

No, Cancel Culture Is Not the ‘Free Market at Work’

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As rapid social and technological changes continue to test our commitment to free speech and liberal values, a common refrain I have heard is that cancel culture is the “free market at work.”

Speaking as an entrepreneur, I couldn’t disagree more.

From a pure economic perspective, there is no controversy. Every company makes complex decisions and the forces of the free market—guided by the price system—will adjust accordingly as a result. Under a free market economy, consumers vote with their dollars, rewarding business models that create value and punishing those that do not.

Unfortunately, American society is not dealing with a strictly economic issue. Instead, we are facing illiberal ideologies that are increasingly weaponized and infiltrating schools, universities, corporations, professional societies, and now mainstream American life.

From citing a scientific study that contradicts prevailing opinion to liking the “wrong” tweet, the list of punishable offenses continues to grow. From academia to the workplace, people have been fired, suspended, de-platformed, or faced some other form of retribution for expressing or holding “wrong” views (that are likely to be shared by millions of others) or even associating with the “wrong” person.

According to a 2020 Cato Institute national survey, self-censorship is on the rise in the United States. Nearly two-thirds—62%—of Americans say the current political climate prevents them from expressing their true beliefs out of fear that others might find them offensive. As journalist Bari Weiss can confirm, this disturbing epidemic of self-censorship afflicts Americans from all walks of life:

"They are feminists who believe there are biological differences between men and women. Journalists who believe their job is to tell the truth about the world, even when it’s inconvenient. Doctors whose only creed is science. Lawyers who will not compromise on the principle of equal treatment under the law. Professors who seek the freedom to write and research without fear of being smeared. In short, they are centrists, libertarians, liberals and progressives who do not ascribe to every single aspect of the new far-left orthodoxy."

This new orthodoxy is enforced by the phenomenon of cancel culture, typified by a politically-driven mob browbeating an individual into submission or repentance for representing a contrary opinion or seemingly dangerous thought. Activists often retort they are merely demonstrating that “actions have consequences.” Other commentators insist these consequences are a form of market feedback and accountability.

However, there are notable differences between cancel culture and honest criticism. Jonathan Rauch clearly differentiates the two in a thoughtful guide. The latter is about finding truth, moral persuasion, and, most importantly, an attitude of good faith. The former is distinguished by punitiveness and the goal to “make the errant suffer”:

"Canceling... seeks to organize and manipulate the social or media environment in order to isolate, deplatform or intimidate ideological opponents. It is about shaping the information battlefield, not seeking truth; and its intent—or at least its predictable outcome—is to coerce conformity and reduce the scope for forms of criticism that are not sanctioned by the prevailing consensus of some local majority."

I want to further add that the cancel culture is inconsistent with the ethos of free enterprise, innovation, and discovery.

For starters, it's incredibly ironic—not to mention duplicitous—to appeal to the free market when most left-wing activists, journalists, and politicians are not free marketeers when it comes to the minimum wage, rent control, trade, and many other public policy issues.

Reflecting on my experience as an entrepreneur and technology professional, market-driven feedback is a process of continual learning, continual testing, and continual refinement. Having worked in marketing and product management in multiple startups, I'd like to share how this process works.

Entrepreneurship introduces a new product or service into the market under conditions of uncertainty. It is an act of creation—not destruction, persecution, or censorship. Most importantly, one has to practice an attitude of epistemic humility and even embrace the possibility that he or she can be wrong.

Most noticeably, moral crusading animates cancel culture activists. They are convinced of their absolute righteousness and do not forgive error, even from the distant past.

As the world becomes more complex, every pursuit in the political, economic, and social sphere has to be cognizant of man's limited capacity to know. This key insight is emphasized in F.A. Hayek's Nobel lecture:

"The recognition of the insuperable limits to his knowledge ought indeed to teach the student of society a lesson of humility which should guard him against becoming an accomplice in men's fatal striving to control society – a striving which makes him not only a tyrant over his fellows, but which may well make him the destroyer of a civilization which no brain has designed but which has grown from the free efforts of millions of individuals."

Unfortunately, many political activists who want to change the world lack self-awareness. They do not take the time to consider the unintended consequences of making rapid social changes, imposing top-down policies, or abolishing institutions and customs (or even ask why or how they arose in the first place).

Hayek devoted his life's work to showing that the economy is not just supply and demand charts but a spontaneous order that emerges from human action. At the center of the action is the entrepreneur who has to navigate through a world where information is dispersed, incomplete, and frequently contradictory.

Entrepreneurs have a keen eye for economic opportunity—often gleaned from first-hand experience on the ground. Many founders are especially notorious for having domineering personalities and egos. Nevertheless, the strongest personal visions, ambitions, and gut feelings still need validation.

In contrast, cancel culture leaves no place for a healthy reality check. To succeed in the marketplace, entrepreneurs must take the time to stop, look, and listen.

To develop a successful product, a good entrepreneur devotes serious effort to gather insights into a customer's behavior, needs, desires, pain points, and motivations. Patience, genuine care, and understanding are crucial in all interactions, especially if one wishes to obtain accurate, honest, and useful information.

Cancel culture, on the other hand, lacks empathy, nuance, and goodwill. Without these qualities, entrepreneurs and businessmen will find it very difficult to grow their companies.

The Lean Startup philosophy advocates a Build-Measure-Learn framework to turn ideas into products, measure how customers respond, and determine the next best course of action. This feedback loop continually tests assumptions about market need and whether the product or service satisfied that need. It requires the entrepreneur to adopt a lifelong learning mindset and be open to new ideas no matter where they originate.

Throughout this process, existing priors are often challenged—if not entirely overturned. It's not surprising for an entrepreneur to learn how the product is used in a completely unexpected way or uncover a new group of customers who is an even better fit. Serendipitous discoveries can result in making a simple design update to pivoting into a new business model.

The most effective founders and entrepreneurs are always learning, testing, and refining as they go about creating products and services that delight and provide the most value for their customers. People's lives are ultimately enriched—not ruined. Value creation is what powers the engine of prosperity and represents the free market at its best.

This open-ended, growth-orientated process is what real feedback and accountability look like in a free market. There is no room for ideological axe-grinding unless political activism is part of the company mission (which can be harmful to productivity, morale, and bottom line).

Curiosity, empathy, and epistemic humility are the most important attributes an entrepreneur should possess. These traits are noticeably absent in cancel culture campaigns.

Leaving open the possibility that one can be wrong is vital for scientific progress but this principle is just as important, if not more so, for entrepreneurship and innovation. In his best-selling startup manifesto *Zero to One*, famed investor and entrepreneur Peter Thiel reminds us there are still many undiscovered truths and secrets out there:

"If we already understand as much of the natural world as we ever will—if all of today's conventional ideas are already enlightened, and if everything has already been done—then there

are no good answers. Contrarian thinking doesn't make any sense unless the world still has secrets left to give up."

If we wish to uncover them, we must preserve freethought and encourage the pushing of boundaries. We need to provide room for intellectual, emotional, and social growth. We need to give the devil his due. And to reiterate once more, we need to leave open and even embrace the possibility of being wrong in our convictions and deepest held beliefs.

The historian Arthur A. Ekirch described liberalism "as a collection of ideas or principles which go to make up an attitude or 'habit of mind.'" Key pillars of liberalism—free speech, open inquiry, and tolerance—are most effective when embodied and practiced by the people themselves. This attitude is what sustains both an open society and market economy. It is no coincidence that most classical liberals are staunch defenders of free speech as well as free enterprise. They believed in freedom to explore and exchange—in both ideas and goods. They understood how these principles go together like a seamless web and mutually reinforce each other.

In his sweeping book *Open: The Story of Human Progress*, Johan Norberg examined periods of history where human flourishing was unleashed. Many diverse societies such as Periclean Athens, Song China, the Islamic world before the Mongol invasion, the Italian city-states of the Renaissance, and the Dutch Republic were distinguished by the dissemination of scholarship and learning, rapid technological innovation, and advanced wealth and prosperity. Compared to other parts of the world at their respective times, these cultures were relatively open to trade, exchange, migration, and new ideas from within and from outside. Alas, these golden eras did not last—all of them were cancelled literally by both internal and external forces that preferred conquest, plunder, protectionism, censorship, and zero-sum conflict. But their legacies were preserved and extended in other places and future eras.

With the rise of the Enlightenment, the ideas of dissident thinkers, entrepreneurs, and innovators clashed, mixed, and matched. Most astoundingly, the spread of the Industrial Revolution from Great Britain to the United States brought unprecedented growth in wealth that lifted living standards for all. The material gains were also matched by the liberation of ordinary people including women, minorities, and other marginalized groups. Innovation and freedom—in all areas of human activity—went hand in hand.

Today we enjoy food and entertainment delivered on demand, instant communication across the world, and more. Many people take these products and services for granted. By every conceivable measure of human progress, we live in the most prosperous, peaceful, and tolerant era in history.

Norberg reminds us that all past open civilizations were destroyed. Except for this one, which may still be saved.

Let us not forget the liberal values and institutions that made it possible. And yes, we can and should make this world even better. As we continue to pursue innovation in both the economic and social spheres, open culture will inevitably clash with cancel culture. We must never let the latter close the human mind.