Spike Cohen: Collectivism Destroys Prosperity. Individualism Creates Growth.

16 MIN · YOUTUBE · HTTPS://WWW.YOUTUBE.COM/WATCH?V=9BMNCJPRCOY
https://www.youtube.com/watch?v=9bMNcJPrcOY

SUMMARY

The discussion centers on the pitfalls of collectivization and the importance of individualism in fostering human motivation and success. The speakers argue that collectivist policies create perverse incentive structures that discourage hard work and innovation, ultimately leading to societal failure. They emphasize the historical lessons from past collectivist regimes and advocate for a system that rewards individual effort and responsibility.

- *Collectivization forces individuals into unwanted roles, stifling personal initiative and collaboration.*
- *Historical examples show that collectivist systems lead to failure and resource scarcity.*
- *Human nature is driven by incentives; collectivism undermines this by equalizing outcomes regardless of effort.*
- *Successful systems encourage individual success and accountability, contrasting with collectivist failures.*
- *The conversation critiques the reexamination of communism in modern discourse, emphasizing historical ignorance.*
- *Libertarian perspectives highlight the dangers of government overreach and the need for market-driven solutions.*
- *The tension between government regulation and corporate power is discussed, with a call for decentralized authority.*
- *The ultimate goal is to empower individuals within a competitive market, rather than centralizing power in government or corporations.*

that's what collectivization does instead of allowing individuals to thrive as individual human beings and work together as as partners working together towards something instead it forces people into something they didn't want and terrible things are going to happen from that why yeah for the person who hears this and isn't familiar with history who's never never heard of what happens when you do this yes because our schools don't teach anything other than the Nazis were bad that's the CL at

least they got that part right yeah yeah um oh but they were also like free enterprise right- Wingers or something of course um but but why what what what's your understanding of the reasons the underlying reasons why seeing the world through the lens of sort of groups class as markx would see it yeah um tribe yeah why does that end up being bad isn't that our nature we're tribal creatures we evolved in groups it's sort of built into the cake of humanity right

so to some extent it is our nature it also serves us poorly maybe at some point it served us well you know when we were hunter gatherers and we were our tribe was essentially an extended family right and uh we're you know trying to protect our scarce resources that we just hunted and gathered uh from this other family that shows up nearby then maybe it did serve us for the first 100,000 years of our existence well

that's not us now right like we are now living together in this uh industrialized information Laden age with with increasingly non scarce resources because of any attempts that we had to get away from that like when you look at all of Industry when you look at all a free enterprise it goes away from collectivism and towards individualism human beings are motivated by incentives and so when you have an incentive structure that says you're going to get what you're going to get

regardless of what you do or don't do why do why do more if you're told you can work as hard as possibly can and you're going to get every bit as much as someone who's done nothing well just from a calories in calories out survival perspective our lizard brain is saying I'm doing nothing then I'm going to make sure that I make it out through this and especially as those as a result of that the resources get more and more scarce

people do less and less so we're actually going against what we would naturally do which is to try to produce more to fight that scarcity we're doing the opposite saying I'm not going to expend there's less and less to have so collectivism is a perverse incentive structure when when implemented as policy it ends up turning into a perverse incentive structure that encourages failure If instead you model it on when you succeed you're going to reap the benefits of that when you fail

you're going to suffer the consequences of that we can choose to help you in those moments if you truly reach a point of destitution and since we all have that nature or most of us have that nature of wanting to help people you should be okay but if you fail that's on you and if you don't do anything that's on you and we're probably less likely to want to help you if you're just not willing to do

anything but if you succeed you do well that now encourages people to succeed at all times when things are plenty they try to succeed more when things are scarce they try to succeed more and so that actually in creates a an incentive structure where people thrive and again we drew a line North Korea South Korea at night you can see the difference yeah East Germany West Germany before East Germany West Germany unied got these that's the thing that's so it's so

amazing that we live in the 21st century and that we are seeing like the rising reexamination of Communism as hey maybe this is worth taking a second look at yeah um I uh I am becoming an old man who just sees everything and saying well that's just a bunch of commi stuff yeah yeah it's like the Norm McDonald was oh you settle into it yeah like that sounds like a bunch of C gobble no inre I also

increasingly sound like my father uh but for good reason CU our fathers were right and um yeah it's uh it I think maybe it was Mark Twain who said history doesn't repeat but it Rhymes I'm sure it was someone else at this point but whoever said that I think the reason that history Rhymes is because a lot of people just don't read and so we end up in these Cycles where people go uh well hey maybe we should try collectivizing or maybe we should try hating other people or maybe we should try whatever the the thing was and when those of us who have actually read history go actually that's not a good idea they go you don't know what you're talking about and then they they move on you're an old head that is yes you're an old head how could you possibly know anything I just got here I'm much smarter than you um Libertarians have this very interesting

thing it's that we have a cycle where we will say this thing's going to happen if you do this this will happen uh and people go oh you're insane you're just a bunch of Libertarians you don't even win elections you that guy dance naked on stage what are you talking about and we go no no no no if you look at the numbers we have here if you do this this will happen we did this a lot during

covid and uh and people will say oh no that's not going to you're you're you have no idea what you're talking and then it happens and everyone goes we had no idea this was going to happen and we go yeah okay so anyway this next thing if you do this this will happen they go you're insane and it just it it's it continues it's the fun of being a Libertarian there there was I amum I recently caught up with um Katherine

mangard from reason and uh I've been inclined to sort of mock those who like to claim that oh we've been living in this like La Fair America since 1980 when Reagan and Thatcher across the pond and it's the neoliberal revolution she did point out something that I think is true which is that there was a kind of you could say libertarian consensus that held in the a in the aftermath of I think the inflation of

the 70s and um you know the Cold War yeah and the the wall which was free trade is good y stable money is good so just printing money to pay your bills and letting prices go out of control as a result not good and um and that you know essentially Pro you know free enterprise does mostly work maybe it needs to be regulated here and there but it mostly works it was sort of the neoliberal con it's called like the

Washington consensus yeah yeah um we can thank Milton fredman for a lot of that him and his crew helped to kind of mainstream that idea uh into not just into the I guess the public discourse but into DC culture for quite a bit of time there it is interesting actually in thinking about that yeah I guess in a certain sense there was a kind of libertarian victory that happened there was a victory of sorts the trade-off all

things have trade-offs the trade-off is that people now say that was L Fair free market capitalism it was no such thing the good parts of it were but the parts that led to massive inflation or or uh um capture of markets or capture of agencies by multi-trillion Dollar corporations all of that was when the government was trying to regulate that or set prices or try to subsidize something that led to again perverse incentive structures that made bad

things happen but all of the good things like the fact that we had massive amounts of job creation during that time the fact that we had um you know so many people coming here for economic opportunities even from other First World countries because we are that much wealthier than just about everywhere else on Earth that was the part of how free it was all the the bad things that ultimately can be immediately traced back to the government trying to saying well but we still know better than everyone uh so we should be regulating it and then the the perverse incen of structures that come from that in terms of sort of public intellectual economists I that make this argument oh we've had laay fair I think Joe stiglets is probably the one that sticks out to me yeah um he's got a new book called The Road to Freedom that this seems to be a new tact that's being taken you

know uh Gavin Newsome like we're the freedom State wa so is this like he's doing the the the road to Surf but in Reverse oh I love that I definitely have to read that and the claim that gets made and he makes it in his in the book as I understand it but in his public promotion of the book is well you can't have freedom without rules and see the laay fair people these crazy Libertarians they don't believe in

having rules yes um they don't they haven't even thought about the notion of rules so if you want freedom you need rules and you know we've got a bunch of great rules we can impose on everyone for their freedom of course for their freedom nothing says L Fair capitalism like the hundreds probably Millions at this point millions of pages of codes and laws and regulations so much so that it is literally impossible for any human being to even know what all the laws and

regulations and codes are and which is why it always amazes me when people will say things like you know uh you know uh you know do it the right way do it the legal way and it's like no one actually knows we're all committing crimes accidentally but it's okay cuz no one else knows it's illegal either it's like some weird like Kafkaesque thing where we're all criminals and don't even realize it and um and so uh that's what

I would say to the whole you know we l Fair um when it comes to rules we're not against you know there's this this claim or this this phrase that we use a lot we're not against rules we're against rulers I want to put a little finer point on that because that that's an easy one to ask lots of questions about we aren't against the fact that human beings are going to create boundaries we want those boundaries to be created by

the actual stakeholders like the property owner or a group of people who have decided to come together voluntarily and create a venture together as opposed to someone who's not the least been involved hundreds or thousands of miles away who doesn't really have any incentive for whatever they're regulating to do well at all and who then can be easily captured to use those regulations to help the most powerful at the expense of everyone else that's what we're saying we're not

saying that there shouldn't or that there aren't going to be rules we're saying the people that are coming up with those rules are the people that have absolutely no idea what they're talking about and it's going to be so easy for the very people that we're supposed that we think these regulations are going to be protecting us from they're actually just going to capture that agency and control it from the top that that seems like one of the central

tension points between I think honest like like good faith progressives and good faith sort of classical liberal Libertarians is does the government serve to be a check on private actors that are trying to be a predator or does it serve as a magnifier yeah and I think progressives will ultimately say we need a big robust government because we've got otherwise we'll just have oligarchy we've got these giant multinational corporations and so only the government who which at least is representative because of democracy okay so it represents all of us can stand up to the Googles and the apples and the Amazon of the world with and have we the people's interest in mind because that's what it says on the documents and because I went and voted a couple years ago and so yeah I'm sure I'm sure the president knows

that when I voted I meant to say I don't want to pay more for my Amazon Prime account that's you know the information is embedded in there somewhere it's obviously in there um I'm mocking it already which is not fair to me but but but I do think that is the argument yes and we do live in a world of very large companies that can do quite a bit to manipulate us to I wouldn't necessarily say impinge on

us but they we we can't escape the fact that there's a bunch of big companies out there that impact Our Lives cell phone companies you know the health insurance companies how do you you just debunk their argument so they will and these are I'm saying the good faith progressives not the ones who are in on the actual goodfaith progressives will in one breath say that the government is captured by large multinational multi- trillion dollar corporations they're

using the regulations to to you know to make the agencies look the other way which is why it's so weird that they're against the ending of Chevron difference but anyway uh you know they're they're they're so mad that the agencies are looking the other way and and then you know if they do regulate it ends up harming us and helping the big corporations and that's why we need government to be even more involved and let's go back to First principles here

if you want to buy something I think just about everyone would recognize that if you want to buy something it's best to have a variety of competing options to choose from because they have a vested interest in trying to get your business you don't want to only have one option yeah government is not only a monopoly it's not only one option it is a violent Monopoly that imposes its Authority through violence and threats of violence and it is financed through

extortion so not only are they the only game in town for any service they're telling you that that they're providing but you also don't have an option to opt out at least with another Monopoly you go you know what I just don't need that if I don't need that thing I just won't get it government doesn't give you that option you have to pay you have to oby obey and comply you have to uh you know buy whatever it is

they're telling you to buy if they've mandated it and so what government does is it creates this end run around the market if I'm a a a successful company I reach a point where I go okay this is about the amount of market share I can get through normal means through serving the consumer I'm going to have smaller competitors they're going to be able to be more agile they don't have the Legacy cost that I have because I've been

around my company's been around for a hundred years all of these things I'm going to start losing market share unless I spend pennies at uh capturing these agencies and get1 of dollars back in subsidies market share protection mandates uh favors from politicians I would be in in one way it would be if I'm wanting to grow my market share and I don't have any any ethics or or morals I would be a fool not to do it and

actually at first I may do it just to survive I don't want them regulating me into uh into you know losing my business well once I've got that that bit of of of of a hook in there well why wouldn't I use it to you know give some benefits for myself the nature of government is that it is a centralization of power and authority so the more power and authority you give it the more anyone trying to seek power and authority are

going to get it not by trying to serve the needs of the many to get back uh uh money and get back compensation for it and grow through Merit but instead to do an end run and just seek the people that are getting those positions of power and authority and it reaches a point where it inverts and now the people are actually going to get elected to those positions of power and authority to have good relations with those multinational

corporations any large government even the the so-called Communist governments in the USSR and we're seeing it now in China they're ultimately captured by their corporations there that's the the the rich wealthy and Powerful will always seek power to retain it so what you want to do is diffuse that power out to individual human beings through their role as a member of the market so that now people if they want that they have to serve the market serve us serve the

consumer if you like this clip we've got so much more where that came from so be sure to hit that like button subscribe to the channel and ring the bell so you won't miss our new videos as they come out each week