

What libertarians should, and shouldn't, be blamed for

By Ezra Klein

Ross Douthat is right to [say](#) that worrying about what would happen if Ron Paul seized ultimate power and decreed America a [minarchy](#) probably isn't a good use of anyone's time. But where Douthat thinks that minarchy is used as a way to dismiss libertarians, in practice, I've tended to find it their first line of defense -- the right's version of "well, Marxism has never *really* been tried."

To some degree, you see it in Douthat's post, when he quotes Conor Friedersdorf lamenting "that libertarians hold very little power in this country." The reality is that the sort of incremental libertarianism that aligns with the interests of rich individuals and corporations has quite a lot of sway in Washington, but it routinely manages to escape the consequences of its ideas because, libertarians argue, the world we live in isn't the world they would've built, and so how can they be asked to answer for it? It's the "don't blame me. I voted for minarchy" defense.

But if the argument is that incremental libertarianism deserves more respect, then it also deserves more accountability. Desperate storytelling about Fannie Mae and Freddie Mac [aside](#), the financial crisis was, in large part, the product of the idea that massive financial markets that we didn't understand would effectively regulate themselves. Alan Greenspan, perhaps the only man in America with the unilateral power to have prevented the blowup, has been quite clear on the flaw in his thinking: "Those of us who have looked to the self-interest of lending institutions to protect shareholder's equity — myself especially — are in a state of shocked disbelief."

To a first approximation, that was a failure of not just a crucial pillar of libertarian economic thought, but of libertarian practice: We spent the '90s not just deregulating, but much more dangerously, refusing to enact new regulations even as the financial system changed dramatically. One of the key players there was Sen. Phil Gramm, who certainly [has his fans](#) at the Cato Institute. His was the sort of libertarianism that is politically potent because it is backed by lots of money and lots of elites who combine to push it into the public discourse.

Taxes are another example. Plenty of libertarians have [lined up](#) for repeated tax cuts under the theory that they would stoke enough growth, and force enough compensatory budget cutting, to put the country on a more sustainable fiscal path. Plenty of wealthy individuals and firms have pumped a lot of money into propagating that theory and rewarding politicians who vote they way it asks them to. That theory, however, has been a disaster as a policy matter, even as the individuals and firms have made a lot of money.

And there's a lot of power, of course, lined up against anything that gets us close to single-payer health care. Most of the arguments made in that debate are fundamentally libertarian ones: that it will reduce freedom, or that government programs are inevitably bloated and wasteful ("Like going to the DMV? You'll love government health care!"). Cato's policy wonks spent much of 2009 on television arguing against reforms that would mean more government intrusion into the marketplace. Politicians and political organizations, meanwhile, received a lot of money and support in exchange for making those arguments. But it's of course true that America, being the developed country with the least nationalized health-care system, also spends the most and has the highest rate of uninsurance.

So when Douthat says that "a more-empowered libertarianism could have a salutary impact on debates over, say, the future of the entitlement system," it's worth asking what impact semi-empowered libertarianism has already had on debates over the entitlement system. That libertarian dreams of a privatized (or completely dismantled) Medicare system haven't come to pass is no more relevant than dreams of minarchy. What has come to pass is an aggressive and successful effort to stop America from following other countries' paths to national health-care systems. And the result can be seen [here](#): If our costs had followed their costs, we'd have no budget deficit to speak of. Libertarians shouldn't have to answer for minarchy. But they do have to answer for that.

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