

Political Economy as if People Mattered, Part 1



By Steven Yates

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[With apologies to the ghost of E.F. Schumacher.]

“Men are qualified for civil liberty in exact proportion to their disposition to put moral chains upon their own appetites; in proportion as their love of justice is above their rapacity; in proportion as their soundness and sobriety of understanding is above their vanity and presumption; in proportion as they are more disposed to listen to the counsels of the wise and good, in preference to the flattery of knaves. Society cannot exist unless a controlling power upon will and appetite be placed somewhere, and the less of it there is within, the more there must be without. It is ordained in the eternal constitution of things, that men of intemperate minds cannot be free. Their passions forge their fetters.”

—Edmund Burke, “A Letter from Mr. Burke to a Member of the National Assembly in Answer to Some Objections to His Book on French Affairs,” 1791

In the history of political economy, *Wilhelm Röpke*’s name isn’t anywhere near as well-known as that of, say, John Maynard Keynes, or Milton Friedman, or Friedrich A. Hayek. Röpke’s major work *A Humane Economy: The Social Framework of the Free Market* (1960) did not receive anywhere near the attention of Hayek’s *The Road to Serfdom* (1944). Overall, his influence has been minimal.

So he wasn't someone I studied when I was younger, like I did Hayek (with whom I eventually became disillusioned). This is unfortunate, because my education would have taken a quantum leap. By the turn of the millennium I was convinced that maintaining a free society requires learned and lived moral values, and that this (and not the "discipline of the market") was the main source of the spontaneous order Hayek had made so much of.

To my mind, this is a mindset owing more to Burke than, say, Mises. Only when a people *internalize* values of truth, discernment, honesty, temperance or restraint of personal passions, and a sense of the requirements of justice – all conditions for social trust – is disorder minimized. Otherwise disorder grows until it becomes destabilizing, and it is necessary to reimpose order on the people from the outside. The state is the obvious institution to do this, and would most likely botch the job, wielding the equivalent of a sledgehammer instead of a scalpel.

The point being: there is more to a civilization than its economy, which in turn is more than the product of an abstract *homo economicus* who, by definition, is properly informed, self-interested, and consistently rational. In other words, civilizations can (and should) *contain* free markets but are not *themselves* free markets. The epistemic and moral underpinnings of free markets cannot be bought or sold.

What encircles markets? Culture, which by nature is driven by moral and other philosophical imperatives, some of them not explicit. The ideal, here, is an organic integration instead of an ideological imposition. Education is upstream from both. Worldview guides education: what kind of world is this? Who are we as a people? What is of value in life, and how are we to pursue it? What kinds of knowledge and know-how are worth emphasizing, and why? The latter in particular are conditions of long-term survivability: if civilization is to avoid decline, they are nonnegotiable.

History teaches that with political-economic success, civilizations tend to forget their roots – the principles, values, and sustained work that went into building them. The comfort of prosperity becomes an entitlement. Liberated passions and the fascination with wealth as an end in itself tempt their economics. Empire tempts their politics and foreign relations. Success translates to the power to do as one pleases. Both rich and nonrich alike become steadily more dissolute. The former become corrupt and corrupting. The latter sacrifice their independence. Jeremiahs of the era are mostly ignored. All pay the cost of inevitable decline and fall.

A bottom line moral value, I would argue, that neither Röpke nor anyone else I know of formulates this specifically: *all human beings have intrinsic value because they were created in the image of a perfectly rational and morally transcendent God*. No economist of the Austrian or any other school would assert this, of course. But it explains both the capacities of our reason (*Logos*) to discover order in the world, including economic order; discern truth from falsehood in any domain of experience; solve problems for ourselves and for others based on what we learn; and act morally (*Ethos*) in a broad sense. The violation of this principle could define injustice and tell us when we need to work to reduce or, if possible, eliminate some dehumanizing practice.

Needless to say, nowhere – not even in nominally Christian civilizations such as those of historical Europe – has such *ethos* fully taken hold. Not really. Christian institutions, no less than secular ones, have been run by sinful men and sometimes sinful women. We have the factions and divisions we have because of this, including the capacity to dehumanize those deemed expendable for whatever reason. Even Christians have done this. So this is not one of those let's-turn-back-the-clock ruminations (though we can isolate elements of past decades that were clearly superior to the present, e.g., money

was more honest, and there was more social trust). We don't need to *go back* to the kind of Christian ethos just outlined. We need to *discover* it. And then make the most honest effort we can to build it into our lives and institutions organically, whatever our human limitations.

Sometimes this will favor "conservatism," as with the family as a fundamental societal unit, the Biblical family the ideal arrangement (e.g., Eph. 5:21-33 and 6:1-4; Col. 3:18-21; I Peter 3:7; I Tim. 5:8; Prov. 22:6; Psalms 127:3-5; Heb. 13:4; I Cor. 13:1-13; elsewhere).

At other times it might seem to call for "liberalism" (at least as that term was bandied about back in the 1960s and later), as when it repudiates racial discrimination as one of those practices that dehumanize (and cf. Gal. 3:27-29; Romans 2:11; Acts 10:34; James 2:2-4; elsewhere). What we're talking about thus transcends on-the-ground ideologies. It could not do its work otherwise.

Classical Foundations and Their Betrayal.

"Because we have no Government armed with Power capable of contending with human Passions unbridled by ... Morality and Religion. Avarice, Ambition ... Revenge or Gallantry, would break the strongest Cords of our Constitution as a Whale goes through a Net. Our Constitution was made only for a moral and religious People. It is wholly inadequate to the government of any other."

Thus stated John Adams, Founding Father and America's second president, writing to the Massachusetts Militia (October 11, 1798). There is no wiser place to begin. Having designed a Constitutional system, Adams and others of his day understood the need for a balance between liberty and virtue, freedom and restraint. Their proposed order would not work if everyone made up their own "values" subjectively. Despite looming industrialism, it was *not* designed for atomized consumers any

more than for state dependents.

The new system, as if blessed by God Himself, showed more promise than anything fallible human beings had previously come up with. People flooded America's shores, often with nothing but the clothes on their backs, sensing the opportunity to start over and build new lives on new soil.

Clearly, the order the Founding Fathers proposed was soon compromised. I argued in my *Four Cardinal Errors* that it failed to keep out power-hungry British bankers (e.g., the Rothschilds). They weren't the only culprits. Gouverneur Morris, as he penned parts of the Constitution, had warned that:

"The rich will strive to establish their dominion and enslave the rest. They always did ... they always will. They will have the same effect here as elsewhere, if we do not, by the power of government, keep them in their proper spheres."

This is as prophetic as it gets! I'm not sure Morris – or anyone else of his time – could have imagined the degree to which the superrich would *buy* the government, which is just the political class of human beings who have the same failings as any other group of peasants. The struggle against the Gilded Age ruling class (Rockefellers, etc.) gave rise to progressivism, which in turn was compromised. This struggle, between those fascinated with power and who seek wealth as the path to power, versus the freedom-minded who want to contain power, has driven American political economy ever since. The superrich had begun by capturing public education and establishing a two-tiered system: liberal arts learning for their own and vocationalism for the peasantry. When they created the Federal Reserve, they captured the financial system and, through that, the economy. They soon captured major media of the day. (I outlined the specifics in *Four Cardinal Errors*, as have others.)

Today, the battle seems all but lost! The multibillion dollar pharmaceuticals industry controls nearly all Establishment medicine and medical education. Sensible primary prevention is neither taught nor practiced because it isn't profitable. Likewise, Big Food controls agriculture, having replaced family farms that, for generations, produced healthy food, with factory farms that fatten animals with bovine growth hormones which make their way into the meat we consume: because this *is* profitable.

I could enumerate [regulatory capture](#), industry by industry. Regulatory capture is exemplified when a Pharma executive and loyalist is offered a cushy job at the CDC or the FDA, having formed a cushy relationship with the people there, often involving favoritism. Or, alternatively, when a CDC bureaucrat goes to work at a Pharma megacorporation. Clearly, moreover, the Technocrats that permeate Silicon Valley have captured the Executive Branch of the federal government which they control alongside the powerful Israeli lobby.

The Needs of a Healthy Civilization.

In a [recent piece](#) I outlined the needs of a healthy civilization, sustainable in the original sense of that term before Technocrats perverted it:

- – Affordable energy.
- – Affordable housing.
- – Stable families that rear and nurture the next generation.
- – Affordable nutritious food.
- – Affordable healthcare.
- – Education that *educates* and doesn't merely indoctrinate (including *both* liberal arts learning *and* vocational education for trades).
- – Religiosity: a sense of the Transcendent that defines our place in the cosmos and grounds justice and moral righteousness that can stand above the whimsies of

politics and markets.

I noted that the utter absence of all these ought to raise red alerts! *What went wrong* should be the major preoccupation of professional intellectuals of our time (it isn't; they, too, are busy chasing comfortable careers in universities and "think tanks").

1. Buckminster Fuller observed decades ago that we have the technology to supply all these needs, and not just for our own but for everyone on the planet. Which raised the question: why aren't we doing it? The most likely answer: it won't make the superrich even richer. Carrying it out in ways that bring genuine benefits to humanity as a whole won't increase Technocratic control. Contrary to having "won" in the marketplace, the superrich have instituted an extractive political economy (neoliberalism) in which they thrive at the expense of the rest of us, via welfare-statism in reverse: [Peter Turchin's "wealth pump,"](#) redistributing wealth (and power) from the have-nots to the haves. This is the only "capitalism" Gen Z has ever seen. Small wonder [so many of them are turning toward "socialism."](#)

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END OF PART ONE

Wondering why Internet platforms have basically gone to crap? Steven Yates publishes [Navigating the New Normal](#) on Substack, where you'll find an answer to this question, and other content not available elsewhere. Consider subscribing to have it sent directly to your inbox.

Steven Yates is a (recovering) ex-academic with a PhD in

Philosophy. (Obtain his book on the “wisdom” of obtaining such a degree [here](#).)

He taught for more than 15 years total at several colleges and universities in the Southeastern U.S. He has authored three books, more than 20 articles, numerous book reviews, and review essays in academic journals and anthologies. Refused tenure and unable to obtain full-time academic employment (and with an increasing number of very fundamental philosophical essays refused publication in journals), he turned to alternative platforms and heretical notions, including about academia itself.

In 2012, he moved to Chile. He married a Chilean national in 2014. Among his discoveries in South America: many of the problems in the U.S. are problems everywhere, because human nature is the same everywhere.

He has a Patreon.com page. Donate [here](#) and become a Patron if you benefit from his work and believe it merits being sustained financially.

Steven Yates's book *Four Cardinal Errors: Reasons for the Decline of the American Republic* (2011) can be ordered [here](#).

His philosophical work *What Should Philosophy Do? A Theory* (2021) can be obtained [here](#) or [here](#).

His cosmic horror novel *The Shadow Over Sarnath* (2023) (written for the sheer fun of it) can be gotten [here](#).

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