

Interview with Stephen Hicks

by Grégoire Canlorbe

Stephen Ronald Craig Hicks (born 1960) is a Canadian-American philosopher who teaches at Rockford University, Illinois, where he also directs the Center for Ethics and Entrepreneurship.

Hicks is the author of *Explaining Postmodernism: Skepticism and Socialism from Rousseau to Foucault*, in which he argues that postmodernism is best understood as a rhetorical strategy of intellectuals and academics on the far-Left of the political spectrum in response to the failure of socialism and communism.

His documentary and book *Nietzsche and the Nazis* is an examination of the ideological roots of National Socialism, particularly how Friedrich Nietzsche's ideas were used, and in some cases misused, by Adolf Hitler and the Nazis to justify their beliefs and practices.

Additionally, Hicks has published articles on free speech in academia, the development of modern art, Ayn Rand's Objectivism, business ethics, and the philosophy of education, including a series of YouTube lectures. He is also the co-editor, with David Kelley, of a critical thinking textbook, *The Art of Reasoning: Readings for Logical Analysis*.

Grégoire Canlorbe is a French intellectual entrepreneur. He currently resides in Paris.

Grégoire Canlorbe: According to a popular opinion, left to its own devices, capitalism inevitably tends to a monopoly economy. An economy in which there is no competition. In a monopoly environment, the dominant companies can freeze competition and entrepreneurial initiative. In this regard, any monopoly is problematic, even the monopoly of the local baker or shoemaker. Without competition, the quality of service slips. And innovation becomes an expensive nuisance unless it wildly jacks up profits.

As a fine connoisseur and renowned debunker of anti-capitalist arguments, how would you assess this widespread analysis?

Stephen Hicks: Free-market capitalism is the most anti-monopolistic system there is, as entrepreneurs are creative in developing new products and improving old ones. The profit motive of course incentivizes that creativity, as does the natural creativity that individuals exhibit when they are free to pursue their own lives.

Think of the music and electronic industries, for example, in the last one hundred years—how endlessly innovative they have been and how prices have gone down, precisely because they've been mostly free markets.

Problematic monopolies have only existed when governments made them—either by granting exclusive charters or other special favors.

Under feudalism, the king as head of government has the power to make monopolies and forbid competition. The same is true to a lesser degree under mercantilism. And of course for socialism the economy is one giant government monopoly.

Only market liberalism gives people the freedom to start new businesses without permission, to experiment as much as they want, to trade or not trade with whomever they choose, and to compete along multiple dimensions—price, quantity, quality, innovation.

In the United States, for example, the Postal Service has a government-granted monopoly on first-class mail. It has been stagnant, a huge money-loser, and its agents regularly shut down any individual who tries to start a competitive mail-delivery service.

Sometimes I test the seriousness of those who worry about monopolies by asking them: Do you agree that government postal monopolies are bad and should be eliminated? If they say *No*, then that tells me they're not serious about real monopolies. If they say *Yes*, then we can start a productive discussion.

Grégoire Canlorbe: The law of supply and demand asserts that any free market price for a singular good is instantaneously fixed at an equilibrium level in response to supply and demand dynamics.

If supply happens to exceed demand, a surplus occurs, which makes a lower price necessary to equalize again supply and demand. If demand happens to exceed supply, a shortage occurs, which makes this time a higher price necessary to equalize supply and demand. In both cases, the equilibrium is instantaneously restored. There can be no transaction at a disequilibrium price.

According to a common criticism on the part of postmodern intellectuals, following Marxian economics, this proposition at the core of “free market ideology” is grossly unrealistic and merely ideological. It is refuted by the existence of a permanent disproportion between supply and demand in capitalist economies. Owing to inflation, unemployment, and limited effective monetary demand on the part of working people, supply really exceeds demand. This disproportion results in cyclical economic crises of overproduction.

What would you retort to these recurring claims?

Stephen Hicks: Remember that the “law” of supply and demand is an aggregate of many individuals’ judgments and actions. It’s important not to reify it into some sort of Platonic or Hegelian abstract force that operates of generic necessity.

So I agree with those who criticize the methodology of some versions of free-market economics that utilize only idealized and abstract models of markets in which everyone is perfectly rational and has instant access to all information.

But I disagree with the standard postmodernist move of taking the failure of such idealized models to mean that only messy chaos and crisis rules the world. In philosopher’s labels, Nietzsche is not the only alternative to Plato.

The best way to model free markets is from the bottom-up, by starting with real human beings, each of whom has individualized values, knowledge, and options. Such individuals make their economic decisions about production, trade, and consumption, and so go on to form business organizations—firms, networks, and formal markets—of increasing complexity.

Grégoire Canlorbe: The young business magnate Christian Grey affirmed [in a recent interview](#): “Business is all about people, Miss Steele, and I’m very good at judging people. I know how they tick, what makes them flourish, what doesn’t, what inspires them, and how to incentivize them. I employ an exceptional team, and I reward them well.

My belief is to achieve success in any scheme one has to make oneself master of that scheme, know it inside and out, know every detail. I work hard, very hard to do that. I make decisions based on logic and facts. I have a natural gut instinct that can spot and nurture a good solid idea and good people. The bottom line is, it’s always down to good people.

I don’t subscribe to luck or chance, Miss Steele. The harder I work the more luck I seem to have. It really is all about having the right people on your team and directing their

energies accordingly. I think it was Harvey Firestone who said the growth and development of people is the highest calling of leadership.”

What is your opinion on these statements? Do they shed light on a universal feature of the entrepreneurial spirit?

Stephen Hicks: I'm charmed that a character in an erotic novel can be such an articulate spokesman for entrepreneurship.

Grégoire Canlorbe: A crucial debate focuses on the question of whether Ayn Rand was fundamentally in continuity or in a break with the tradition of Classical Liberalism, notably represented by authors such as David Hume, Adam Smith or Jean-Baptiste Say. How do you position yourself in relation to this problem?

Stephen Hicks: Rand's liberalism is powerful and systematic, and I've learned a lot from it, but I don't believe she was especially original in political economy. So if one were to list, say, 100 policies that classical liberals advocate, then Rand would be in substantial agreement with Hume, Smith, Say, and the rest.

The distinctive thesis of Rand's on political economy is her insistence that the best defense of liberalism is *philosophical*—i.e., that it turns on getting the metaphysics, the epistemology, and especially the ethics right. Wrong views in ethics and epistemology undercut the case for a free society. And on those issues, her views frequently conflict with those of Smith (especially in moral psychology) and they consistently conflict with those of Hume (especially in epistemology).

Interestingly, Rand has less in common philosophically with the liberals of the Scottish Enlightenment (e.g., Hume and Smith) and more in common with the liberals of the English Enlightenment (e.g., Locke and Mill).

But even more forcefully than one finds in Locke and Mill, Rand's liberalism is based on a rational egoism, and that is distinctive in the tradition of classical liberalism.

Grégoire Canlorbe: Some typically Objectivist criticism of mainstream analytical philosophy is to blame it for “not taking logic seriously” and for denying that the laws of logic and mathematics are of any use to know the reality.

At least at first glance, this critique seems to be a straw-man, since modern analytical empiricism, following the tradition of Frege, on the contrary conceives of logic as a fundamental science that establishes the most general conditions of meaningful discourse as well as the most general rules of valid reasoning. In this regard, one cannot legitimately blame the mainstream philosophers for treating with disdain the laws of logic (principles of the excluded middle, of identity, of non-contradiction, etc.). Far from asserting that logic would play no role in rational inquiry in general, they actually conceive of logic as a fundamental discipline which delineates the framework necessary to address any meaningful discourse and any search for truth.

What would you reply?

Stephen Hicks: Analytic philosophy is comprised of many sub-schools, some more Platonic and some more pragmatist, and their commitments to and understandings of logic vary widely.

Yet it is correct that analytic philosophy in general takes logic positively and seriously. In this way, it is in marked contrast to the leading Continental schools of the time—neo-Marxian, Nietzschean, Heideggerian, Existentialist—that were openly disdainful of logic.

So, yes, the more Fregean logicians will say that they like logic and that we should use it. But that specific commitment is nested within a broader Platonic view of logic as a purely abstract and formal set of ideas disconnected from empirical reality. The consequent problem is that if logic is so

disconnected then it's merely a leap of faith to assume that formally logical results have anything to do with empirical reality.

The neo-pragmatic versions of analytic philosophy will also subscribe to logic as a useful tool. But they will argue that the rules of logic arise only from subjective and ultimately arbitrary commitments that we've made about language. The problem then is that an arbitrary commitment to logic is no better than an arbitrary commitment to illogic.

So the Objectivist critique really is based upon an Aristotelian understanding of logic: logic is an abstraction on real-world identity and causality. The objects, properties, and events that make up reality have identities and so exist and act causally. Logic is a set of principles abstracted from those identities and cause-and-effect relationships, and so it is an empirically-based, practically-useful formal system.

Grégoire Canlorbe: Both Rand and Nietzsche vehemently despise the ancestral notion of “Common Good”, dating back at least to Aristotle. Nietzsche eloquently and provocatively sums up his grievances against it in paragraph 43 of *Beyond Good and Evil*.

“One must renounce the bad taste of wishing to agree with many people. ‘Good’ is no longer good when one’s neighbor takes it into his mouth. And how could there be a ‘common good’! The expression contradicts itself; that which can be common is always of small value. In the end things must be as they are and have always been—the great things remain for the great, the abysses for the profound, the delicacies and thrills for the refined, and, to sum up shortly, everything rare for the rare.” *Beyond Good and Evil*, chapter II—paragraph 43.

Nietzsche and Rand are generally thought to be similar and treated on an equal footing by academics. Would you say that their respective criticisms of the notion of “Common Good” are indeed convergent or on the contrary divergent?

Stephen Hicks: I once counted [the similarities and differences between Nietzsche and Rand](#) on [96 major philosophical issues](#)—metaphysical, epistemological, ethical, and political. They agree on 19 of those issues but they disagree on 70 of them (and on seven issues it's arguable one way or the other).

So it is a shallowness when academics who should have done their homework generally lump them together.

But Nietzsche and Rand do share some important similarities, and one of those is negative—their loathing of collectivism and altruism, precisely defined.

“The common good” is one of those ambiguous phrases that give people trouble. Does it mean one common goal that everyone is supposed to be working towards—e.g., everyone should be doing his part to build the pharaoh's pyramid? Does it mean a resource that everyone uses as a commons—e.g., the air in the Earth's atmosphere that each person draws upon individually? Or does it mean a general category of values that are in fact unique and particularized—e.g., every mother's love for her own child is special and distinct but we can put their experiences into a common category?

The brilliant quotation you cite from *BGE* is a clear statement of Nietzsche's elitist anti-common-good position. It does nicely capture that many great things are difficult and so only a few in any population will strive for them and achieve them. For Nietzsche this is not a *journalistic* but a *philosophical* truth about people: the large majority of people are by nature incapable striving for—much less achieving—anything great. For Rand it is a *philosophical* truth that anyone born with normal capacities can strive and achieve greatness—and a *journalistic* truth that many people betray their own potentials.

The difference then is that the Nietzschean may feel an *aesthetic* disgust for the vulgar and the common, but the logic of that position is that no *moral*

condemnation can be made: The sheep, the slaves, and the *ressentiment* types can't help being what they are. But for Rand, the choices that individuals make are more significant to who they become and what they value, and so her evaluations can be both aesthetically *and* morally charged.

One also suspects that for the Nietzschean any great value that comes to be appreciated by many people would for that reason alone cease to be greatly valued. For example, only a few genuinely appreciate the greatness of Rembrandt's portraits and Rachmaninoff's concertos. But suppose that with effective cultural education Rembrandt and Rachmaninoff became generally and genuinely admired and appreciated. For the Nietzschean, *hoi polloi's* enjoyment would undermine *his* enjoyment—it's no longer exclusive, so he can't define himself in contrast to them any longer.

For Rand, by contrast, it would be a great achievement if we could get everyone to appreciate Rembrandt and Rachmaninoff. If they really are great, then one's experience of their greatness can and should be independent of others' evaluations.

In that respect, Nietzsche is much less individualistic than he is often made out to be.

Grégoire Canlorbe: According to me, the underlying force that makes Ayn Rand's heroes so addictive is power. They are in the railroad industry, a 130-year-old business built by the ingenuity and hard work of thousands. But they perceive themselves as the pilots of the entire system, self-made people who are giving society its hidden muscles. They have no clue that they are piloting a legacy and that they owe what they are to the work of a mob of others, not just to themselves. That's how they are able to deceive themselves into radical individualism. So Rand's philosophy is about self-deception in the name of raw power and at its heart is Rand's lust for power over others, over a growing mass of followers.

Power and influence are two human needs deeply intertwined. Metaphorically speaking, we are built as modules in a collective brain, i.e., a collective information-processing machine. Power and influence are two of the most important passions, passions that churn the information exchange of the system into overdrive; or into under-drive if one person takes over and exerts totalitarian power. Ultimately, Ayn Rand was a totalitarian icon, an intellectual Stalin.

What would be your counterattack?

Stephen Hicks: Your question raises two major issues: Who gets credit for what in collaborative enterprises, and what is the nature of power?

Clearly we form social organizations because we think we can achieve more by working together. Sometimes we work together by jointly exerting effort on a single thing—e.g., as when a number of together will lift a heavy log that none of them could lift individually. And sometimes we work together by first dividing of labor into specialties and then, by means of managers who develop systems, coordinating the outputs of those specialties—e.g., any assembly line.

So the individualist will affirm the value of the social, but insist upon two sub-points.

One is that the effort involved is individual. Each individual who helps lift the log must individual commit the effort, as must each individual on the assembly line. And what's true for simple muscular effort is true for the cognitive effort that is of fundamental importance for human life. Every original thought is an individual one, achieved by individual effort, and even when we who learn from each other we have to exert individual effort. There is great value in cognitive networks, but each individual in the network adds value only to the extent that he or she thinks.

My reading of Rand is that she was exquisitely sensitive to this point. Her great heroine, the railroad executive Dagny, reverently acknowledges her debt to her grandfather, Nathaniel, the founder of the railroad, and she expresses appreciation for all of those in the company—line-workers, engineers, office administrators, executive assistants—who help make the incredibly complex railroad system function.

The second sub-point is that not all individuals in a collaborative project add value *equally*. For example, the individual on the assembly line who has been taught to attach the widget to the framister—he is adding value to the product by doing so efficiently. But he does not add as much value as the person who designed the assembly line in the first place. The person who designed the system could attach widgets to framisters, but often the person who attaches widgets to framisters could not design a system.

Abilities are individualized and unequal, and the value-added of those abilities is also individualized and unequal.

How we *measure* the differing degrees of value-added and decide who gets how much money, praise, or fame—that is complicated. But that’s what we each try to do when exercising our individual judgments about each other and, more impersonally, what markets try to do in determining salaries and other prices.

Now, about power. Power is essential to human life and comes in many forms: muscular, intellectual, moral, economic, political, and so on. But there is a very clear distinction between:

- (a) Someone with a strong desire for knowledge and wealth—and who insists that individuals should earn their own and exchange with others only by voluntary means—that is, free minds in open discussion and debate and free markets of production and trade; and
- (b) Someone with a strong desire to impose a belief system upon others and to censor conflicting beliefs by means of political power—that is, by the thought police—and who forces others to work on collectivized projects and then confiscates their product—again by means of political power.

That’s the difference between Rand and Stalin.

Grégoire Canlorbe: It is not uncommon to hear postmodernist scholars say that modern capitalism, with its impersonal marketplace, leads to a disenchantment and an impoverishment of human relations, contrasting with all the magic, moral and sentimental resonance of “reciprocal gifts” among savages. The exchanges of primitive society are not chiefly economic; they have at the same time social and religious, magic and economic, utilitarian and sentimental, legal and moral significance. The more abstract, purely “economic” modes of exchanges found in modern society, make social life more superficial, less benevolent and less warm; they induce a psychologically shallow and paltry existence.

What is your opinion on this commonly held view?

Stephen Hicks: Postmodernists share that sentiment with many conservatives, feudalists, and tribalists.

Of course a huge amount of the elimination of magical and sentimentalist thinking has occurred due to modern science and engineering, which have arisen in symbiotic relation with modern liberal economics.

The significance of free-market capitalism is that it gives people a wider range of possible exchanges. One is still free to ritualize one’s shopping experience—e.g., as many people do by going to the local farmer’s market on Saturday mornings, where they socialize and sample and barter face-to-face

and enjoy the particularities of their local people and their customs. And one is free to utilize an efficient and impersonal chain store. It's your choice.

But having that choice is empowering for two reasons.

If the wider range of options that free markets make possible are in fact efficient, then they save time and money. One can invest that time and money in other values that are to you more significant. Suppose the impersonal supermarket saves you an hour's time and \$30—and you use that time and money to experience a musical concert—then your life is more enriched, not less.

It's also empowering because if you choose instead the localized and personalized market, then it becomes more significant because you chose it. You didn't just happen to be born into it or be conditioned to it by the happenstance of one's upbringing.

I've long had a suspicion that the discomfort the critics have with is really a deep discomfort with the full responsibility for your life that liberalism requires. Tribal, feudal, and collectivized societies make your choices for you—sometimes by explicit conditioning and restrictions, and sometimes simply by not being able to generate the range of possibilities that liberal societies can.

Many critics seem to desire effortless significance and meaning—that somehow the deep significance of one's life is just out there somehow and that one will simply be absorbed into it.

The opposite is the truth: genuine significance is made by choice and commitment—in romantic, family, economic, and aesthetic relationships. The life that is meaningful is one that one makes.

Grégoire Canlorbe: A second criticism, initially formulated by Michel Foucault in his 1979 lectures at the Collège de France, is that modern capitalist society and “disciplinary techniques” are completely bound with each other.

According to Foucault, the rise of economic freedom after the 18th century is the product of a new practice of power, present at all levels of society, whose aim is to “rationalize the problems posed to [society] by phenomena characteristic of a set of living beings forming a population: health, hygiene, birthrate, life expectancy, race.” The growth and prosperity of the population henceforth legitimated the frugality of the state and its non-interference in the working of the market system. But this conduct of the government is simply one aspect of power relations in modern society. The self-restriction of economic policy coincides with the deployment of new techniques of control operating at local level through prisons, factories, schools, and hospitals.

Foucault particularly emphasizes three distinctive features of modern “disciplinary” power: hierarchical observation, normalizing judgment, and the examination. He suggests they have come to pervade every aspect of our contemporary society. They are integral part of our everyday life.

What would be, according to you, the main strengths and weaknesses of the Foucauldian analysis?

Stephen Hicks: There's a libertarian streak in Foucault that sometimes appeals to me, and of course he's right that the rise of centralized and controlling bureaucracy is one feature of the modern world. I think Foucault can often be good psychologically and insightful philosophically, but ultimately he's weak as a historian.

As a start on this huge topic, I'll just say two things here. One is that the modern era is characterized by at least *three* types of social philosophy. The great debate between free-market liberalism and socialism highlights two of the three types. The third type is bureaucratic centralization, and that social philosophy cuts across the free-market/socialist debate.

The idea that society can be organized centrally with concentrated power used in all of the ways that Foucault diagnoses—that paradigm of

technocratic efficiency is often committed to neutrally and can then be applied in either market or governmental contexts. One can envision and find examples of private factories, corporations, and government bureaucracies applying those techniques.

So the question of both history and philosophy is whether the hegemonic-controlling-power model best fits with the theory and practice of modern free-market capitalism or with the theory and practice of modern collectivism-socialism.

The other point I'll make quickly is that Foucault consistently embraces a Nietzschean understanding of power as fixed and zero-sum. In that model, power may be constantly evolving, but it is also constantly agonistic and antagonistic. Hence the consistent undercurrent of cynicism in any Foucauldian discussion of power.

That contrasts to those understandings of power that recognize some forms of it—cognitive, economic, personal-relational, for example—as potentially generative and increasing, resulting in a net growth.

Grégoire Canlorbe: Thanks for your time and your insights.

Stephen Hicks: My pleasure. I appreciate your strong questions.

April 2016