

**LOVE AND ECONOMICS:  
WHY THE LAISSEZ-FAIRE FAMILY DOESN'T WORK  
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My talk tonight will give you the highlights of my book, *Love and Economics: Why the Laissez Faire Family Doesn't Work*. I have two points. First, I want to tell you that we are counting on you to keep your families together, and to raise your own children. We are counting on you, because a free society needs intact families and well-brought-up children. And no one else can really do it. My second point is this: You can do it. You may have to re-orient your thinking a bit. But I hope to convince you that it is worth the effort.

But first, what do I even mean by a Laissez-Faire Family?

When Betty Friedan launched the modern feminist movement with **The Feminine Mystique**, she called the frustration of the middle-class housewife, “the problem that has no name.” Now, we face a different and deeper problem that has no name. I call it the Laissez Faire Family.

I have lived in a Laissez Faire Family, in which each member pursues his or her own self-interest. I was surprised to find that the Laissez Faire Family doesn't make people very happy. A family held together by a series of contractual understandings turns out to be less stable than a family held together by that much misunderstood, intangible quality called love.

When I first encountered the ideas of free market economics and libertarian political theory, I was captivated by their logic, consistency and simplicity. But if I am completely honest with myself, I have to admit I was also enchanted by the application of those ideas to my personal life.

I enjoyed believing that I could do anything I chose to do, and still expect a reasonably good outcome, even if it was not “any part of my intention.” I found the libertarian emphasis on contracts as a tool for free and independent people particularly appealing. I had a lot of difficult relatives. I thought it was swell to kiss them good-bye because I never voluntarily agreed to be in a relationship with them.

In my book, I do not attack laissez faire economics. Not only is the free market alive and well, it is the only game in town. The issue is whether these ideas have direct counterparts in the conduct of our personal lives. In the past, I tried to argue by analogy from free market economic ideas to a full-fledged

philosophy of life. My book, *Love and Economics: Why the Laissez Faire Family Doesn't Work*, is an extended reflection on why that analogy does not apply.

That is not to say that there is no relationship at all between libertarianism and family life. The freer we hope to be from artificial restraints, the more we need loving families. This need for stable, committed loving families in turn places demands upon the behavior of individuals. But these demands can not be enforced or even defined by the government in much detail. The opposite of the Laissez Faire Family is not a government-run family. The proper contrast to the self-centered approach to the family is the self-giving approach.

Far from subsuming or losing the individual, self-giving actually elevates the worth of each individual. Seeing oneself as a gift proves to be a greater act of self-valuing than seeing oneself as a set of desires in need of satisfaction or as a set of opinions in need of assertion.

#### WHY A FREE SOCIETY NEEDS THE FAMILY

A FREE SOCIETY NEEDS THE FAMILY because the family does an important job that no other institution can do. The family transforms helpless babies from self-centered bundles of impulses, desires and emotions into adult people capable of social behavior. The family teaches the child to trust, to cooperate, and to restrain himself. Neither the free market nor self-governing political institutions can survive unless the vast majority of the population possesses these skills. Let me repeat that: **OUR FREE SOCIETY DEPENDS ON SELF-GOVERNANCE**. People inculcate these qualities in their children as a side effect of loving them. After all, we are not born as fully rational adults, capable of grasping our true interests, able to make contracts and other agreements, able to defend our property rights. We are born as helpless babies.

#### TRUST AND ECONOMIC INSTITUTIONS

Contracts are the tools used by free people to arrange their affairs for mutual advantage. But, it is often not practical to make provision for every possible contingency that might arise during the life of the contract. In these economic situations, people become vulnerable to opportunistic and predatory behavior from their contracting partners.

People can substantially dissipate the potential gains from trade if they have to protect themselves as they make contracts. If we have reason to be suspicious, we must make detailed provisions for non-compliance and shirking. If people find themselves in an unforeseen vulnerable position, they must scramble around, trying to defend themselves, or to cut their losses. Because the potential losses from unscrupulous behavior can be so large, the system of contract law can operate at lower cost and greater benefit if it is supplemented by an ethical system of personal self-restraint.

Trade in organized markets and exchange through informal barter are the most basic economic activities. Both trade and exchange are reciprocal behaviors. These economic activities require willingness to trust and the capacity for trustworthy behavior.

Complex transactions require trust. Some transactions take place over long periods of time. These transactions require people to deliver goods and make payments at staggered intervals. Other transactions are more complex because the commodities are more difficult to define precisely. Buyer and seller may have different conceptions of the good being traded.<sup>1</sup> In these situations, a certain amount of trust is necessary for the transaction to even begin. If the parties are both trustworthy and willing to trust, the transaction can be completed at far lower cost.

The banking system provides a specific example of the economic significance of trust. First and foremost, the banking system is based on trust: trust

that your money will be there when you go to withdraw it, trust that your loan will not be called in ahead of schedule. Without trust of this kind, the banking system would collapse, no matter how it was regulated, and no matter how much deposit insurance were pumped into it. The weakness of the Russian banking system demonstrates this point.

## TRUST AND THE FAMILY

This discussion of contracts is typical of the way economists approach their work. We assume that people are rational, self-interested adults, capable of discerning and protecting their own interests, and capable of forming and fulfilling contracts. But, as a matter of plainly observable fact, people do not enter the world ready for the rough and tumble of the market place. We all enter the world as helpless babies, attached to the end of an umbilical cord. It is the family that teaches the child to trust, to cooperate, and to restrain himself. People inculcate these qualities in their children as a side effect of loving them. To see this, let us take a look at what happens to a child without a family.

### The Child Without a Family

Children who are abandoned by their families usually end up in one of two places: on the street, or in an orphanage. The experience of children in orphanages reveals some things about the development of the human person that we might otherwise overlook. Children who are deprived of human contact during infancy sometimes fail to gain weight, or to develop. This “failure to thrive” syndrome is well documented. Some scientists now believe that the presence of a nurturing figure stimulates the growth hormones.<sup>2</sup> All the bodily, material needs of the child are met in these orphanages. The child is kept warm and dry. The child is fed, perhaps by having a bottle propped into the crib. The child contracts no identifiable illness. Yet the child fails to thrive, and may even die. The widely accepted explanation is that the children die from lack of human contact.<sup>3</sup>

The second thing to observe about these children without families is that they often have difficulty forming attachments to other people. Even children who are later adopted by loving and competent families sometimes never fully attach to them or to anyone. The prevailing thinking is that children who do not develop attachments in the first eighteen months of life will have grave difficulty in forming attachments later. And if the parents of such children do not intervene by the time the child reaches twelve years of age, the prospects for successful future intervention are thought to be gravely diminished, to the point of hopelessness.<sup>4</sup>

What do I mean by difficulty in forming attachments? The classic case of attachment disorder is a child who does not care what anyone thinks of him or her. The disapproval of significant others is not a deterrent from bad behavior, because there is no other significant enough to matter to the child. The child does whatever he or she thinks they can get away with, no matter the cost to other people. They do not monitor their own behavior, so authority figures must constantly be wary of them and watch them. They respond to physical punishments, and to suspension of privileges, but not to disapproval. They lie if they think it is advantageous to lie. They steal if they can get away with it. They may go through the motions of offering affection, but people who live with them sense a kind of phoniness. They show no regret at having hurt another person, or may offer perfunctory apologies. They may find it fun to torture animals.

As they grow into adolescence, these children may become sophisticated manipulators. Some authors refer to them as "trust bandits," because they are superficially charming, in their initial encounters with people. They can charm people for short periods of time, only to betray the person's trust by using them. They can con people for long enough to use them. In the meantime, their parents, and anyone else who has long term dealings with them, grows increasingly

frustrated, frightened and angry, over their child's dangerous behavior, which may include lying, stealing, violence, and fire setting. <sup>5</sup>

As the parents try to seek help for their child, they may find that the child is able to "work the system." He can charm therapists, social workers, counselors, and later, perhaps even judges and parole officers. This child is unwilling to consider others, or even to inconvenience himself for the sake of others.

Who is this child? Why, it is homo economicus, rational, calculating, economic man. The person who considers only his own good, who is willing to do anything he deems it in his interest to do, who cares for no one. All of his actions are governed by self-interested calculation of costs and benefits. He does not self-monitor; so he can always find some opportunity to evade the rules. As to his promises, he breaks them if he deems it in his interest to do so.

Plainly, this is a person who is not fit for social life. Most people would just call this person a sociopath, and not dignify this character by calling him homo economicus.

Why did I shock you with this parable of homo economicus as an attachment disordered child? The desperate condition of this left-alone child shows us that we economists and political theorists have been, all along, counting on something to hold society together, something more than the mutual interests of autonomous individuals. We have taken that something else for granted, and overlooked it, even though it has been under our noses all along. The missing element is none other than love.

How is it that love makes the difference between the sociopath and the kind of person who could be trusted to pursue his own self-interest without causing too much trouble to other people? When a child has a normal attachment to his parents, he comes to care what they think of him. This caring about their opinion lays the groundwork for the development of the conscience. From the parents'

point of view, it is love that provides the motivation to meet the child's many needs.

The infant experiences a need which he can not satisfy by himself. The child cries out for help. Help arrives. The help does more than satisfy the child's immediate need. The assistance of another person allows the child to learn to trust.

If the adult world responds to the child's needs, the child learns that it is safe and beneficial to trust. Children of normal, loving parents learn that all the anxiety they work themselves up into is not really necessary. Mom and Dad are going to show up; they are going to do what is needed. Children eventually learn to relax into the care of the adults, who are in loving control of the situation.

In the process, the infant comes to know that human contact is the great good that ensures his continued existence. As a byproduct of caring for the most basic bodily needs, the parents call out the child's longing for human contact. The longing for human contact ultimately develops into a longing for the deeper attachment we ordinarily call love.

### THE SOCIAL SIGNIFICANCE OF TRUST

The ability to restrain oneself is an integral part of being trustworthy. People need to restrain themselves from taking advantage of such opportunities for immediate gains. Both the willingness to trust and the ability to restrain oneself flow, in some sense, from the attachments of people to each other.

A child learns to suppress some of his immediate desires, for the sake of the comfort of others. He learns not to scream out for anything and everything he wants. He learns to wait his turn. He learns to share toys. These are all primitive forms of cooperative behavior. They all require self-restraint.

Child development specialists have traced out the course of moral development in the following path. First, my parents will punish me if I do x.

Next, my parents will not like it if I do x. Next, my parents might not find out, but if they did, they would not like it. Next, I won't like it if I do x. And finally, I am not the kind of person who even thinks about doing x.

The prohibition comes closer to the person with each one of these steps. External costs and benefits become less relevant with each succeeding step. The child moves from calculating the costs of disobeying, from calculating the probability of detection, to completely internalizing the prohibition. And when the action becomes completely outside the choice set, costs and benefits become irrelevant.

For any of this progression of internalized prohibitions to take place, there must be a significant person in the child's life. This other person is significant precisely in the sense that the child cares what the person will do, and cares what the person will think. The disapprobation alone becomes enough of a cost to deter bad behavior.

The condition of the attachment disordered child is instructive in this regard. Normal people care what other people think about them. Attachment disordered people are dangerous precisely because they do not care what anyone thinks about them. No one can really control them.

Losing the esteem of significant others is an important motivator for most people throughout their lives. Most people do not avoid crime because of anything the police or criminal justice system might do to them. Why? I believe it is because they are afraid of what their parents would think.

It is only the attachment disordered person who is literally running the cost-benefit analysis on every opportunity for theft, and lying. Normal people do not even begin the calculations. The cost-benefit program is overridden by the thought, "What would your mother think?", "what would your father say?" before the calculations even begin. In fact, that is what the mothers and fathers of the

world want their children to do. "Don't even think about it." Why? Because if you think about it, you will find that some of the time, crime will pay. The parents' job is to short-circuit that entire line of thought.

This is the importance of the job done by a loving family. The family calls out from the individual the capacity to have regard for other people. A free society requires self-restraining, self-monitoring, self-governing adults. But we are not born as adults. In spite of what some romantics might think, actual babies are not noble savages. They are just cute savages, who have the potential to be civilized. They are totally self-centered, impulsive and demanding. It is not a foregone conclusion that any particular child will be civilized.

#### IS THERE A CLOSE SUBSTITUTE FOR THE FAMILY?

The family is the child's first link to the rest of the human race. The family quite literally socializes the child, in the sense of making the child capable of participating in the social order. Parents spend a lot of time wiping noses and tying shoes. These things might seem to be menial chores that any idiot could do. But as a byproduct of doing these mundane things, the parents convey to the child that he matters to them. He comes to allow them to matter to him as well. The family is the natural and best institution for creating attachment and teaching cooperation.

Two possible substitute social institutions might come to mind. From the right-wing careerist corner, we might hear the claim that the market could solve this problem. We could hire someone to take care of our children. These hired substitute parents could be close enough substitutes for all practical purposes. From the left-wing statist corner, we might hear the claim that some government program could create the characteristics of cooperation. We could inculcate these dispositions in government schools and day-care centers. We could take the children from their parents at ever earlier ages, to assure that they were thoroughly trained and properly brought up for social life.

## IS THE MARKET A SUBSTITUTE FOR THE FAMILY?

To deal with this possibility, let me summarize my activity as a stay-at-home-mom on any given day. How are the basic jobs of instruction, limit-setting, direction, and guidance to be done with any particular child? One of my children has such a tender conscience that she bursts into tears at the realization of having done something wrong. The other requires a small two-by-four to even get the message that he has done wrong and needs to apologize. One child plays every injury for maximum drama: she demands a band-aid for microscopic boo-boos. The other child is so impervious to pain, and so resistant to accepting help, that if you hear a whimper out of him, its best to just dial 911.

And the subtleties of settling quarrels! Who really started that fight? It looks for all the world as if big brother pushed and shoved, but little sister can be an irresistible provocateur. Who did what on this particular occasion?

They might be able to formulate the thought, "I want that other kid's toy. I know my mom does not want me to punch him to get it," and then get stuck. They can not see a course of action that gets them where they want to go. The gap between what they want to do and what they are supposed to do is too broad for them to jump.

So, they need some coaching not only for their actions, but for their words and even their thoughts. Mom can intervene with suggestions such as, "why don't you offer to trade," or "why don't you offer to play this game that will let you play with the toy together," or, if all else fails, "why don't you play with something else?" As the child gets a little older, helping him learn to manage his frustration is a more important objective than helping him find strategies to get his own way. "That toy belongs to him. He doesn't have to let you play with it." "You wouldn't like it if he took your toys." "Don't you have enough toys? You need to be satisfied with what you have." Knowing when a particular child is ready for a new

level of self-restraint, knowing what level of abstraction he can grasp, knowing how much frustration he can tolerate, and helping him move to a new level, all of these are part of the daily work of motherhood.

Now I ask you: who am I going to pay to do all this? How am I going to give instructions of sufficient detail to a babysitter? The “market” can not handle this problem completely. Of course, there is nothing wrong with hiring some help. But you can not completely delegate the innumerable tasks that go into raising any particular child. As a matter of fact, when people are particularly pleased with a nanny or babysitter, they often express this fact by saying, “she is just like one of the family.” This statement means that this person has slid into the routine of the family, and has grasped its unstated rules, norms and expectations. I have never heard someone praise a child-care worker by saying, “she is an employee,” or, “she works for her paycheck.” Usually, when parents say this kind of thing, they are at the end of their rope with someone who can not draw any inferences or take any initiative.

The only plausible way to use the market still requires the family as a monitor. We hire people and use purchased goods in a variety of ways to help us raise our children. But the parents still have the primary responsibility for choosing which people, how much and in what context. No one in his right mind would advocate turning children over to “the market” in some abstract way, and leave the parents completely out of the decision-making loop. The family is still present in the process of selecting and monitoring any childcare services purchased on the market.

The basic problem with the market as child care provider is that people tend to rely upon it too much because it is convenient. People tend to let their priorities become garbled, as they do what is convenient for themselves rather than what is best for the child.

This is why I mention the market as a substitute for the family in this talk. Freedom, for many people, has come to mean the right to do any peaceful, non-coercive act. The most typical statement of an individual's responsibility within a libertarian society is that the individual has a responsibility to refrain from the initiation of force, and from fraudulent activity. My argument is that this is an insufficient statement of the individual's responsibility within a libertarian society.

Parents have a positive responsibility to take care of their children. Completely delegating the care of children to hired help is not exactly an act of force or fraud. It is, however, an extremely negligent act. A free society cannot long survive if large numbers of people choose to discharge their parental duties in this most perfunctory way.

### MATERIALISM AND ECONOMICS

We can apply one of great insights of the theory of free societies to this intricate set of interactions between parents and children. Nobel-Prize winning economist Frederick Hayek argued that free economies would outperform centrally planned economies. In the 1920's and 1930's, defenders of socialism used to argue that an economy could be centrally planned, using scientific methods. They claimed that central planners could simulate the workings of the market economy by scientifically calculating the correct prices for goods and services. Setting the appropriate prices would lead people to have the correct incentives for production and consumption. This scientifically planned economy would be more efficient than the market economy, because all the duplication and waste of the competitive process would be sidestepped. <sup>6</sup>

Hayek responded that one of the major purposes of the market mechanism is to discover the proper prices. No group of people, no matter how intelligent, can discover the complete set of prices for every good and service, at every time, in an economy of any size or complexity. Much of the knowledge upon which the

price system is based is tacit and implicit. People do things they do not fully understand. People act upon knowledge they have, but cannot fully express. People have knowledge of particular circumstances, places, and things. They incorporate what they know into economic activity. But if a central planning commissar were to interview them about what they produce, how and why, they might very well omit crucial pieces of information.<sup>7</sup>

There is a very strong analogy with the work of parenthood. Most parents can not articulate the physiological and psychological significance of the activities they do with their children. Indeed, if you ask the mother of an infant what she did all day, she is unlikely to be able to even describe her activities, except in the most general way. She might tell you how many times she changed his diaper. But she will probably forget to mention that she looked in the baby's eyes, wiggled his toes, and laughed while she imitated his baby babbling sounds. She might tell you she folded laundry and did dishes. But she probably won't remember that she rewarded every little noise her baby made, by smiling at the baby, or imitating the baby's sound, or having an imaginary conversation with him.

#### PARENTHOOD, PROXIMITY AND TACIT KNOWLEDGE

One possible consequence of viewing the parental role through the materialist lense is that we could convince ourselves that the parents' responsibility included only the things currently on the list of known impacts of parental action on the body. But the set of things parents do out of love for their children is much more extensive than any such list. Many of these acts of love, while observable in principle, are not really enumerable. Not even experienced parents nor scientific observers can list all of them. People do what the child needs without necessarily having a complete understanding of what they are doing and why.

Reflecting on the neglected infant helps us appreciate the surprising importance of these simple activities parents do with their babies. Most parents rock their babies and look into their eyes, without realizing that this activity wards off attachment disorder. Very few parents are conscious of the fact that they are stimulating their baby's vestibular and proprioceptive systems when they bounce the baby on their knees, or lift him up overhead and wiggle him around. Most parents don't realize that they are teaching their child basic trust and reciprocity every time they play peek-a-boo. People have been playing patty-cake with babies for generations without realizing that this simple game stimulates the development of motor planning and coordination.

Many people have finally realized that Hayek was absolutely right about the importance of tacit knowledge to the smooth functioning of the economy. Yet the tacit knowledge required to raise children may be even more extensive and even more important. This is the deep reason why we can not fully delegate the care of children to strangers, even to so-called experts.

I suppose you can guess that I advocate two-parent families. The amount of effort required to build up a relationship with an infant really means that one person has to take care of the baby, and someone has to take care of whomever is taking care of the baby. I have an entire section of the book to the issue of single parent families. Suffice to say that I echo the recent evidence provided by authors like Judith Wallerstein on the harms of divorce, David Blankenhorn on the importance of fathers, and Linda Waite and Maggie Gallagher on the benefits of marriage.

#### IS THE GOVERNMENT A SUBSTITUTE FOR THE FAMILY?

If the market is not an adequate substitute for the family, surely the state is an even worse substitute. Most of the state's efforts currently are focused on helping infants whose parents are hopelessly incapable of parenting. The state

itself uses the family as an institution, because its preferred solution is to place these infants into foster homes, or ultimately, adoptive homes.

Moreover, the current thrust for government subsidy of child care illustrates how limited the state really is. In one important respect, using the state as a substitute parent will be quite similar to using the market. For the state will surely staff its schools and daycare centers with employees. The children will be cared for by people who are paid to be nice to them, instead of by members of their families.

I do not mean to detract from the basic libertarian understanding of markets and their central role in regulating the interactions among free people. Libertarians advocate a world of minimal government. Our preferred substitutes for government are people working together through non-coercive institutions to bring about goods of common benefit. The market is one example of such cooperation. But a civil society that would be a really good society requires many methods of cooperation. Generosity is required for almost all of them. Mere compliance, doing the minimum necessary to get by will not be sufficient to create a society in which people would really enjoy living.

When we have a choice between a government solution to a problem or a contractual or market solution to a problem, by all means, choose the market. But if we have the choice between cooperation using a contract or cooperation that requires liberality beyond the reach of contractual obligation, by all means, reach beyond the contract. Not all situations allow a choice of methods. In some cases, the circumstances dictate the form the cooperation must take. But where we have a choice, libertarians, of all people, must advocate the most generous form of cooperation that the situation can reasonably sustain.

**DO I HAVE WHAT IT TAKES?**

You may be a bit nervous at this point in the talk. I seem to be saying that a free society needs kids who can trust and be trustworthy. I also seem to be saying that kids need certain things from their parents, stability, commitment, love and lots of time. What if I love my child, but I am not sure I want to or am able to reduce my hours of work? Or, I am not so sure I love my child's other parent? Or, I'd really like to have an exit option, just in case?

This is one way in which the Laissez-Faire idea can be mistakenly applied to the family. We can view the family as a bundle of contracts or as another institution that transfers resources around. Husbands and wives have a kind of contract for exchanges of resources and services. Children and parents have an implicit contract. Parents transfer resources to their children. Children provide "child services" to their parents. On this account, a family member is just another consumer item that provides satisfaction more or less well.

The contrast to viewing the family as a bundle of contracts and the purpose of the family as resource transfer is to view the primary function of the family as building relationships. The relationships are primary; the resources are secondary. In fact, parents transfer resources to their children as a byproduct of building a relationship with them. Those of us who are trained in economics tend to salute the market for its ability to satisfy consumer desires. We refer to this feature of the market as consumer sovereignty. We say that the market gives the consumers what they want. Sometimes, more colloquially, we hear it said that "the consumer is always right."

Why doesn't this idea apply to the family? I'm not the sovereign, and the other people in my family are not objects for me to consume.

In the market, If I have a problem with a consumer good, I can return to the company and demand satisfaction. I can go back to the Wal-mart, demand my money back or a replacement product. For five minutes, I am the Empress of Wal-

mart. Even if I behave rather badly ( in fact, maybe especially if I behave badly,) I have a good chance of getting what I want.

By contrast, I can't go home and inform my family members that I am the Queen of the Morses. I could, but they probably wouldn't be keen on the idea. I could try to tell them that I am always right. They aren't likely to be persuaded, even if I tell them that the lady at Wal-mart said I am always right.

People are understandably resistant to being treated as if they were objects to be consumed. This brings us to the second point. We sometimes think of each other in almost consumerist terms.

“Is this relationship satisfying?” “Do I feel nourished by this relationship?” People do not usually think of themselves as utilitarians in their love lives, but these questions reflect an underlying, if unspoken attitude that relationships should be evaluated on the basis of their usefulness to me. The question, “What's in it for me?” is a more brutally blunt version of the same questions.

### LOVE AND ECONOMICS

Economists have articulated the utilitarian philosophy more carefully than the average person, so it is worthwhile to take a moment to explain the economists' approach to love. Looking carefully at the economists' model of love might give a clue as to why this approach is so often disappointing when used in real life. The economists who have tried to give an account of love have essentially inverted the logic of love.

Economists' define altruism as the willingness of one person to bear costs on behalf of another. I receive a benefit from seeing another person consume or possess certain things. If my happiness depends on your consumption or possessions as well as my own, then I will rationally choose to transfer some of my resources to you.

The alternative formulation of altruism is that my happiness depends on your happiness, no matter how you might define your happiness. This form of altruism means I give you what you want, whatever that might be. In either case, we have attempted to account for the phenomenon of love by seeing the other person as something that contributes to our happiness. We are treating the other person as if he were an object, similar to ice cream or baseball games. We give something to the other person, because we receive happiness from doing so.

But ordinary people think of love as valuing the other person for himself and not for what he can do for us. A person whom we love is not an object, and love consists of more than a simple transfer of resources. Economists who reflect on their experiences as spouses, as parents, and as children can recognize this fact as readily as anyone else. Most people identify a parent who values his child for what the child does for him as a bad parent. A parent who does nothing but give material things is a bad parent. A lover who only gives presents is not really loving. Genuine love involves some kind of giving of the self. This is why giving time to another person is usually considered more loving than giving objects: there is more of the person in their time than in the gift of an object.

When we say in ordinary conversation that we give ourselves or give of ourselves to the person we love, we mean more than taking our objects of consumption and giving them to the other person to consume. We mean allowing ourselves to be changed by the experience of being with and valuing another person.

Seeing love as a transfer of resources, even the resource of time, can never completely do justice to the reality of love. For the transfer model is operating in the realm of scarcity, just as all conventional economic analysis does. In the realm of scarcity, the thought of giving the self to another person is alarming. We might have the image of our entire self being consumed by another person, or simply being lost. But the person who gives as an act of love is enriched by it. The person who gives of himself is not consumed, but enlarged.

Even the maximization of utility or happiness is not an accurate description of the loving person's objective. The loving person no longer really knows what will make him happy because he does not and cannot know in advance exactly what the other person's good will be. By loving, the person commits himself to the unknown. The person is opening himself to a path he cannot, by its nature, predict. The person becomes willing to change, and to allow himself to be changed by the experience of loving.

#### CONCLUSION: LOVE IS NOT OPTIONAL

Libertarianism has had some ambivalence about itself. Is our movement essentially a political philosophy of minimal government? Or, is our movement a social movement that allows people unlimited freedom of action, subject to the prohibition on the use of force or fraud? Many of us have replied that our movement includes both of these strands.

The freedom of action strand may very well be in conflict with the minimal government strand of libertarian thought. For the minimal state can not exist without a substantial component of self-restraint and self-government within the citizenry.

In this talk, I go one step further. I say that this internalized ethic can not come into existence in the absence of loving families taking personal care of their own children. Scholars sometimes conceptualize the promise-keeping ethic, as though its primary impulse were rational and its primary foundation were utilitarian. We have had the luxury of describing it in that way because we have lived in a society in which most people had already imbibed these basic norms.

But promise-keeping for purely rational and utilitarian reasons can not supply the foundation of contracts and ethical behavior that a free society really requires. For there are many occasions on which it is privately rational to break promises and contracts. When these temptations arise, something more powerful and more primal than rational calculation must overrule the urge to follow one's own self-interest, narrowly defined. The internal voice must say, "we don't do that kind of thing," before the calculation process ever gets started. That internal voice is the voice of the loving parent: the parent who proved himself trustworthy, long before we ever even could begin to demand proof, or reasons for anything.

It is not sufficient to reduce family obligations to a species of contracts which may be renegotiated at will by consenting adults. The needs of the children are not simply social constructs that can be redefined for the convenience of the adults. Some childhood needs are universal and non-negotiable. Just as no libertarian would claim that keeping contracts is optional, I maintain that no libertarian should claim that fulfilling the basic parental responsibilities is optional.

Love is the key to fulfilling these obligations and inculcating these values. Love of the parents for the child keeps them engaged in the never-ending job of meeting the child's needs. Love of the parents for each other keeps them working as a team, so they are not overwhelmed by the task.

The child learns to trust his parents, not because he reasons from first principles that they are reliable sources of information. He trusts them because their loving actions have allowed him to feel safe. The loving act take the place that a rational argument might take for an adult: it is utterly persuasive. From the parents' actions toward him, he learns that making a generous first move is not the behavior of a sucker, but of the kind of fully human person that he would like to

be. From his parents' love of each other, he learns that cooperation between people is not only possible, but quite wonderful.

Economics has been a successful social science because it focuses on things that are true: human beings are self-interested and have the capacity for reason. But it is equally true that we have the capacity to love. This capacity is no less human, and no less defining of who we are. Too much of our public discourse has proceeded as if these two great realities of the human condition, reason and love, were in conflict with each other. The Right favors the cold, calculating, tough-minded approach of the intellect: man is essentially a Knower. The Left favors with warm, fuzzy, emotional approach of the heart: man is essentially a Lover. Yet the Left at its most extreme has given us the cold, impersonal state and its bureaucracy as the answer to social problems. At the same time, the Right at its most extreme has given us the irrationality of trying to reduce man to the sum of his bodily needs.

We sometimes even see this dichotomy expressed in gender terms. Men are rational. Women are emotional. Yet the point of marriage is to help people cross that divide. We marry someone different from ourselves, in part because he or she will help us moderate our tendency to go off the deep end in one direction or the other.

Inside the home, the family as a whole has the benefit of being able to call upon both these deep realities of the human condition. Mother may very well react to Junior's staying out past curfew by worrying about his safety and smothering him with hugs when he finally gets home. Father may very well calculate that it is in Junior's long run interest to get the verbal equivalent of a swift kick in the pants. The kid probably needs both. Marriage at its best allows people to cross this divide, at least inside the home.

It is time to cross this divide in the sphere of public discourse as well. The consequences of going off the deep end into either the direction of Love or Reason and ignoring the other can be grim indeed. The French Revolution raised an altar to the "Goddess Reason." But that revolution allegedly based on reason produced one of the most irrational, chaotic and bloody periods in French history. The Russian Revolution tried to establish the dictatorship of the proletariat in which everything would be owned in common like one giant family. That revolution produced oceans of blood and ushered in a new period of material privation, unequaled even in Russian history.

We might argue that the American Revolution was the most successful of the modern revolutions because it preserved the underlying social and cultural order intact, even while it created reasonable economic and political institutions. The family was surely among the key components of that underlying cultural order. Families were then and are now, held together by a thousand ties of affection, obligation and habit. This is love that is more than mere sentiment, and more than the erotic urges of the body. Love is a decision.

Like all decisions, the decision to love can be guided by reason. This would seem to be the key to avoiding the extremes of trying to build a society exclusively on either the intellect or the heart. Love guided by reason, or reason informed by love, these are more realistic, and therefore, more humane approaches. The tragic history of the last two centuries coupled with the relative success of the American experiment suggests that it would be prudent to avoid either extreme of trying to build a society on reason alone, or on sentiment alone.

What will we have then? We will have a society in which people can work, be productive and enjoy material prosperity, and at the same time a society in which people can relax into the comfort of the people who love them, the comforts of home. It will not be a perfect society. But it might be a society in which families hang in there for each other, and work out their problems together. We will have a society that is worth living in, and worth dying for. In short, we will have a civilization of love.

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<sup>1</sup>. Oliver E. Williamson and Sidney G. Winter, **The Nature of the Firm: Origins, Evolution and Development** (New York: Oxford University Press, 1991).

<sup>2</sup> This syndrome is known as the Kaspar Hauser syndrome, or psychosocial dwarfism. See **Comprehensive Textbook of Psychiatry**/VI, Vol.2, Sixth Edition, Harold I Kaplan, M.D. and Benjamin J. Sadock, M.D., Editors, (Baltimore: Williams and Wilkins.) See Chapter 40, and sections 43.3, 47.3.

<sup>3</sup> See Ibid, Section 43.3, “Reactive Attachment Disorder of Infancy or Early Childhood.” The locus classicus is the work of John Bowlby, **Attachment and Loss. Vol. 1: Attachment**, (New York: Basic Books, 1969). Also, Mary Ainsworth, Mary Blehar, Everett Waters and Sally Wall, **Patterns of Attachment:**

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**A Psychological Study of the Strange Situation**, (New Jersey: Lawrence Erlbaum Associates, 1978).

<sup>4</sup> Foster Cline, **Understanding and Treating the Severely Disturbed Child**, (Evergreen Colorado: Evergreen Consultants, 1979).

<sup>5</sup> The terminology of "trust bandit" is due to Ken Magid and Carole McKelvey, **High Risk: Children without a Conscience**, (New York: Bantam Books, 1987).

<sup>6</sup> For an overview of the Socialist Calculation Debate, see Hoff, Trygve J.B. *Economic Calculation in a Socialist Society*, Indianapolis: LibertyPress, 1981 and Lavoie, Don. *Rivalry and Central Planning: The Socialist Calculation Debate Reconsidered*, New York: Cambridge University Press, 1985. In the final stages of editing this work, I discovered a newly released 9 volume survey of the socialist calculation debate. **Socialism and the Market: The Socialist Calculation Debate**, Peter Boettke, editor, (Routledge: 2000).

<sup>7</sup> Frederick A. Hayek, "The Use of Knowledge in Society," **American Economic Review**, XXXV, 4 (1945) 519-30; and **Law, Legislation and Liberty, Vol. 1, Rules and Order** (Chicago: University of Chicago Press, 1973).