

The Ghost in the Machine

José Azel | martes, 19 de julio, 2022 6:00 am



MONTANA, United States.- Do we have a right to think whatever we want, or do we have an intellectual duty to follow the evidence? Philosophers have long struggled with this question, particularly in dealing with the existence of God. In American jurisprudence the straightforward answer is to follow the evidence. Here I am borrowing the question regarding our political-economic choices.

Today, the evidence is quite clear that democracy and free markets are the political-economic systems most conducive to improving the wellbeing of the population. International studies reveal that, on a per capita basis, the wealthiest countries in the world are all market economies. Politically, most are democracies, and some are oil rich realms; Soviet-style centrally planned economies are nowhere near the top of the surveys.

And yet, collectivists still hold that state-run, centrally planned economies, are the way to go. Collectivists appear to believe in some Marxist ghost inside the government machine that will allocate resources and distribute benefits in ways more favorable than democracies and market economies. While it is possible to excuse Marx and Engels for their 1848 Communist Manifesto arguments, given the social conditions at the time, it is absurd today to call for the “forcible

overthrow of all existing social conditions” in favor of a collectivist approach.

A centrally planned, command economy, is an economic system in which the government makes economic decisions rather than the bottoms-up decisions that flow from the free interaction between consumers and producers. A centrally planned economy is organized as a top-down model where choices regarding investment and output are decided by a few bureaucrats with little input from consumers.

Among the many fallacies of central planning is the belief that products have a true and constant value: a “just price.” Accordingly, any price above that “just price” is due to the avariciousness of the producers. Central planning theory assumes that the market does not work in the best interest of the people. Therefore, a central authority -a ghost in the machine- is needed to make decisions that will advance social and national objectives. Central planning ignores that we value products and services according to our individual circumstances, wants, and needs.

The ghost in the machine is how British philosopher Gilbert Ryle criticizes the notion that the mind is distinct from the body. I find the phrase helpful to highlight the collectivists’ dogma of a mysterious benevolent agent present in government intervention. In command economies, state-owned enterprises undertake the production of goods and services. But there is no ghost in the government’s machine that commands economic activity to be carried out on our behalf.

Present day collectivists justify their advocacy for state-owned enterprises on grounds of egalitarianism, environmentalism, anti-corruption, anti consumerism, and the like. Collectivists leave unexplained how government planning bureaucrats - the ghosts in the government’s machinery- will detect, and seek to satisfy, our preferences as consumers better than the free-market’s price system.

These computational and information difficulties of central planning were described by economists Ludwig von Mises as “the economic calculation problem,” and by Friedrich Hayek as the “local knowledge problem.” As consumers we have a hierarchy of needs that is constantly in flux, and we signal those wants and needs with our marketplace choices. Planners cannot detect our preferences, nor allocate resources, better than the free-market’s price system.

Political philosopher Tibor R. Machan (1939-2016) made the point: “Without a market in which allocations can be made in obedience to the law of supply and demand, it is difficult or impossible to funnel resources with respect to actual human preferences and goals.” We should follow the evidence; free markets can best address our preferences and goals.

Even if central planners, endowed with God-like powers, could read our minds for our desires, and could efficiently coordinate production accordingly; it could do so only at an unacceptable cost to our freedom and self-management. Central economic planning [is incompatible with consumers](#) being able to make free economic choices. A command economy necessitates political repression to implement its plans. We are better at fulfilling our wants and needs than the ghost in the machine.

ARTÍCULO DE OPINIÓN

Las opiniones expresadas en este artículo son de exclusiva responsabilidad de quien las emite y no necesariamente representan la opinión de CubaNet.

Recibe la información de CubaNet en tu celular a través de [WhatsApp](#). Envíanos un mensaje con la palabra “CUBA” al teléfono [+1 \(786\) 316-2072](#), también puedes suscribirte a nuestro boletín electrónico dando [click aquí](#).