



Nanny-State Threat Lurks in Santos's Lulling Rhetoric

Career Politician, Military Strategist Has No Grasp of Spontaneous Order

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President Juan Manuel Santos's speech, as he inaugurated the Colombian parliament on July 20, was a dull, teleprompted affair. Not one known for Ciceronian rhetoric, Santos exceeded his own ability to induce tedium by employing the "I'm planting a seed for the future" cliché — twice. He also using the word "peace" 29 times, repeating the now-established progressive platitude that his government will deliver peace "after 50 years of bloodshed."

As I wrote recently with the *PanAm Post*, the notion that the current war began 50 years ago as a result of poverty is, in essence, Marxist dogma with little bearing on reality. What we have been facing during the last three decades is, above all, violence fueled by "the monumental amount of cash to be made under the conditions created by the war on drugs." The main beneficiaries have been pathological criminal groups, such as the FARC *mafiosi*.

Santos, however, is no Marxist. As far as one can detect any coherent philosophy in his style of government, it appears to be led by the left-progressive, technocratic creed. This holds that solving practically every human problem is the responsibility of the state and its supposedly enlightened officials. Note, for instance, this statement from Santos' somniferous oration:

"Peace will allow us to spend more resources on what Colombia needs most: education, health care, housing, public services, agriculture, technology, entrepreneurship, and innovation."

In other words, Santos believes that the state should regulate and finance — or, to be more precise, force the taxpayer to finance — practically every aspect of citizens' lives, from the food they eat to the houses they sleep in to what they are taught in schools and universities.

This nanny-state mentality is sufficiently worrying in and of itself: the individual who is made to depend on the state's largesse and is subjected to its direction wherever he may turn soon loses his freedom, his creativity, and ultimately his humanity. Nonetheless, the most shocking part of the president's statement is his inclusion of entrepreneurship under the category of human activities that can and should be propelled by state spending.

In Santos's imagination, the Thomas Edisons and Steve Jobs of this world did not (or should not) realize their human potential by working night shifts or taking large gambles in order to experiment in basements, attics, or garages and thereby give concrete form to their individual visions. Nor does Santos believe in one of the essential mechanisms of a market economy, whereby an individual investor with available funds but no particularly good ideas voluntarily chooses to support potential geniuses with limited funds but fantastic ideas. This process, in trial-and-error fashion, leads to the creation of products that benefit hundreds of millions of people across the globe.

Rather, Santos implies that entrepreneurs should be government-funded bureaucrats, or at very least helots guided by technocratic whim. If one follows this argument to its logical conclusion, an astronomical amount of taxation, public spending, and state direction of the economy should lead to an unprecedented wave of individual creativity and entrepreneurship. Except, of course, that a government can't "spend its way to entrepreneurship" any more than it can "spend its way to prosperity."

What is the source of Santos's statism? Prior to giving soporific yet subtly deranged speeches as president, Santos was best known as a successful defense minister. Strategy in the military realm, as Hayek wrote in *The Road to Serfdom*, requires central planning and coercion, for citizens inevitably must "delegate the task to experts." A society based on central planning, however, is irreconcilable with a commercial society, which is based upon voluntary transactions and spontaneity — the very essence of entrepreneurship — and minimal regulation.

Santos's worldview as the quintessential contemporary career politician leads him to think that he can reconcile the spontaneous, commercial society with a hierarchical, military-technocratic order. The president is fond of calling his scheme the Third Way. He fails to mention, however, just how that scheme ended where it was originally tried, in the Britain of Tony Blair and Gordon Brown.

As I wrote a few years back, "after 13 years of New Labour, Britain was left with a massively expanded state sector and looming debt levels not seen since WWII. After the 2010 general election, Labour's chief secretary to the Treasury wrote a note to his successor, Lib Dem MP David Laws, stating that 'there's no money left in the state's coffers.'"

Could Santos's multifarious social engineering lead Colombia to a similar financial chaos? According to his recently ratified minister of finance, a new tax reform, i.e. a general tax increase, is necessary to obtain the US\$6.4 billion that will "finance the peace."

Whatever that may mean, it's clear that Santos and his economic team do not believe in creating the low-tax, small-business friendly conditions under which prosperity can be built from the ground up. Their vision is of wealth created — often under the state's protection — and then redistributed from the top down, as if bureaucrats were omniscient beings who infallibly allocate resources in the most efficient way possible.

In the best of cases, Colombia under Santos will remain in its current range of 96 out of 152 countries in terms of economic freedom (according to the Cato Institute and the Fraser Institute), or, seen in a different light, the 56th least free economy in the world.

The prospect is bleak, since there's no Colombian Thatcherite party waiting its turn to steer the country towards economic freedom. At least not yet.