**Big Government and Big Business –**

**Evaluating Our Fear of Size in the Public and Private Sectors**

It is a common feature of the politically progressive mentality to agonize over the size of business, to consider big businesses as somehow a threat to our lifestyle and perhaps even our liberty. It is an equally common feature of the politically conservative mentality to have the same kinds of reservations about the size of government. Oddly, few seem to be worried about both. Those who worry about big government seem fine with big business, while those who worry about big business don’t tend to complain about the size of government.

This is puzzling, because it does not take much logical gymnastics to figure out that big government without a healthy sized private sector would verge on a command economy, or economy proactively invented and dictated by government, a policy with a disastrous track record in the world. Conversely, big business without an aptly sized public sector to balance it would result effectively in government being overpowered by large corporations. To allow business to be big while shrinking government is dangerous to democracy, since our elective officials can only govern to the extent that they have the power to do so; but if government is overpowered by corporations, then the ones effectively governing are the czars of big business.

Both of these unhealthy, unbalanced states of affairs have been instantiated in the world over and over, and their results are plainly visible. We see what attempts at command economy did to China during the cultural revolution, causing mass starvation; how it has caused the economies of North Korea and Venezuela to fail. On the other hand, in this country we see in certain cases how private sector interests have infiltrated and bought out government to the point of paralyzing our ability to respond to things like gun violence and the opioid crisis as well as a wider inability to stem the tide of Big Pharma’s takeover of the health care profession. Why, then, do we insist on opening only one eye at a time, seeking to put one excess in check while allowing the other to run rampant? That some of us are grabbing one end of the stick while others grab the other does not lessen the problem, since it divides us and only leads to stalemate, which is just as good as victory to those lording it over us in either sector. We all need to be grabbing both ends of the stick at the same time.

Libertarians are constantly in distress over big government “collectivism” under the guise that it is somehow a garden path to totalitarianism; so distressed, in fact, that they are willing to invest in political efforts to shrink big government that are tantamount to voter suppression. But voter suppression itself is a garden path to totalitarianism if anything is. Moreover, in order to avoid caving in to the necessity of big government, they are led to deny science itself, as well as the advice that it gives: climate science as well as medical science. Recall other past failed anti-scientific libertarian campaigns: against tobacco causing cancer and the banning of DDT. These are the same people and the same organizations moving from denial to denial, not for any intrinsic reason, but by dint of their commitment to skirt any case for collective government action. These campaigns are anti-scientific because their opposition is politically motivated rather than being born from within the scientific process itself.

As far as the size of the private sector is concerned, libertarians are mum. They seem to think that the human nature driving the private sector is not the same as that driving the public sector, but is more trustworthy; that somehow by capitalist magic human cupidity will produce benign social results without effective regulatory government intervention. This is not the capitalism of Adam Smith, who envisioned the role of the public sector as that of providing for the common good.

Make no bones about it, government needs to be aptly sized to effectively regulate a large private sector; and yes, the private sector needs effective regulation in order to prosper. Like any other game, the private sector needs an effective set of rules kept up to date to ensure its optimal good to society. And it needs referees empowered to enforce those rules fairly. The dictum that capitalism produces the greatest good for society is not a self-sustaining truism, but an ideal we have to make true by the appropriate management of the private sector by the public sector. To be sure, the economy at large is not something that government can proactively invent, and its attempting to do so would be disastrous. But just as we can learn how to prune trees effectively although we could never plan out their growth from scratch, so too, the public sector needs to manage the economy; not as a mechanic manages an automobile, but as farmers manage their crops. Let the private sector grow as it must, the public sector must maintain a size apt to effective management of the private sector.

As for the fear of government growing too big, Daniel Mitchell of the Cato Institute, a libertarian think tank, lists the evils of big government as crowding out the private sector, diminishing our liberty by taking and spending our money for us through taxation, targeting government spending to buy more votes, and accruing an excessive government debt that enslaves us even more thus undercutting the democratic process and depriving us even more of our liberty. This litany of items is no doubt the motivation of Milton and Rose Friedman’s charge against public social programs as “major evils” that erode our liberties, as well as Yuval Levin’s warnings against the size, scope, and cost of government. The suggestion is that of a zero-sum game: the more power government has, the less power we have. The less power we have, the less liberty. Thus, necessarily, according to this view, government growth is growth toward a limit of totalitarianism. It is therefore an evil to be minimized rather than a social value to be optimized.

This, at the very least, is an ideology that apparently will not just go away on its own, so we need to contend with it on the grounds of its own internal logic. The brand of totalitarianism we are being warned against is Marxism itself, according to Mark R. Levin’s provocative title – apt for him as a professional provocateur – “American Marxism”. To be sure, Marx did call for, or better, predicted, what he called a temporary “dictatorship of the proletariat” with a nationalized economy to usher in the final utopian post-capitalist economy, which would be decentralized and greedless. Still, for that same reason, to identify our big government as Marxist, is inane, since our big public sector exists in tandem with a private sector about five times bigger than it. The public sector is and provides the infrastructure which enables the private sector to operate. So an economy as big as ours cannot afford not to have a big public sector as well.

The claim that big government is Marxist could only make sense if its size came at the expense of shrinking, commandeering or nationalizing the private sector. But there is no sign that this is what we are doing or are even on the verge of ever doing. The notion that public sector growth is parasitic to the private sector can only be true to the extent that the public sector both seriously limits the private sector’s operation in some sector in which it itself operates and operates there less efficiently and effectively than would private sectors entities. Now, one major sector of the economy that does exist largely in the public sector is the military. Should we say it is parasitic not to allow the private sector to provide for all our military needs? Would the private sector do a better job of defending us than the current U.S. military? To both questions I reply: obviously not! In fact, there is widespread agreement that things like the public defense and law enforcement are not services we should entrust for the most part to the private sector. These, clearly, are things, Adam Smith would have classified as “common goods” to be provided by the public sector.

Some of the resentment of big government is fueled by aversion to taxation, which itself seems based on its mischaracterization as our money being taken from us and spent for us in a manner that undercuts our liberty. There are two big mistakes in this characterization. The first is that what is being taken is our money, or in other words, money we ourselves were entitled to. Should I really be entitled to keep the money I pay for property taxes, since the property is something I own? The answer to that question requires answering first another question: what are the factors that cause my property to have value in the first place? I am sure the municipal sewer system is one of those factors in most cases, as are the condition of the streets and roads, paid for and maintained mostly by the public sector, required to access the property. Also, the existence and enforcement of building codes and zoning laws, so that my house or the house next door doesn’t just randomly collapse one day, or some neighbor of mine doesn’t just get to open a casino in his basement. Not to mention the safety of the neighborhood, and the convenient location to cities and towns where there is work. Are not these all values I should be expected to invest in, since they are all values that put money in my pocket. I imagine that some people who work in New York City and commute from Greenwich, Connecticut grumble about the city where they work. They should perhaps reflect more on the fact that New York City and the proximity of their town to it are what makes Greenwich so rich. If Greenwich were suddenly put even ten miles further from the big city, its overall value would greatly decline. So not only those who live in big cities have due cause to invest in it; perhaps even more so those lucky enough to live just outside the range of the dirt, the grime, and the noise.

It is noted that big public debt is an almost inevitable consequences of big government. In fact, every government in the world has national debt; in most cases the burden is manageable so that it does not noticeably affect the quality of life of the citizenry. Moreover, there is no noticeable relationship between level of debt and political liberty or lack thereof, other than that authoritarian countries are less likely to share such data with the world.

More importantly, being in debt, as governments are, is tantamount to investing borrowed money, which is an ordinary function of any agency with financial interests. The fact of debt itself is nothing to criticize, but the quality of the investment: the likelihood that it will yield a return. Moreover, the return of a sound public sector investment does not have to be directly monetary or straight into government coffers. Any investment that stimulates the economy and improves our quality of life can be considered a worthy investment.

A prime example of government spending that was heavily criticized but yielded abundant returns was the government bailout of the auto industry in 2009. Of the 80 billion dollars doled out, the government received all but 9 billion back in loan repayments. But the real benefit was the revitalization of the U.S. auto industry, which continues to provide tax revenue to the government and more than one million livelihoods.

Finally, some complain that what makes big government so dangerous is that it will be motivated to spend its revenue not as function of necessity and economic prosperity, but as a way for elected officials to buy votes to prolong their tenure in office. The outcome, these critics claim, is that governing is reduced to a function of campaigning. To the extent that this really occurs, it can spoil our chance for good governance.

There is no denying that this is a vulnerability of elective government. But it is ludicrous to think we should address the problem simply by starving the government of resources. This will only make government less able to serve the interests of the people than before, while giving the private sector unguarded power to manipulate and control government processes all the more. Is it not preferable that politicians to vie for the favors of their electorate at large rather than allow a few individuals in the private sector control government surreptitiously?

The many reasons posed against government spending amount to an argument of attrition. None of these reasons stands on its own to suggest that we should minimize rather than optimize government either in size or quality. Good government is the product of responsible management of government revenues on every level. It is not a matter of taking in less or spending less, but of investing more effectively. Wise investment is key not only to success in the private sector, but the public sector as well.