason should prevail as much as possible. Remember Albert Einstein's words: *"Science without religion is lame, religion without science is blind."*

All people having met or talked with me can hardly define me as an anticapitalist. As the seven virtues which precede the (un)related (?) sins show it in this essay, and contrary to hard-line opponents and its most outspoken critics, I have no problem to work within and live (up to a point) with the system and to acknowledge its own merits. Still, I find as important to check the flaws and see the limitations. Nothing is perfect in that brave new world. What would have been for me a more difficult exercise until a few years (or is it decades?¹) ago when the system was more entrepreneurial, looked less disputable, and was less ideological, at least for its partisans, was facilitated -if such a word may be used here- by four factors: the growing "financialization" -and somewhat related short-termism; the transformation of market economies into all-for-market societies; a rarely seen degree of irresponsibility, greed and white-collar "banksterism"; and a subsequent downturn (a soft word for a hard landing) for which millions of people not sharing the responsibility of a crisis have to carry the burden. Enough already!

But not enough said. Watching the adaptation -or the lack of- at economic and business levels, the heavy use of expedients (plans, programs, packages -you name it) by governments and political circles, and the mounting social costs, I came to the conclusion that, in such changing

¹ To be honest, my first doubts came in the late sixties, when I noted the confusion between promoting democracy and exporting capitalism. And the Pinochet and other Latin American "experiences" played as a wake-up call.

times, partly created by crazy (yes, crazy!) people, things should change.² Because if they don't, the backlash might be as serious as in dark(er, est) periods of history...

I am a liberal by temperament, by instinct and by upbringing.³ This means that I consider the individual, and not the family, the state, a community, or a nation, as the core of a modern society. It implies that liberty lies (or should lie) at the heart of the political system -what LIBERALISM is all about- and as the modus operandi of the economy -what CAPITALISM is about. To put it negatively, that makes the author neither a conservative nor a socialist, neither a nationalist nor a communist. Being a liberal naturally also means to be open to other people's ideas, new or old, from left, center or right; as well as looking for pragmatic approaches rather than for ideological solutions.⁴ Reality checks are needed, with some of them making you confirm or revise some of your earlier opinions or judgments.

My Weltanschauung (or world view) has been shaped by three sets of thoughts: the British economists and moral philosophers (Smith, Mill, Locke et al.), the French Enlightenment philosophers and political scientists (Voltaire, Diderot, Montesquieu et al.), and the Founding Fathers of the United States (Franklin, Jefferson, Washington et al.). Though significantly forged by those movements in those eras, liberalism and the word "liberal" have then evolved into a number of meanings and practices. Ironically, France and the U.S. stand among the countries where "liberal" is sometimes used as an insult, yet for opposite reasons. In the country of Alexis de Tocqueville, it is often used by left-wingers to despise capitalism, liberalism, and the right. In the country of Benjamin Franklin (also visited by Tocqueville), liberal can be in conservative's eyes a nasty word to talk about "left-wing" state interventionists. In Tocqueville's country (once visited by Jefferson), there hasn't been a real liberal party for a century (and a modern progressive left has remained a minority). In continental Europe, bar a few exceptions, liberalism has increasingly drifted towards various forms of conservatism (in some countries, ultra-right or populist parties even use the name liberal and some of its components). This is not the place for an etymological discussion, but leads to define myself as a "mid-Atlantic liberal", i.e. somewhere between the British origins and definition and the North American style, and indeed closer to the former roots. I hear some readers scoffing. Oh, yeah, those liberals who can only apply their policies in the ocean! Or, another transatlantic story (or political attempt) in an era marked by the

² Words freely inspired by Bob Dylan ("*Things Have Changed*", from the "*Wonder Boys*" soundtrack album, Columbia, 2000).

³ To repeat the words of Nick Clegg in his acceptance speech upon winning the British Liberal Democrats' party leadership contest in November 2007.

⁴ This clashes not only with traditional leftist ideologues, but also with the almost religious assertion of free-market conservatives, such as the economist George Stigler: "*When the facts contradict theory, they are wrong and theory is right.*" The author would rather go for: "*L'événement sera notre maître intérieur,*" stated Emmanuel Mounier, a French... Christian philosopher, founder of the Esprit review.

growth of economies near other oceans. Or, even more cruelly (?), is it about the “Icelandic” model, now gone bust? And so on... Why not simply having gone for “Anglo-Saxon” liberalism? Because this could be misinterpreted on both sides of the ocean, and in many other places, as it refers to wild forms of capitalism to many on the left side of the aisle, or, opposite, to state-intervention advocacy from the right wings of the Wild West. And because it would not include other important cultural influences. Progressive liberalism or -sometimes a very- radical center would therefore also suit as an appropriate definition. Could that sound as a revisited “Third Way”?⁵ Why not?

Free-market democracies -and their authorities- should as much as possible strike a balance between liberty and equality, between economic freedom and social justice. An important implication of the latter is the recognition of a need for regulation. That makes a big difference between conservative and progressive liberalism; or between neoliberalism/ultracapitalism hardliners on the one hand and social democracy on the other –the latter of which, lest some have forgotten or forsaken, part of the heritage is shared with liberalism. That means trying not to throw the liberal baby and its virtues out with the capitalist bathwater and its sins.

Continued in **“The Seven Deadly Sins of Capitalism”**

⁵ The plural form might be used for “Third Way” as a general term, as it may refer to the convergence of capitalism and socialism; a mix between Keynesianism and liberal economics; a compromise between free-market liberalism and democratic socialism (or social democrats and liberals); the ideology claimed by Christian democratic parties (see e.g. the Dutch “Polder Model”); and, more recently, was revisited as a way to go beyond old-fashioned social democracy, uncontrolled markets, and to manage modern societies (see: *“The Third Way: The Renewal of Social Democracy”*, by Anthony Giddens, Polity, 1999, and of course the better parts of Bill Clinton and Tony Blair’s policies).