

The Objective Standard

Johan Norberg on Openness, Innovation, and Flourishing

By Thomas Walker-Werth, Angelica Walker-Werth

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We [recently interviewed](#) Johan Norberg, an author and documentary filmmaker who advocates economic globalization and classical liberalism. He is a senior fellow at the Cato Institute and has written a number of books including [Open: The Story of Human Progress](#), [In Defense of Global Capitalism](#), [Progress: Ten Reasons to Look Forward to the Future](#), and [Financial Fiasco](#).

Angelica Walker-Werth: Thank you for joining us, Johan. It's such a pleasure to talk ideas with someone we respect so much. To begin, would you say a few words about how free movement and free trade enable or augment innovation?

Johan Norberg: Thanks for having me. In regard to the value of free movement and free trade, I often like to ask people, "If we had a time machine, where would we go?" Nowhere! We'd stay here, unless we could go into the future. Because, in my reading of history, the past was pretty bad. Our ancestors lived lives of toil and drudgery. It was difficult to put food on the table and to make sure their kids got a decent education, or *any* education.

That's no longer the case for most people, which is the first dramatic change in history that we must all be aware of, that made me obsessed with innovation and freedom. Why was it that, for thousands of years, we had almost nothing? There were some ups and downs, obviously; things happened, people did things. But in terms of average life expectancy, living standards, access to food and medical technology, nothing happened for thousands of years. Then, suddenly, two hundred years ago, in a tiny part of the world, there was an explosion of creativity, innovation, hard work, and growth. Over the course of two hundred years, people reduced extreme poverty from 90 percent to 9 percent today. We increased life expectancy from thirty years to more than seventy years. I'm obsessed with what happened then, why it happened, and what made it possible.

The major change was that, for the first time, we had a sufficiently big crack in the wall—the old centralized mercantilist economy run by nobles and kings who decided who did what and restricted production and trade. Lots of creativity began to pass through that crack and change everything, from the dramatic—steam engines, textile manufacturing, modern infrastructure, steamboats, cars, and planes—to the everyday. People began to look, for instance, at horseshoes and ask, "Can I improve this?" We went from a world where only a few people at the top decided everything and nothing much happened, to one where thousands and then millions of people could contribute. Most of their ideas are lost and long forgotten, but some of them made the modern world and all the technologies that make life so much better for us.

Thomas Walker-Werth: That’s a good reminder that poverty was the starting point for the human race. People often ask, “Why is X percent of the world poor?” when really the question is, “Why is most of the world wealthy, and how can we continue and expand that?”

Norberg: Exactly. That’s one of the biggest problems with this mentality: People generally don’t look very far back in time. They look at the world today and see disparities and inequalities. Why is it that some people have so much and others almost nothing? Is capitalism the cause? Yes, it is—in a way. It’s an unequal distribution of capitalism, because countries that have had relatively capitalistic systems for a long time have made it possible for more people to experiment, to improve their lives and work, and those of their families, and then improve them again. Over a handful of generations, they’ve created the modern world, whereas in other places, people haven’t had capitalistic economies for long, some not at all. In some places, they had it for a while, and then there was a backlash. Take Venezuela, once the richest country in South America, now the poorest. It’s not enough to look at only the status quo and try to explain disparities. You have to ask yourself, where does the disparity come from? Wealth is a direct consequence of people having more freedom to improve their lives.

A. Walker-Werth: Some worry that if people were generally free to move between countries—if nations had relatively open borders—a “brain drain” would ensue in the poorer nations. How would you respond to that?

Norberg: I have a philosophical conviction that [individuals are ends in themselves](#), not means for the ends of society. If people live in places lacking freedom and opportunities, they should be free to immigrate to somewhere they can lead a more decent life, even if the country they leave behind will be worse off without them.

If people don’t agree individuals have that right, the question remains: Does it actually leave those countries in a worse state? Consider that if people have the opportunity to go somewhere they can make fuller use of their skills, their education, and so on, they might invest more in those things than they otherwise would. If they’re stuck in a place of subsistence agriculture, hopelessness, and oppression, they might think investing years in developing skills isn’t worthwhile.

But not all of them will leave their countries, and some also return home afterward. That’s one of the reasons we’ve seen such things as the success of tech companies in India—people who left to get more education and their first jobs in the United States, then returned with more skills. The other factor is that when you have people—friends, relatives, former colleagues—who leave, they’re not lost and forgotten forever, even if they stay permanently. They build connections and trade links, and inspire others to learn and invest in their own skills. This is a major reason many poor countries are improving rapidly—they have become more cosmopolitan because of greater cultural exchange with other parts of the world. So, on net, brain drain is, in a way, a brain gain for many poor countries.

T. Walker-Werth: I often say that [Elon Musk](#) has done more for South Africa in America than he ever could have in South Africa, because PayPal, Starlink, and so on have improved life in South Africa. That can happen only if borders are open so people can go to places where they’re free and can access the capital to enact the global growth that can help people in their home countries. Would you reprise some of what you said in *Progress*, about how global growth is more important to human well-being than is national growth?

Norberg: This is fascinating and a bit counterintuitive. I first learned about this in a paper by economist [William Easterly](#), who looked at economic growth alongside many standards of living, including health, opportunities, and social stability of countries. He found that, although there is a link between the growth of a *country* and these other positive indicators, the correlation is even stronger between these indicators and *global* growth. If you look at the countries that have done the worst in recent years, such as Haiti, which has suffered an economic disaster (I don't think their GDP per capita has increased for forty years), life expectancy there has increased by twenty years, and infant mortality has declined by about 75 percent.¹ Why is that? It's because of global growth. It's the fact that we have so much innovation, production, and trade going on in the world, reducing prices for all the goods and technologies that sustain and enhance life. In Haiti, it's so much easier to get everything from food and refrigeration to vaccines and ventilators, and even better concrete and furniture. That's one reason it's important to look beyond one's economy back home. That's why, if you get just one Elon Musk to an environment hospitable for innovation, that's better for the world than if he stays back home in an awful environment where he wouldn't be able to innovate.

A. Walker-Werth: And what about property rights; how do they encourage innovation?

Norberg: This is key, and it's new in history—it happened only two hundred years ago. There's a story, according to some Roman historians, about a 1st-century innovator who invented unbreakable glass. He went to the emperor and said, "Look, this is a great invention, can I get some sort of reward?" And the emperor looked at it and said, "Wow, it really works. You can buckle it, but it doesn't break. So does anybody else know about the key to this innovation?" The inventor said no, and the emperor killed him and threw away the innovation. He thought that it would undermine other professions and that this material might be the most expensive one in the future. In that case, gold would be worth less and, given that he had the most gold, he didn't like the thought of that.

Now, the story or certain details might be apocryphal, but the sentiment likely rang true for many Romans. Several Roman historians wrote about this, and it probably made sense to their readers that this could have happened in the Roman Empire. What does that tell us? First, he was killed by the emperor, not rewarded. That tells you something about the state of innovation back then. But it's also interesting that he went to the emperor in the first place. Why didn't he set up shop and start producing unbreakable glass and selling it to people? Because they didn't have free trade or protections for property rights. It was a top-down, command economy. You couldn't trade-test your innovations. It didn't make sense to invest in them because you weren't likely to make a lot of money if you eventually succeeded. That's what property rights incentivize.

Until things started to change two hundred years ago in a few Western countries, it looked mostly like this. You didn't have a secure title to your land, innovations, or business. Anything could be taken away from you tomorrow if the emperor, or the cousin of a senator or whoever, didn't like it. And in that case, why invest? Why think long term? Why do anything that *might* only pay off in twenty years' time? Why invest in better crops and irrigation systems if someone can just take them away from you? That is still the case in many poor countries, and that's one of the reasons why they are poor. When governments began to secure property rights, they weren't just protecting what's here now, but also the future. If their unbreakable glass or plot of wheat was successful, they were incentivized to produce lots more. Obviously, that's good for work ethic. But it also gives rise to more experiments, because efficiency and production are incentivized.

T. Walker-Werth: We talked a bit about the social environment that is conducive to innovation, which is basically freedom: The more freedom there is, the more innovation you'll get. But I have observed that innovation also helps create freedom. Innovations such as the internet, space exploration, and cryptocurrencies put us ahead of governments' attempts to close down things and control us. How do scientific and technological progress change cultural attitudes and society?

Norberg: That's very interesting. For example, a great Swedish entrepreneur, Jan Stenbeck, opened up the Swedish television market. Until the early 1990s, Sweden had a television duopoly; there were only two government-run stations. Stenbeck often said that "technology will beat politics." He set up shop in Britain and sent Swedish television over satellite, enabling anyone with a dish in Sweden to view his stations. Swedish politicians came around and said, "OK, it's already happening. So why should he be the only one doing this? Let's allow other private channels to do the same thing." This is something we see again and again in history; people are remarkably innovative at coming up with ways of bypassing regulations.

This is the way that the platform companies, Uber, Airbnb, and so on, get around traditional, often monopolistic sectors. If you think your city has too few taxis, you could go to the taxi board and complain. But you can also build an app for that, and make sure that you can order a taxi and it comes. Then you don't have to go through all those structures—you don't have to change politicians' minds. You put them in front of a *fait accompli*—it's already done. Unfortunately, it doesn't work for everybody, because politicians are still strong, and they can [regulate you out of existence](#) if they don't like you. One reason Uber and similar businesses succeeded is that they had already built such momentum and had so many customers that it was difficult for local governments to shut them down. Technology isn't enough; you also need political pressure to make sure that regulations aren't too tight.

A. Walker-Werth: You hear this idea, particularly among environmentalists, that anything natural is good, and anything artificial is bad. That's a strain on innovation, because it's *all* artificial. How would you recommend combatting this view?

Norberg: Tobacco is natural, but that doesn't mean it's good for your health. It's a completely cultural, almost religious approach to what's natural. It's natural to die in childbirth. It's not natural to be able to drink clean water. Kids used to drink beer for breakfast because, two hundred years ago, that was the only way to not kill them when they had to drink something, and you didn't have a safe water supply. Chemicals and lots of filtering make water safe to drink. Artificial is good if we tailor it to our needs. Natural can be good, too, but a lot of it kills us. It's a natural instinct, pardon the pun, to think that what's natural is safe, because it's the status quo, and anything that's new and strange might kill you, so you better beware.

Throughout history, it was also the case that innovation was dangerous. When you live close to the edge of subsistence, anything brand-new is dangerous. Our ancestors worked incredibly hard just to get any kind of food on the table. In that context, if you had an eccentric in your group, saying, "Now let's grow something else, let's see if we can dig here instead," that could be a threat to your survival. So, it made sense to be a little bit cautious about new things. Obviously, only the fact that we had those eccentrics got us out of that. But that doesn't help our instincts come to terms with it. Such caution makes less sense now than ever, when we are in a safer environment, we don't live that close to subsistence, and we can allow for a hundred experiments and see ninety-nine fail if the hundredth is worthwhile. Natural evolutionary reasons explain why we have this fear of the new and the artificial, but it's incredibly dangerous; it really holds us back. For example,

we're able to feed the world, even with Putin invading Ukraine and lots of countries implementing export bans on food. We could feed the world with genetically modified crops. But governments are trying to shut it down because of this fear of what's artificial. That's another reason why the technology itself isn't enough. We also need the ideological structure to explain innovation and technology and why it's important.

T. Walker-Werth: The phrase “genetically modified” [GM] has taken on the same kind of stigma that radiation had in the 1950s, when science fiction films were depicting supposed threats, such as “green radiation from space.” People seem to have this default fear reaction—they don't want to live near nuclear power plants, they don't want to eat GM food, even though both those things are massively better for their well-being than the alternatives. Why do people have this reaction to GM in particular? Why does the European Union ban it outright? What can we do to change that?

Norberg: The first reason is this fear of what's strange, what's new, and what you don't understand. How many of us understand DNA and how you twist and tweak it, or radiation? You get more radiation when you take a plane—*natural* radiation—than living close to a nuclear power plant.² But it doesn't matter to people, because they think it's strange. Why do we do this? I talk to people about “genetically improved” food (to try to give it a better name), but they come up with all sorts of weird fears, such as “I don't know how it will alter my DNA” or “I don't want DNA in my food.” I say, “Do you know that everything's made up of DNA?” I've even seen stores saying, “We have no genes in our food.” That tells you something about the state of knowledge. It's easy for people to campaign against this on ideological or [eco-religious grounds](#). It's easy for them to capture the imaginations of people and make them fearful, even though no scientist would ever accept any of these claims.

But there's another reason. When they've made it so incredibly difficult to open up the European market for GM foods, it creates a pressure group of farmers and the European food industry, who are now completely invested in traditional ways of producing food. They then have to talk it up and say that this is the only good, safe option. “Don't buy American food, because it'll turn you into something bizarre.” The longer the agricultural industry goes without being free to experiment, the bigger the disaster will be. It's a very dangerous dynamic.

A. Walker-Werth: Do you think this fear is the main reason people are now so pessimistic about the future?

Norberg: There are a lot of factors, and that fear is one of them. Another is that we are all overly invested in politics. We all play politics in a way, even if we're not involved in party politics, just by being online and seeing what goes on. Politics has become more of a spectator sport. Fewer people are directly involved, but you have to create drama to get the rest of us to pay any attention to it. It makes us incredibly exhausted, with some pretty bad people. You don't even have to go to the despots of the world, the Xi Jinpings and the Putins; you can look at our own crowd, the Western politicians. It's easy to become depressed by the lack of any kind of constructive agenda that would really improve the world.

The key to remaining an optimist in this kind of world, I think, is to ignore politics, at least a little. Don't be too consumed by it, because you'll always think that everyone's crazy. You'll only see the most bizarre and stupid people, because that's what's retweeted. When I look at it, it's like, “Oh, God!,” and then I start thinking that everybody's like that. Turn away from it; shut it down. You can go into it once in a while as a spectator sport, but then you have to think, “Now let's get

my daily dose of stupidity and anger.” Look through it, but devote the rest of your time to looking at what people really do with their lives, at the work that they’re putting into improving the world, the businesses that are being started. Read a science magazine to look at the interesting research and the innovations that are taking place. You’ll realize that even under the worst of circumstances, the worst politics and the nastiest tempers, people continue to improve the world. Even through these past ten years, which have been rough—we’ve had the pandemic, trade wars, and now the war in Ukraine—eighty-eight thousand people every day have been lifted out of extreme poverty. To remain optimistic, I think about what really goes on in the world, rather than just looking at those who are interpreting the world and trying to run it.

I love social media; it’s been an incredible democratization of the public conversation. I say this completely unironically: It really improves your knowledge of the world, if you use it wisely. The problem is that we’re trying to do this in a global public space where everybody’s expected to have something to say, which means that most likely what people have to say is, “Oh, you’re stupid.” “I don’t like this tweet.” “You’re a dickhead.” Obviously, you’ll be depressed if you see that, and it doesn’t help you. So, you really have to segment and find the right places. Otherwise, it’s the lowest common denominator; it will just be, “What’s the biggest drama today?” “What’s the stupidest thing someone said today that we can all retweet?” In that case, we’ll all be sad, miserable, and depressed—so stop.

T. Walker-Werth: In all the work you’ve done studying progress, what innovation has been your favorite? How did it encourage or enable human flourishing?

Norberg: There are so many ways in which to respond to that question, because it’s often the marginal things that we don’t really appreciate. Where would we have been without glasses or contact lenses? I would probably be dead, having fallen off a cliff somewhere. How much knowledge would have been lost to the world if people hadn’t been able to read and write because of that? Or you could go with something that is super-dramatic but still kind of hidden, such as artificial fertilizer, which is our way of getting food from the air. It’s crazy. We modify nitrogen from the air to nourish our plants. It took thousands of experiments to create the Haber-Bosch process in the early 20th century. It’s incredibly complex, incredibly difficult. And yet, many don’t like it because it can harm wildlife by encouraging algae growth in lakes and oceans. That’s true, and that’s a problem; we’re going to have to deal with that as well. But it saved the lives of two billion people who couldn’t have been sustained on a planet without any kind of artificial feeding of plants. So, I like to go for those, rather than the ones that we can easily see, the computers and the planes and things that are already dramatic by themselves.

But here’s another way of answering this question. One thing that has excited me a lot in recent years is to think about how even the most trivial and beneficial innovations were met originally, when people looked at them for the first time. Most of the time, people didn’t like them because they were new, artificial, strange; it wasn’t the way we used to do things. I have a video series called [*New and Improved*](#), where I regularly look at some of these, such as the bicycle. People really didn’t like the bicycle, which they saw as being for the upper classes: “They think that they’re so powerful, they can just ride around on a bicycle and hurt everybody,” like people think of electric scooters today.

One of my all-time favorites is the umbrella, which sounds sort of harmless and beneficial in every way, right? But the first guy who imported the umbrella to London—it started in China, and then a little bit in Paris—some three hundred years ago, was publicly ridiculed. People hated the fact

that he walked around with an umbrella to protect himself from the rain because people thought it looked silly, feminine; some even accused him of being French. You would think that in London of all places, the guy who solved the problem of living in Britain without getting wet would be so admired they would erect statues to him, but no. Angriest were the horse and coach drivers—some threw rubbish at him, and some even tried to run him over, thinking he would take their jobs, because they had covered coaches people took when it was raining. But he persisted. That’s an important lesson: It takes crazy eccentrics who believe in their ideas to achieve progress. He walked around for thirty years in London with an umbrella while they hurled abuse and rubbish at him. But he persisted. Eventually people started to ask, “Why should he be all nice and dry when we’re out here getting wet?,” and they began to come around to his position. But it took thirty years for the *umbrella in London*. That tells you something about public resistance to innovation. We all love it . . . eventually—once it’s been trade-tested, once it’s cheap, once everybody does it.

It takes these brave characters who continue to experiment and improve, without getting rewarded, often being attacked and abused. They’re heroes. We should recognize today’s umbrella carriers, who continue to experiment with genetically modified goods, even though their offices are being attacked. Those who implement the mRNA technology for vaccines and other drugs, who many now consider to be poisoning us and putting chips in our bodies and so on. We need to look at those innovators and heroes and defend them.

A. Walker-Werth: Thank you so much. For those who enjoy hearing about rational optimism, progress, and all the wonderful things you study, where can they find you and follow your work?

Norberg: The easiest way is to Google my name or check me out on [YouTube](#). Most of my films and video blogs can be found there. Another way is to go to my Facebook page, [Johan Norberg Official](#), where I publish everything and keep people informed about what’s going on.

T. Walker-Werth: Thank you, Johan, for your time today—and for your vital work.

Norberg: Thanks for having me.