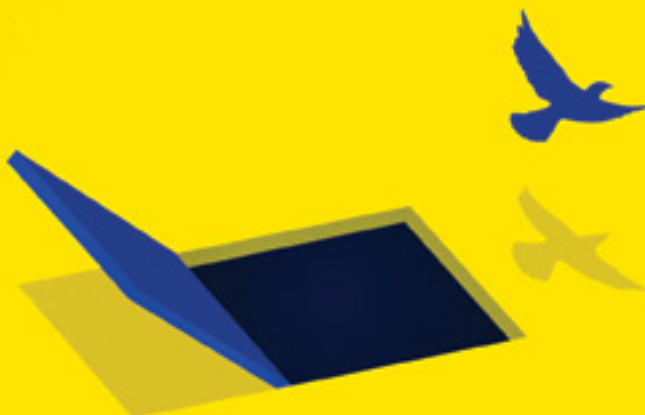


FreeSociety



FreeSociety



Through Progress and Peril: The Precarious State of Human Freedom

Freedom to Learn:
The Tenacious Fight for
Educational Choice

**Between a New Factory
and an Old Church:**
VinFast's Bumpy Road in North Carolina

VOLUME 1

CSIO

“

All civil virtue and happiness, every moral excellency, all politeness, all good arts and sciences, are produced by liberty.

”

Cato's Letter no. 63

1723

John Trenchard
and Thomas Gordon

CATO
INSTITUTE.

For creating free, open, and civil societies founded on libertarian principles.

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Features

6

Through Progress and Peril: The Precarious State of Human Freedom
By Johan Norberg



18

Freedom to Learn: The Tenacious Fight for Educational Choice
By Bekah Congdon and Audrey Grayson

2 **Letter from the President**

4 **Cato in the News**

30 **Between a New Factory and an Old Church:** VinFast's Bumpy Road in North Carolina
By Paul Best

38 **Q&A:** Bridget McCormack on the Law's New Era
By Caleb O. Brown

44 **Sphere in the Classroom:** Teaching American History in Polarized Times
By Bekah Congdon

48 **An Echo of Freedom:** Lessons from an 18th-Century Call to Action
By Paul Meany

50 **Cheer Up:** Cato's Case for Optimism Influences the Influencers
By Josh Hardman

54 **New Cato Project Shows Humanity of Globalization**
By Josh Hardman

55 **Cato Quarterly:** Events, Publications, and Studies

60 **Ray and Carol:** A Life Steered by Libertarian Ideals and Unyielding Values
By Brian Mullis

62 **Last Word:** Following in Julian Simon's Footsteps
By Marian L. Tupy



Letter from the President, Peter Goettler

Thanks to all of you who give of your hard-earned resources—willingly, generously, and cheerfully—to make Cato and our mission a reality. I hope you feel as my wife, Cynthia, and I do in the 24 years that we've been contributing to Cato—gratified that we're supporting the most important principles of liberty, openness, and individual dignity. We also feel a sense of joy and accomplishment that we're working to create the conditions for human flourishing. This includes opportunity for the less fortunate, freedom and prosperity for our children and grandchildren, and an even more amazing world in the future than the incredible one that freedom, markets, and voluntary cooperation have built for us to enjoy today.

Your support confers important responsibilities on us, including an idea our leadership team and I hammer home regularly within the walls of Cato: that the Institute must be *Built to Last*.

What does this mean? Whether providing critical monthly or annual support year in and year out, major gifts to help accelerate key strategic opportunities, or legacy gifts to Cato in their estate plans, our Sponsors are making important *investments* in Cato. And they need to be confident that Cato will be the same organization decades from now as the one they're investing in today. They must know that the commitment to our principles is unwavering, that there will be constancy in pursuit of our mission, and that prudent financial management will safeguard Cato in perpetuity. And they must know that careful

succession planning—years in advance—ensures effective leadership for the future as well as consistency: leadership transitions should never alter the fundamental direction of any organization.

But the Cato of tomorrow needs to be different in one critical respect. *It must be better.*

I can't imagine working at an organization where an insistence on continuous improvement wasn't a big part of the culture; where getting better wasn't a constant imperative; or where an embrace of change and innovation didn't infuse the workplace. Cato is empowered by its unique culture, which embodies the values we share: steadfast adherence to principles coupled with a relentless pursuit of higher performance and impact year over year.

As a result, anything and everything we do gets its turn under the microscope, leading to new initiatives, increased investment and energy in existing programs, changes in our approaches, and—when needed—putting things on the chopping block.

You're holding an example of this in your hands.

Welcome to the inaugural edition of *Free Society*: a flagship publication of the Cato Institute and a fresh new vehicle to deliver our values, ideas, and work to an expanding audience of citizens, policymakers, media and business leaders, educators, and the next generation.

Free Society provides a broad scope of content, including in-depth policy research,

interviews with leading thinkers, stories from victims of coercive state power, insightful commentary on current events from a libertarian perspective, and news of Cato's impact, development, and strategy. The content will always be placed in the context of the principled, moral foundation on which the Institute and our mission rest. We believe that this magazine will not only inform and inspire our existing readership but also attract new audiences and foster a wider understanding of the principles that underpin a free and prosperous society.

The world is grappling with a host of complex challenges, many driven by the erosion of individual rights and the expansion of government power. As the Cato Institute has done throughout its history, we remain committed to providing intellectual ammunition in the battle for liberty and the ideas, influence, and impact that can win it.

I'm excited about *Free Society*, but I'm even more excited that you're a partner in our mission. And I'm excited that you're with us on the journey of an ever better and stronger Cato as we do our utmost to protect liberty and the American dream for those who come next.

Thank you as always for your support.

Peter Goettler
President and CEO

Cato in the News

Recent Op-Eds

The Atlantic

The Obscure Maritime Law That Ruins Your Commute

—by Scott Lincicome

The New York Times

Biden Can't Stop Immigration. Time to Embrace It.

—by David J. Bier

USA TODAY

She Tried to Start a Business but Was Told It Wasn't Needed. Supreme Court Should Change That.

—by Anastasia P. Boden

THE WALL STREET JOURNAL

We Will Never Run Out of Resources

—by Marian L. Tupy

The Washington Post

Erdoğan Triumphed by Vowing to Make Turkey Great Again

—by Mustafa Akyol

TV Highlights



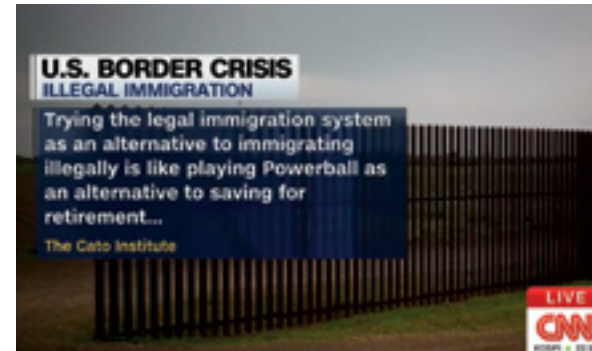
Clark Neily defends gun owners' rights against poorly written federal law on PBS *NewsHour*.



Romina Boccia discusses debt and the federal budget on C-SPAN's *Washington Journal*.



Norbert Michel testifies before the US House Committee on Financial Services on the long-standing federal policies preventing affordable housing.



CNN International cites David J. Bier's policy analysis "Why Legal Immigration Is Nearly Impossible."



Scott Lincicome discusses Federal Reserve policy on CNBC's *Squawk Box*.



Cato event, "Old Right, New Right? What History Suggests about the Future of GOP Foreign Policy," airs on C-SPAN.

News Notes

Matt Taibbi Praises Cato

Best-selling author and investigative reporter Matt Taibbi said this at Cato's exclusive New York City seminar for Sponsors and the public: "Cato has a position of critical importance in American society. . . . There's a new rising movement that believes that free speech and liberal democracy don't work. . . . This is completely at odds with the ideas that the Cato Institute stands for—the whole idea of individual liberty, rule of law, and pluralism."

Preventing a Budget Crisis

Romina Boccia, Cato's director of budget and entitlement policy, earned major support for a Base Realignment and Closure-like fiscal commission tasked with reining in federal spending. She advised members of the Problem Solvers Caucus and Bipartisan Fiscal Forum, while former speaker Kevin McCarthy (R-CA) promoted the broad contours of her proposal. It is now a top issue for Speaker Mike Johnson (R-LA).

Protecting Your Digital Wallet

The scholars of Cato's Center for Monetary and Financial Alternatives, led by Norbert Michel, vice president and director, made key recommendations improving bills that would prevent the creation of a central bank digital currency, including bills introduced by Sen. Mike Lee (R-UT) and House Majority Whip Tom Emmer (R-MN).

Reducing Chaos at the Border

David J. Bier, Cato's associate director of immigration studies, and Alex Nowrasteh, vice president for economic and social policy studies, worked with key officials in the Biden administration. Their discussions inspired a new program that permits Americans to sponsor immigrants from Cuba, Haiti, Nicaragua, and Venezuela. The program reduced illegal immigration from those nations by about 90 percent.

THROUGH PROGRESS AND PERIL:

The Precarious State of
Human Freedom

By Johan Norberg

From the rise of authoritarian regimes to the challenges in established democracies, the fight to preserve liberty and free markets is more critical than ever.

ILLUSTRATIONS BY BRIAN STAUFFER



Just when you thought history had ended, it taps you on the shoulder. Then punches you in the face.

In the past decade or so, the ideas of liberty have been challenged by new forms of populism, nationalism, and authoritarianism. Strongmen in democracies have dismantled checks and balances to remain in power. Countries like Russia and China have taken a totalitarian, aggressive turn and, after subjecting their own citizens, have set their sights on destroying neighbors like Ukraine and Hong Kong, and possibly Taiwan.

The global wave of democratization and liberalization since the fall of communism is over. Toward the end of 2023, *The Economist* observed that it was possible to walk across Africa, from the Atlantic to the Red Sea, and pass only through states that had suffered coups in the past three years—at least until you were kidnapped.

In the United States, the most illiberal elements of the right and the left are on the offensive. Declaring that they are each other's opposites, they are really mirror images of each other. Both are intolerant, interventionist, and impatient—viewing constitutional constraints and the separation of powers as anti-democratic restrictions on the will of the people. Some storm the Capitol when they lose an election; others storm the stage when they lose a debate. The common denominator is that they consider diversity a weakness and dissent as betrayal.

On economics, they tend to converge on statist, protectionist positions. These days, it's difficult to tell if the person posting on

social media about the global neoliberal conspiracy to crush the working class is a hibernating Marxist sociology professor or a young “national conservative” activist.

Politically, the era when “the era of big government is over” (Bill Clinton, 1996) is over. Donald Trump's GOP made peace with the entitlement system and declared war on international trade. President Biden left most of Trump's tariffs intact, racked up deficit spending, and increased public debt to levels not seen since World War II.

When people complain about irreconcilable partisanship, they have clearly missed the new bipartisan consensus that American ideals of limited government and free markets failed and that we now need an interventionist government that picks winners in the economy and restricts speech on social media platforms.

In 2020, the COVID-19 pandemic revealed that there were few limits to what the government would do in this new statist climate. Unprecedentedly, entire societies were locked down. In April 2020, 4.5 billion people—more than half the world population—were told to stay at home, often under threat of heavy fines or even jail time. Businesses, schools, and places of worship were closed by government decree. As F. A. Hayek wrote, “Emergencies’ have always been the pretext on which the safeguards of individual liberty have been eroded.”

Numbers Don't Lie

Unfortunately, these are not just the paranoid ruminations of anxious libertarians. We have hard data confirming that global freedom is in decline.

The *Human Freedom Index 2023*, published by the Cato Institute and the Fraser Institute, affirms that “the coronavirus pandemic was calamitous for overall human freedom.” On the index's 10-point scale, the global average declined from 6.99 in 2019 to 6.75 in 2021. Almost 90 percent of the world's population saw their liberties circumscribed. But it started before the pandemic. The index has registered a slow descent since 2007, with steep declines in the freedom of

“We have had 20 years of crises, war, terrorism, pandemics, and lockdowns, and still, this has been the 20 best years in history.”

movement, expression, religion, and association and assembly.

According to the V-Dem Institute, a project to evaluate the qualities of the world's governments, the share of governments that are liberal democracies declined from almost 25 percent to 18 percent between 2010 and 2022, while the total share of democracies declined slightly but remains at roughly half.

America's score on the Fraser Institute's *Economic Freedom of the World* 10-point

scale fell from 8.84 in 2000 to 8.14 in 2021. Declines were especially steep in the areas of legal system and property rights and the freedom to trade internationally. The one thing keeping the United States in the top five of countries is the even more dismal record of many others during the pandemic. In terms of global economic freedom, a decade of progress was erased in 2020.

Still the Best Time to Be Alive

Before we despair, these numbers must be put into historical context. Freedom has declined, but from levels that were probably the highest the world has ever experienced. The Human Freedom Index records a high point for liberty in 2007 with a global all-time high for economic freedom in 2019.

Since 1975, when Daniel Patrick Moynihan predicted that democracy would survive only “in isolated or peculiar places here and there,” the share of countries that are electoral democracies has doubled from 23 percent to more than 50 percent. The share of liberal democracies has never been higher.

Fraser's economic data reveals that if a country today had the world average of economic freedom from 1980, it would now be considered a socialist basket case—just the 154th freest economy out of 166.

All things considered and despite recent declines, we are still at a historical high point for global liberty, and this is essential, because it gives entrepreneurs, researchers, and consumers the freedom to innovate the world out of most problems. Consider the fact that we have had 20 years of crises, war, terrorism, pandemics, and lockdowns, and still, this has been the 20 best years

in history, when looking at indicators of human well-being.

Around a third of the income level mankind has ever attained was produced during these two decades. Global extreme poverty was reduced by more than 130,000 people—every single day. The child mortality rate almost halved: 4.4 million fewer children died in 2022 than in 2002. Chronic hunger was reduced by almost a third. At the same time, global inequality declined for the first time since the Industrial Revolution.

Not bad for 20 years of never-ending disasters.

The explanation? Mankind's ingenuity and adaptability.

People Prevail against Illiberalism

When governments shut down the world economy during the pandemic, entrepreneurs and merchants in every sector successfully tweaked manufacturing and distribution to rebuild supply chains in real time. And we were able to open the world again sooner than expected because private companies developed a functioning vaccine against COVID-19 in record time. When one of the biggest food exporters, Russia, invaded another major food exporter, Ukraine, the world expected increased hunger, but farmers responded to price signals, increased production, and quickly reduced prices to a level lower than before the invasion (adjusted for general inflation).

As the 19th century philosopher and poet Henry David Thoreau wrote, trade and commerce seem to be made of rubber because they always “manage to bounce over the obstacles which legislators are continually putting in their way.”

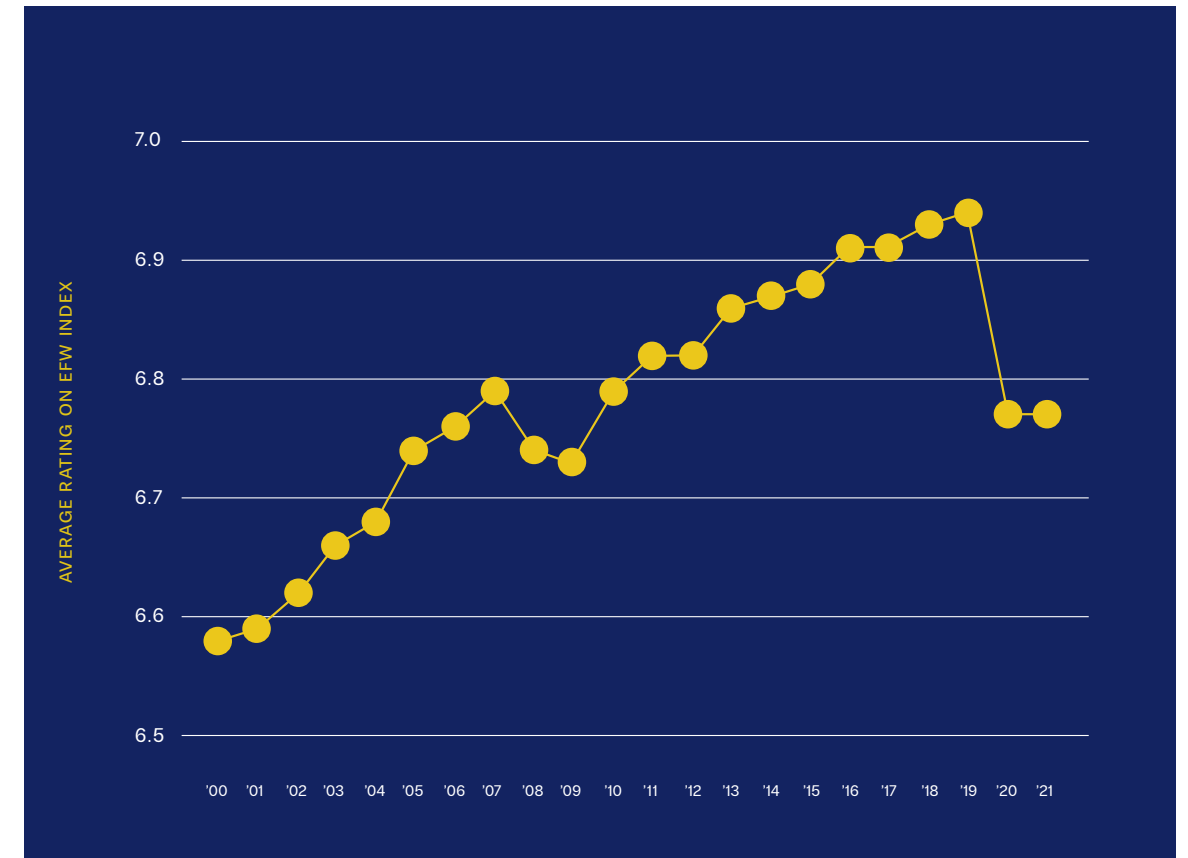
Free men and women constantly correct for government mistakes and come up with innovative solutions. Sometimes it comes in the form of new technologies that give us the chance to work around regulations. We didn't get more taxis by petitioning the city taxi commission but by inventing an app for it. We didn't protect free speech by electing sane legislators and chancellors but by creating social media.

Sometimes we escape malfunctioning local policies and high taxes by literally escaping. This is, of course, what refugees do when they are yearning to breathe free in the United States, but Americans also vote with their feet within the country. The multilayered federal framework in the United States continues to be a laboratory of democracy where internal migration of people and capital constantly provides lessons about what works and what doesn't. The many recent cases of successful state-level reform provide hope that this institutional competition is still going strong, even when the national arena is a mess.

A recent example of how people adapt to government failure is the massive expansion of school choice. When governments shut down schools during the pandemic, families took matters into their own hands and began to seek out or even deliver the learning opportunities politicians denied their children—which also happens when public schools disappoint in general.

We solve problems by experimenting, adapting, and improvising. However, this requires freedom to maneuver according to local knowledge and individual creativity, and while Thoreau's metaphor is poetic, unfortunately trade and commerce really aren't made of rubber. They can't bounce

Global Average Economic Freedom Rating, 2000-2021



SOURCE: ECONOMIC FREEDOM OF THE WORLD: 2023 ANNUAL REPORT

over every obstacle. Every regulation, tariff, and distortion of price signals makes it a little harder and more expensive for millions and millions of people to adapt and adjust, so we have to take even small declines in freedom seriously. Each decline could be the initial symptom of a destructive force that would undermine it much further. To be able to fight back against such trends, and

make the world safe for progress, we need to understand what started and sustained it.

How Does Illiberalism Rise?

One fascinating study showed that people want to fit in or stand out depending on the movie genre they are exposed to. Researchers assigned groups of people to watch either a horror or romance

“If you try to impose one ideal on everyone, be it nationalist or woke, you talk unity, but you ensure eternal enmity.”

movie with varied commercials inserted throughout the film. The commercials advertised products or services marketed as either popular—such as a museum “visited by over a million people a year”—or niche—like a limited-edition tchotchke. Interestingly, those who had been scared by a horror movie rated common and popular goods and services more highly than products presented as different and unique. People who had been cheered up by a romantic film had the opposite preference—they would rather have a product that made them stand out from the crowd.

As I explain in my book *Open: The Story of Human Progress*, there is a large social psychology literature documenting a similar tendency in the political sphere. When we experience feelings of fear and disgust, we become more willing to seek safety from strongmen and big governments. We become more socially conservative and more interventionist in economic affairs. It’s like a societal fight or flight instinct. We become frightened, so we want to attack, censor, and cancel the enemy—or hide behind tariff barriers and walls (and make Mexico pay for it).

The research of political psychologist Karen Stenner indicates that authoritarianism is not a stable personality trait but a low-level generalized tendency to prefer oneness and sameness over freedom and diversity. It does not express itself much during normal times, but when people with

this predisposition sense a threat to societal unity, they react explosively. They want to defend their in-group, become intolerant of dissent, and are willing to restore unity by government force, even if it wrecks rule of law and free speech.

Demagogues have of course always understood this. This is why their strategy, famously described by H. L. Mencken, is to “keep the populace alarmed (and hence clamorous to be led to safety) by an endless series of hobgoblins.” Unfortunately, there are plenty of hobgoblins in a world where the defining event and iconic image is no longer 11/9, the date in 1989 when Germans cheerfully tore down the hated Berlin Wall, but 9/11, when a small group of Islamists unleashed terror and devastation in the United States. Where 11/9 expressed the unity of mankind, 9/11 gave the impression that some just want to watch the world burn.

Since then, the world has screened many horror movies: the worst pandemic since 1918, terrorism, endless wars, chaos in the Middle East, and in the absence of legal routes to migration, a series of disorderly waves of refugees. In 2008 we suffered the worst financial crash since the Great Depression, which made the United States seem weak, made capitalists look like bandits, and made the economy seem like a zero-sum game. And underlying it all is the sense that the Western world is in relative decline, which creates a chronic sense of insecurity in the United States and Europe and tempts

autocrats around the world to challenge the open world order. There is plenty to keep the populace alarmed—all broadcasted to us in real time on our smartphones.

A Self-Reinforcing Ideal

No matter how we understand the rise of illiberalism, there are several factors that explain why it can become self-reinforcing. When one politician finds out how to exploit the fear and anger of parts of the electorate, it’s a lesson that other politicians will not quickly forget. When strongmen like Turkey’s Recep Tayyip Erdoğan and Hungary’s Viktor Orbán discover how to hack the democratic system and dismantle checks and balances, they hand an instruction book to other would-be authoritarians.

There is also safety in numbers. When one government stomps on the rights of its citizens, it faces universal opprobrium. When every other government does it, they disappear in the crowd. Often they have each other’s back and use each other’s technologies to surveil and control their populations. It’s difficult to underestimate the role played by the Chinese model as a supposedly attractive autocratic alternative to Western liberalism. Every third-world tin-pot tyrant has looked in the mirror in recent years and imagined himself in Xi Jinping’s suit.

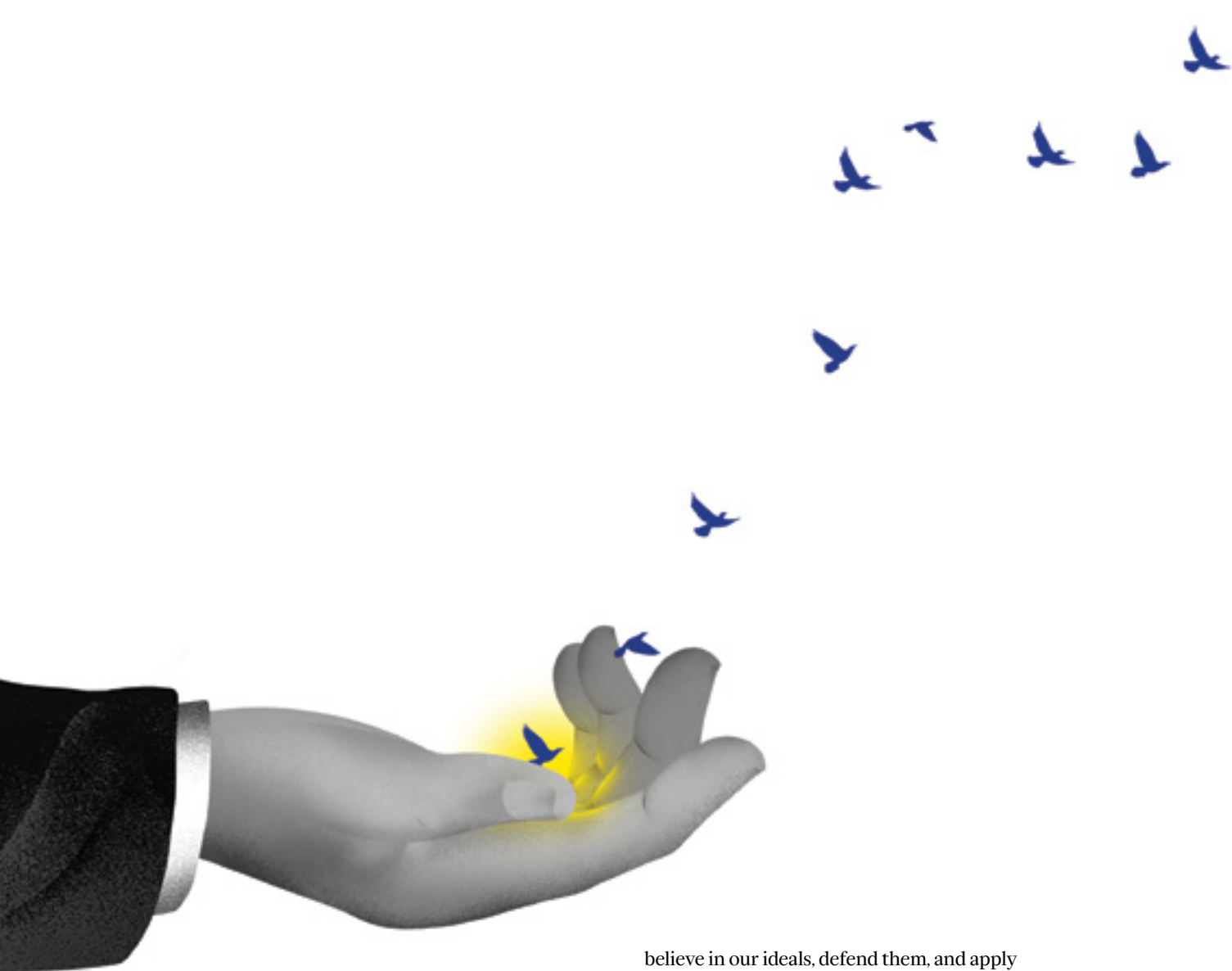
But authoritarians also feed on each other. No case for nationalism, protectionism, and war is more frequent than the playground

brawl argument: “He started it. I was just defending myself.” This is also what stokes the fires of tribalism in America. Ten years ago, it seemed like tolerance had won and gay marriage seemed happily uncontroversial. But some on the left were not happy until they had forced their old enemies to apologize and swear allegiance to the new order. Those who held the position that Barack Obama held until 2012, that same-sex marriage should not be legal, were now to be cancelled and forced to bake cakes for gay couples’ weddings. In a way, it was the same old intolerance, but now aimed at traditional lifestyles.

It surely inspired some who could have lived with social peace to organize against it and soon conservative politicians, who used to talk about limited government, started punishing private companies for their views, banning certain teachings, and focusing on transgender issues. Obviously, this radicalizes the left further and on it goes.

This is the problem with replacing live-and-let-live with winner-takes-all—everyone feels like they have to find a tribe in self-defense. This is why the illiberal right and illiberal left are both uniquely unsuited to a modern world of diverse lives, views, and influences. If you try to impose one ideal on everyone, be it nationalist or woke, you talk unity, but you ensure eternal enmity.

Social media contributes to this, not only by making it easier to confirm your worldview but also by confirming your



lowest expectations of your opponents. Have you noticed that nowadays you spend a lot of time being angry with someone you didn't even know existed five minutes ago? This is because your tribe always finds the worst person or quote on the other side and treats it as representative. This further reinforces the sense of threat: if we don't fight like hell, this weirdo will be in charge. The technical term is "nutpicking."

Self-Defeating Authoritarians

Things look bad, but they are in no way hopeless. Open societies fail when we don't

believe in our ideals, defend them, and apply them. Authoritarians and statists have a much more fatal weakness: they fail when they manage to implement their ideas.

The ambition to solve our problems instantly, top-down, with tariffs, subsidies, regulations, and price controls, is nothing more than a way of replacing the wisdom and experiments of millions of entrepreneurs, workers, and consumers with the preferences of a few people at the top. It hurts the economy and spreads corruption at all levels, as people start making money by competing for favors rather than market share. Studying the performance of 51 populist governments over 120 years, Manuel Funke, Moritz Schularick, and Christoph Trebesch found

that after 15 years, gross domestic product per capita was 10 percent lower compared with similar economies.

In the United States, the tariffs that Trump imposed to protect US jobs ended up destroying them, restrictive migration policies deprive the economy of much needed talent, and the massive amounts Biden spent to support struggling Americans unleashed inflation that hurt them. As the 19th century classical liberal Thomas Babington Macaulay said of the statists of his time, "They are refuting the doctrines of political economy in the way a man would refute the doctrine of gravitation by jumping off a monument."

Combined with mismanagement and sleaze, this is often enough to make populists fall out of favor. Just look at how support for radical leftist presidents in Chile, Colombia, and Peru quickly collapsed as soon as voters got a good look at them. Poland's populist right-wing government lost the election despite control of the media. In Sri Lanka, protestors drove Gotabaya Rajapaksa out of the presidential office. The Peronist destruction of Argentina was so thorough that voters instead preferred a self-described anarcho-capitalist for president by an incredible 11-point margin. The only consolation when Trumpist Republicans replace traditional pro-market candidates with populists is that they generally lose the general election.

Or consider China, the supposedly attractive alternative to Western liberalism. It only functions if the Communist Party

of China (CPC) liberalizes the economy. By clamping down on private business, Xi Jinping undermines the foundations of the economy, and the promotion of state-owned businesses is reducing productivity. The disastrous zero-COVID policy undermined investor confidence in China and people's trust in the system. The fact that protests flared up spontaneously against the policy all over China in November 2022, and that the dictatorship felt it had no option but to abandon the policy almost overnight, shows that there is a deep reservoir of discontent in the country and that the CPC is mortally afraid of it.

Meanwhile, China's wolf warrior diplomacy, designed to bully the world into submission, is precisely what has turned it against Beijing. Countries like Australia, that have suffered greatly from Xi's weaponization of trade, did not cave in but stood their ground until China backed down. Similarly, China's military threats against neighbors has reinforced resistance and has led to a historical rapprochement between old enemies like Japan and South Korea.

The situation is similar in Russia, only more acute. Vladimir Putin's criminal war on Ukraine (itself the result of a culture of promoting yes men and banning feedback) is killing Russia's young and destroying its economy. A war intended to scare Russia's neighbors into kowtowing has instead made them all desperate to escape Russia's orbit. Formerly nonaligned Finland and Sweden seek NATO membership and former Soviet states like Armenia and Kazakhstan seek closer Western ties. In trying to erase Ukrainian identity, Putin has instead bred a more self-conscious, Western-oriented nation than ever, with a deep-seated hatred of anything Kremlin.

Just like every aggressive tyranny, China and Russia are suffering from the Tarkin effect. In the original *Star Wars* movie, Grand Moff Tarkin terrorizes an entire galaxy to

“When record numbers say that they fear what the other side (or even both sides) would do to them in power, it is the perfect moment to talk about the benefit of restraining government and its role in our lives overall.”

extinguish the rebel alliance, but that’s the very method that kills initiative and breeds more resistance. As Princess Leia puts it: “The more you tighten your grip, the more star systems will slip through your fingers.”

This does not necessarily mean that Putin and Xi will be forced from power any time soon. Cuba has consistently failed since 1959, and still the perpetrators stay in charge. They have all the guns. And even failing, self-destructive despots can ruin many lives for a long time. But what they can’t do is take over the world.

How Do We Turn the Tide of Illiberalism?

The most important takeaway is that nothing is hopeless—unless we assume that it’s hopeless and decide to give up. If you think that the whole world has gone insane, it might be because you have decided to turn your attention to the small parts that really have. When you watch the shouting matches on X (formerly Twitter) or Fox News or MSNBC, keep in mind that not even

1 percent of Americans watch the three big cable networks at prime time. Ninety-six percent of X users check the social media site only monthly, and mostly it’s just to see what Justin Bieber or Cristiano Ronaldo are up to.

If you look at the two major parties with sorrow, rest assured that you are not alone. Majorities now find both Democrats and Republicans too extreme. In November 2023, a Gallup poll found that 40 percent of Americans consider themselves independents. According to a September 2023 poll from the Pew Research Center, almost two-thirds of Americans said they feel exhausted always or often when thinking about politics. Just 4 percent expressed excitement. To me this is comforting. The only thing worse than a Trump versus Biden rematch would be if voters were truly thrilled by it. On the contrary, there is a large, exhausted majority out there, and the partisans turn up the volume because so few still pay attention to them.

We political animals often find it difficult to understand that it is a reasonable reaction to tune out and just get on with your life. There are many things you can be rationally ignorant about because you think that your efforts would hardly make a difference. Instead, people go on to work, adapt, and improvise and so, in effect, continue to improve the world.

I would go further and suggest that one reason why we classical liberals and libertarians despair is that we pay too much attention to politics rather than focus on daily achievements in business,

science, and technology, where reality happens. Unfortunately, some have to expose themselves to the risk of despair. Just because you do not take an interest in politics doesn’t mean politics won’t take an interest in you. The historical pattern is that most people don’t pay attention to government intervention until it comes close to killing growth and innovation completely. By then it might be too late. Progress is not automatic. It can be ruined.

So, the first rule is not to become too dejected. Depression, it has been said, is merely anger without enthusiasm. We need to spice up our disappointment with a little enthusiasm. Just like the previous trend toward more freedom was not a given, neither is this reversal. Backlashes against freedom happen regularly throughout history, but they don’t always succeed. They only do when advocates of openness fall silent so that fence-sitters come down on the wrong side by default. That is the one thing we must not do.

We have seen these threats before, and we know how to combat them on different levels. We must moderate the worst excesses by investigating and exposing the risks, shortcomings, and unintended consequences while simultaneously explaining that we shouldn’t take human progress for granted. It is a unique historical phenomenon, and it won’t survive any mishandling.

Meanwhile, we should prepare ambitious reform plans that can find popular support once the failure of present policies becomes undeniable. As Milton and Rose Friedman

pointed out, “Ideas played a significant part [in history], less by persuading the public than by keeping options open, providing alternative policies to adopt when changes had to be made.”

But we don’t have to wait until then. We can start turning the climate of ideas around through ideological education and confrontation and by offering a hopeful vision of human dignity, mutual progress, and social peace. When record numbers say that they fear what the other side (or even both sides) would do to them in power, it is the perfect moment to talk about the benefit of restraining government and its role in our lives overall. We do this by sticking to our principles. When two tribes are fighting in quicksand, you don’t pick a side and join them. You search for firm ground and once you’ve found it, you help others to find a path there.

The Cato Institute, of course, is doing work on all these levels simultaneously, but in one way or another, we can all contribute, in public and in private. People want to conform, especially in times of trouble. Individuals often disguise their preferences to fit in, and they often go with the flow—not because it is right but because it is the flow. However, we have also learned from psychological tests that sometimes a single person speaking up is enough to break the spell. So, each of us has a role in this struggle.

As Václav Havel once put it: “Those that say that individuals are not capable of changing anything are only looking for excuses.” ♦

Freedom to



Fighting for the freedom to choose the education that best fits their children's needs is a relentless pursuit for families facing the constraints of a one-size-fits-all system.

PHOTOGRAPHY BY LYNDON FRENCH



The Tenacious Fight for Educational Choice

By Bekah Congdon and Audrey Grayson

Learn

Akia McNeary is an advocate for education choice not only for her children but for all families and students in Kentucky.

The sun isn't up in Florence, Kentucky, when Akia McNeary's day begins. A single mother of four and the owner of a house-cleaning business, McNeary relies on careful planning, tight budgeting, and strict routines to keep her family and business afloat.

A significant portion of her day revolves around the diverse educational needs of her three school-aged children and the different schools they attend based on their learning styles, interests, and personalities.

"It's not easy. There's different school calendars, schedules, and bus routes. I sacrifice a lot for my kids' education," McNeary says.

McNeary's oldest son, Raymone, now 22, was her first experience fighting for the educational needs of her kids. "I made the decision to pull him out of the public middle school when he was being bullied and administrators did not handle it well," McNeary says.

McNeary turned to private schools near her, where she hoped her son would reap the benefits of smaller class sizes, individualized attention, and a stricter learning environment. She couldn't afford the tuition, so she asked one of the school directors if she could perform custodial work to make up for the gaps in her payments. They allowed him to enroll, and McNeary says he thrived.

"I graduated high school at a fourth-grade reading level. I'm fighting for my kids to have the opportunities I didn't have," she adds.

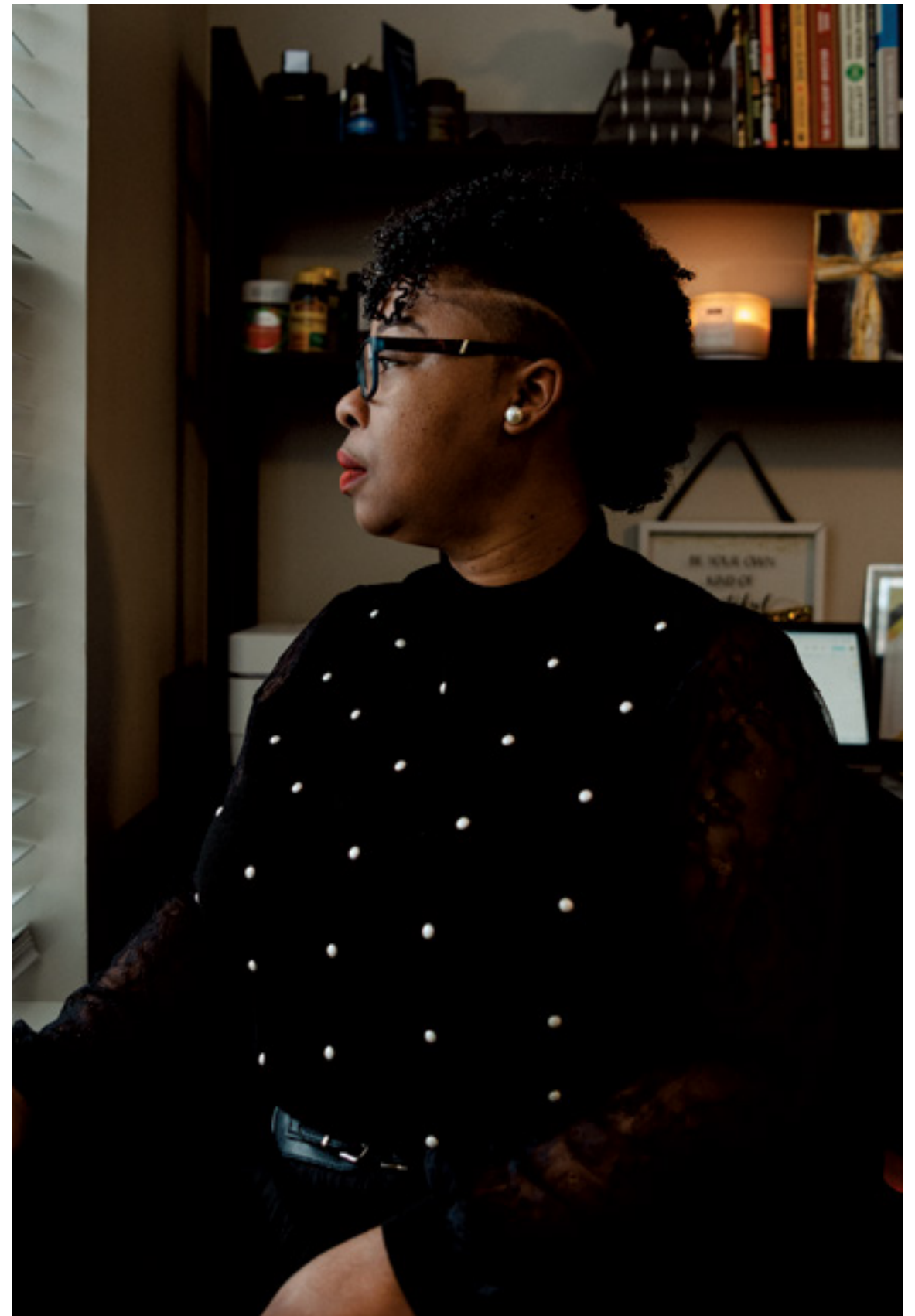
Kentucky is one of 18 states that still has very limited or no school choice options.

Attempts to change that have had mixed results.

In 2021, the Kentucky Supreme Court struck down the Education Opportunity Account program, which was designed to enable families to tailor education to their children's needs; this effectively barred the Kentucky General Assembly from passing school choice legislation. Efforts to amend the state constitution and expand educational choice programs are ongoing. For now, most Kentucky families have the same two options as McNeary: send your kids to the public school you are assigned to or find a way to pay private school tuition.

"Anti-school choice myths disproportionately prevent the least advantaged from having educational options. The most advantaged families already have school choice," says Neal McCluskey, director of the Center for Educational Freedom at the Cato Institute. "They can afford to live in neighborhoods with the best public schools. They can afford to pay out of pocket for the costs of private education. Funding students directly allows more families to access educational alternatives. School choice is an equalizer."

McNeary's 17-year-old, Isaiah, and 8-year-old, Monae, have thrived in public schools, but her 14-year-old, Nehemiah, has struggled, oscillating between private and public schools due to changes to Kentucky's voucher program rules. After Nehemiah was diagnosed with attention deficit disorder, McNeary felt it was critical to stretch her finances to keep him in a private school with smaller class sizes and



“That’s what think tank work is often about: laying the groundwork for the day when political stars align.”

more individualized attention—voucher or not.

“There isn’t one school or learning environment that fits every child. My four children are completely different,” McNeary says. “As a mom, I check in with my kids and listen to what they need. I don’t think legislators should decide how I educate them. They weren’t there when I gave birth to them, when I named them. They don’t know my children. How could they decide what education is best for them?”

Unfortunately for McNeary and other parents in Kentucky, the choices they can make for their kids’ education remain very limited.

The Long Road to Educational Freedom

Cato has long been a leading source for research on educational choice. As far back as 1981, Cato published studies on the problems with the monopoly school system and the opportunities for competition.

Cato’s work has powered school choice to grow by leaps and bounds. As of 1989, there were no private school choice programs or charter schools in the United States. In 2023, there were more than 1.3 million students utilizing alternative education, including private schools and homeschooling, through tax credit scholarship, voucher, or education savings account (ESA) programs

and roughly 3.7 million children in publicly funded, privately run charter schools.

In 1996, Baltimore mayor Kurt Schmoke urged his city’s school board to experiment with parental choice. The *Baltimore Sun* reported that Schmoke said he repeatedly came back to the work of the Cato Institute. In particular, Schmoke said he was influenced by Cato’s book *Liberating Schools—Education in the Inner City*, edited by David Boaz, then Cato’s executive vice president.

“That one I kept coming back to,” Schmoke told the *Baltimore Sun*, saying that he found himself underlining phrases such as “competitive market economy” and “tax credits or tax refunds for parents who want alternatives to the public school monopoly.”

In January 2004, Congress passed the first federally funded voucher program for low-income residents of Washington, DC. Many in Washington attributed the political dynamics that made it possible to Cato’s work in making the case for school choice.

Cato scholars have been a powerful voice for truly free markets in education and have been arguing for low regulation and embracing profit to take excellence to scale. That was largely the premise of the late senior fellow and former Center for Educational Freedom director Andrew Coulson’s PBS documentary, *School Inc.*

Apparently the film’s message was so powerful that it inspired the nation’s largest union, the National Education Association, to pass an “official position of objection to the ‘documentary’ called *School, Inc.*” at its 2017 national convention.

Victories had been piecemeal throughout Cato’s decades of research, testimony, and advocacy. Then the combination of COVID-19 closures and educational culture wars shined a spotlight on the inability of public schools to serve diverse people equally and created an explosion in school choice within a few short years. More than 40 years of Cato’s foundational research and discourse helped guide the course.

“That’s what think tank work is often about: laying the groundwork for the day when political stars align,” McCluskey says.

An Explosion in School Choice

Arizona was the first state to pass universal school choice in 2022. The program applies to everyone, not only to families below a certain income level or students assigned to low-performing schools. For Cato’s education scholars, this was a long time coming.

“When I started working on school choice 22 years ago, it was a dream to have universal school choice,” McCluskey says. “Even three years ago, most people didn’t think these programs would ever happen, and now we

School Choice Stats

Families across the country are taking advantage of new school choice programs that fund students and help them access education that fits their needs.

- Over 850,000 students enrolled in private schools through school choice programs in 2023.
- Roughly 3.7 million children attend charter schools in the United States.
- Following the pandemic, private school enrollment increased by 4 percent and homeschool enrollment increased by 30 percent.
- As of 2020, the national average per pupil spending in public schools was \$14,789. The national average private school tuition in 2023 was \$12,686 per year.



Fumiko Tipping homeschools her two children, who now have access to new resources and opportunities thanks to Arizona's universal education savings accounts.

have at least 10 states with universal or near-universal school choice.”

As early as 2011, Cato policy scholars advocated universal ESAs—publicly funded, government-authorized accounts for expenses such as tuition, tutoring, textbooks, online education programs, and special needs therapies. According to McCluskey, it was the COVID-19 pandemic that influenced more people to start listening to school choice proponents.

“COVID opened even rich people’s eyes in many cases,” McCluskey says. “They were happy with public schools because they usually bought a home in a district with good schools and good test scores. But when COVID came, wealth didn’t matter. They realized it can all be taken away, even from them.”

Rather than fostering an environment for children of diverse backgrounds to be educated, public schooling often triggers conflicts with its one-size-fits-all approach to education. Since the mid-2000s, Cato’s Public Schooling Battle Map has cataloged significant conflicts related to basic rights, moral values, or individual identities. Between 2018 and 2020, there were an average of 203 battles tracked each year. Since 2020, that number has more than doubled to 437.

The political battles that play out in public schools came to the fore during and after the pandemic. Students, parents, teachers, and legislators fought intensely over school closures, curricula, reading material, and the ideological bias of classroom lessons.

For many parents, COVID-19 was a breaking point: private school enrollment increased by 4 percent in the year following

the pandemic, and homeschool enrollment increased by 30 percent, according to an Urban Institute report. And since 2020, after decades of little change in educational freedom, approximately half the states have enacted or expanded school choice programs.

“The dam has finally broken. People now know that the norm should be that you have a choice in education,” McCluskey says.

Educational Freedom for Arizona Families

Fumiko Tipping was raised in Arizona and attended public school until third grade, when racial discrimination and bullying convinced her mother to pull her out and homeschool her instead.

“The classes were too big for every student’s needs to be met,” Tipping recalls. “Kids get lost in the shuffle—and I was one of those kids.”

A single mom who worked nights at the hospital, Tipping’s mother did whatever it took to provide a quality education for her daughter. “She made it work,” Tipping says. “So, when it came time to educate my children, homeschooling was a no-brainer.”

Tipping began homeschooling her children in Ohio, where few resources were available to parents and students. In 2021, the Tippings moved to Prescott, Arizona, shortly before the state passed universal ESAs. For Tipping, who had never received any assistance before, this was a game-changer.

“We made the sacrifices necessary, which includes being a one-income household, so I can homeschool,” Tipping says. “I’ve sat on the floor in the grocery store counting out pages in notebooks to see which ones were



TOP: Akia McNeary with her children, from left, Raymone (22), Isaiah (17), Monae (8), and Nehemiah (14) outside their home in Florence, Kentucky.

BOTTOM: Fumiko Tipping poses for a photo in her living room with her son, Ittai (9), left, and daughter, Aria (12), right.



the best deal. With ESAs, suddenly we can afford to buy books! It changed our lives. It changed my kids' lives."

Tipping's 12-year-old daughter, Aria, who is already a school year ahead of her peers, has been able to join a local swim team thanks to ESAs. Nine-year-old Ittai is in gymnastics and has been able to get math manipulatives to help him with a subject that he previously struggled with. Both children complete classwork at a pace that matches their needs, with Fridays reserved for sports, Japanese lessons, and other extracurriculars.

"Kids are unique creatures, and even my two learn so differently," remarks Tipping. "My daughter is ahead of schedule—my son might need to keep working into the summer. That's fine. We can go slower for him. A stressed brain doesn't learn. Creating the most conducive environment for a child's specific learning needs is so important. We have that luxury, thanks to ESAs."

The Human Cost of School Choice Myths

The most frequently repeated school choice myth is that when a student leaves a public school under an ESA program, that student takes money and resources away from the public school and brings it to a private, often religious, school.

On the contrary, of the local, state, and federal dollars spent on public education, only the state funding follows the students within ESA programs (with a few exceptions). Therefore, much of the money remains in the public school system, and spending per pupil increases

as more parents opt for alternative forms of education. In the 2023–2024 school year, Arizona's public schools were set to break the state record for spending at nearly \$15,000 per pupil. ESA students were to receive approximately \$7,000. That means more than 50 percent of the per-student funds likely stayed with the public school even when they no longer educated students using the ESA program.

School choice programs also aid in remedying one of the most common struggles expressed by public school teachers: class sizes. According to the National Center for Education Statistics, there was an average of 23.9 students per Arizona public elementary teacher in 2018—among the nation's highest. Now that ESAs have been expanded to all students in Arizona, the state's Department of Education reports that over 70,000 students are taking advantage of the program. This shift is anticipated to drive down the average class size in Arizona's public schools, benefiting students and teachers alike.

Robust school choice policies also serve public school teachers in another way. They open doors for teachers who are not satisfied in their school or district to have more opportunities to teach in other schools—or for founding new schools themselves.

Shiren Rattigan taught in public and private schools, but nothing was ever exactly what she was looking for. A fourth-generation educator, Rattigan saw herself like Ms. Frizzle from *The Magic School Bus*, whisking students away on unforgettable adventures and helping them discover the beauty of learning. Yet too often, the magic

was snuffed out in a system burdened by bureaucracy.

"I felt like every relationship in the education system was broken. My relationship with students was based on test performances; the only time I engaged with parents was when a problem needed to be addressed. The responsibility a school has to the community was lost," Rattigan says.

Rattigan's breaking point came during the COVID-19 pandemic and subsequent school closures. She observed as a parent and a teacher how incapable the education system was at meeting the needs of students. When discussions began about returning to in-person learning, Rattigan was resolved to make a more significant change. "I didn't wait my whole life to clean sneeze guards," she says. "I wanted to be an educator. I wanted to embrace the opportunity to stretch education to a beautiful new place, but I was so limited."

Rattigan knew if she was going to feel at home in a school, she would have to build it herself.

What started as Rattigan educating her three daughters at home during school closures led to preparing a weekly schoolwork kit for other parents struggling with homeschooling during the pandemic. Soon the families started meeting once a week, and then twice. Eventually, parents asked Rattigan what it would take for her to continue teaching their kids rather than sending them back to the Montessori school they were attending. And so, Colossal Academy was born.

"I wanted to offer this opportunity to more children and be accessible to a



Shiren Rattigan, right, founded Colossal Academy in Fort Lauderdale, Florida after frustration as an educator during the pandemic. Colossal has expanded to welcome high school students, and Rattigan is looking to open more locations in the coming years.

diverse socioeconomic background,” she says. “I decided the best way to do that was to become a licensed private school and participate in Florida’s school choice scholarship program.”

Across the nation, educators like Rattigan are redefining education, and Cato is amplifying their voices. Cato policy analyst Colleen Hroncich writes the weekly *Friday Feature* blog chronicling stories of educational entrepreneurship to inspire students, parents, and teachers.

“An underappreciated benefit is that school choice legislation empowers teachers,” Hroncich says. “They see the need every day, and for the first time, many can now fill it.”

Rattigan aims to franchise Colossal Academy, starting with every county in Florida. She wants to help other

teachers navigate the world of education entrepreneurship so that more schools that put the magic back into learning can be available to students everywhere.

Building on Success

While the general public increasingly shares Cato’s enthusiasm for the benefits of universal ESAs, their expansion wouldn’t solve all the problems with our education system overnight. Some states that have passed ESA legislation, such as Nevada and Iowa, hinder the program’s success with stringent state regulations on private schools.

“The protectionism of regulations on private schools makes their ESAs little more than a glorified voucher system,” says Kerry McDonald, adjunct scholar for the Cato Institute and author of *Unschooling: Raising Curious, Well-Educated Children outside the*

Conventional Classroom. “The threat now that they have passed universal ESA legislation without addressing the huge barriers to opening new schools is that people will think no one wanted to take advantage of the program when given the choice. We must remove barriers to education entrepreneurship so that the supply can match the demand we know is there.”

Education entrepreneur Bob Luddy has experienced those barriers firsthand.

“If you’re starting a private school, one of the hardest hoops is to get the school building approved by the state and local code authorities,” Luddy says.

Luddy founded his company, CaptiveAire Systems, in North Carolina in 1976. As the company grew through the 1990s and 2000s, he struggled to find qualified workers. “We had individuals working in the plant who could understand one inch or two inches but not fractions,” he says. “It shocked me.”

Luddy says his anger motivated him to start his own school in 2007 in a temporary building located on his company’s property. What began with 30 students meeting in a CaptiveAire office building has since grown into Thales Academy—a private school franchise serving more than 6,100 K–12 students across 13 locations in North Carolina and Virginia.

Being a business entrepreneur gave him an edge when it came to launching and scaling a private school. But Luddy says the ability to self-fund Thales Academy was

pivotal. “I had the money and resources to do this,” he says. “Most don’t.”

While opening the newest Thales Academy in Midlothian, Virginia, Luddy was required by the state’s Department of Transportation to build a roundabout and place a stoplight outside the school—at the cost of \$280,000.

“I self-fund all of this. I do this because it breaks my heart to see young people who don’t have opportunities in life that I had,” Luddy says. “If we can’t resolve K–12 education, we can’t resolve any other problem in this country.”

The dedication of education entrepreneurs gives Cato scholar McDonald optimism for the future of school choice. “Supply has been increasing everywhere since 2020, and there is growing bipartisan support across the country,” she says.

Despite resistance in some states, momentum is on the side of school choice, and much of that is due to Cato’s work, other key organizations in the school choice movement, and individuals who advocate school choice in their states, like Akia McNeary of Kentucky. She knows exactly what ESAs would do for her kids: tutoring, college prep, or fulfilling her son’s dream of attending a science adventure week that is currently out of the family’s budget.

When asked what ESAs would give to a mother exhausted by ensuring her children get the education they need and lobbying for the options they deserve, McNeary says, “It would be a break.” ♦



Between a New Factory and an Old Church: VinFast's Bumpy Road in North Carolina

By Paul Best

The arrival of VinFast's electric vehicle factory brings both economic promise and personal upheaval, challenging the fabric of Chatham County.

PHOTOGRAPHY BY GREG KAHN

Lena Stone made her home in Chatham County, North Carolina, a rural area made up of rolling hills and twisting rivers less than an hour's drive south of the state capital and bustling Research Triangle. Now 76, Stone still lives in the house she built in the 1970s, where she raised her children, regularly looked after her grandkids, and hosted countless family gatherings over the decades.

But in August 2022, her world turned upside down when North Carolina Department of Transportation (NCDOT) officials informed her and dozens of other Chatham County residents that their homes needed to be demolished to make way for the construction of a new \$4 billion factory by the Vietnamese electric vehicle (EV) startup VinFast, which is receiving a \$1.2 billion incentive package from the state government.

Stone was initially told that she'd have to leave her property in fall 2022 to meet VinFast's breakneck goal of producing cars in North Carolina by 2024, but months

trickled by with sparse communication from state officials. Over a year later, Stone has been left in limbo, unable to do any of the home improvements she had planned and still wondering how much of her property she'll be forced to sell to the state.

"You don't want to do anything else because you don't know what they're going to do," Stone said of the waiting game, noting that even a good price from the state wouldn't compensate her for the emotional connection she has to her home. "Money can't replace memories."

Many of Stone's children and grandchildren still live nearby, including her granddaughter Karley Michelle, who described the ordeal as stressful for the whole family.

"It's more like, 'This is how it's going to be,' versus giving us options, so it was kind of a shock," Michelle said. "She's really had a hard time with it because she's 76, and she's been there ever since she was in her 20s."

Stone is just one of 27 Chatham County residents whose homes will be purchased by



TOP LEFT: Lena Stone, center, poses with her granddaughter Karley Michelle, left, and daughter Patty, right, in front of Stone's home.

TOP RIGHT: North Carolina officials announced plans in August 2022 to demolish Lena Stone's home and three rental properties she owns near the site of VinFast's new factory.

BOTTOM: Generations of families have attended Merry Oaks Baptist Church, a century-old chapel that officials say is in the way of infrastructure improvements for VinFast's factory.



the state through eminent domain, as well as five local businesses and Merry Oaks Baptist Church, a pillar of the local community since 1888.

Members of that church, many of whom have been in the congregation their entire lives, were also under the impression in August 2022 that they'd have to be out of their century-and-a-half-old chapel within months, but they continued holding services and other gatherings as time ticked by.

"We've received nothing to date from the DOT for an offer. No eminent domain paperwork submitted to us, nothing," said Sharron Bouquin, a 61-year-old lifelong member of Merry Oaks. "I don't know what they're going to do. I don't think *they* do."

VinFast announced in July 2023 that it would donate up to three acres of land to potentially relocate the church, but members of the congregation are still waiting for a formal offer from state officials before deciding the fate of their chapel.

Originally slated to start churning out 150,000 cars a year in 2024, VinFast announced a one-year delay due to "administrative procedures." The NCDOT said that they could not start purchasing property from homeowners until receiving a permit from the US Army Corps of Engineers, which was granted in December 2023. A timeline for the acquisition process is still unclear.

Several states implemented eminent domain reform in the wake of the Supreme Court's 2006 decision in *Kelo v. City of New London*, which holds that economic benefits

warrant the seizure of private property.

North Carolina, however, does not have such protections. The state allows for eminent domain to be used for "public use" as well as "public benefit," the latter of which critics say results in broad seizures of property for private development and other abuses.

"Public benefit can mean a lot of things to a lot of different people," said state representative Dennis Riddell, a Republican who has introduced multiple bills over the past decade to reform eminent domain in the state. "The laws of seizure of property by eminent domain need to be very tightly worded, not vague and ambiguous with something as loose as 'public benefit.'"

Open the State Coffers

It doesn't ease the minds of Chatham County residents that their tax dollars are being funneled to the factory, as VinFast is the beneficiary of \$1.2 billion in state and local incentives.

North Carolina is an attractive state for businesses, with the lowest corporate income tax rate in the country, a relaxed regulatory environment, and several prestigious universities, but granting targeted subsidies to preferred companies is more akin to crony capitalism than the free-market system that many state officials claim to support.

"We're paying more than the economic benefit to a specific company," said Michael Munger, economics professor and director of the Philosophy, Politics, and Economics

Certificate Program at Duke University. “Basically, we’re taxing all of the companies that in good faith came to the state of North Carolina and actually invested and hired people, [and] we’re using their tax money to create a differential benefit for a new company that may or may not ever contribute anything to the economy.”

These deals are not unusual in North Carolina. In 2021, the state agreed to give Apple an \$836 million incentive package for a new campus in Raleigh, despite the fact that Apple is the largest company in the world with a \$3 trillion market capitalization. That same year, officials announced a \$435 million deal with Toyota for the carmaker to expand production at its battery plant in Randolph County.

Other states similarly dole out massive subsidy packages to their preferred companies, a practice that Munger calls a “pathology of politics.”

“The key is markets, not business, not the subsidy of business, but the creation of vibrant markets is what actually creates growth in the long run,” said Munger, who along with other North Carolina taxpayers, challenged a \$260 million incentive package that North Carolina gave to Google in 2007.

The VinFast incentive package was announced in July 2022. State officials wrote the first check on behalf of taxpayers to VinFast in May 2023, sending the company \$16.2 million from a \$125 million pot that was set aside to reimburse VinFast for construction costs, according to a copy of the invoice obtained through a public records request.

The state legislature also allocated \$250 million to the NCDOT for roadwork and infrastructure improvements needed for the factory, as well as \$75 million to the nearby city of Sanford for upgrades to its sewer systems.

The final pieces are a \$316 million Job Development Investment Grant from the state, which will be paid out over 32 years as long as VinFast hits job creation targets, and a \$400 million package from Chatham County, which is similarly performance-based.

A spokesperson for the North Carolina Department of Commerce pointed to these job creation requirements when asked about criticisms of the deal, saying that “the bulk of the state’s incentive package is contingent on company performance and has not yet been paid.” C. Michael Smith, the president of the Chatham Economic Development Corporation, also noted the local incentives are performance-based, saying that they are “grateful for this company choosing a site in Chatham County for this historic project.”

Other parts of the deal, such as the combined \$375 million allocated by the state legislature to improve infrastructure and reimburse VinFast for construction costs, will be paid much sooner and may be harder to claw back if VinFast does run into difficulties.

“While some state money has been spent on the project, those expenditures have gone into site preparation and infrastructure,” the spokesperson for the state department of commerce said. “Those upgrades benefit the industrial site itself, so even in a worst-case scenario, the site would return to the state for reuse by another company.”

But even in a best-case scenario, handcuffing taxpayers to an unproven startup in a fiercely competitive industry over a three-decade period does not sit well with everyone.

“To put it in perspective, think about how fast the economy changes and how different the economy looks today than it did 32 years ago,” said Brian Balfour, the senior vice president of research at the Raleigh-based

VinFast plans to build the factory on an 1,800-acre wooded area in southeastern Chatham County, while the North Carolina Department of Transportation will revamp roads and make other infrastructure improvements around the site.



John Locke Foundation. “To try to force North Carolina taxpayers to be tied to this specific company in this specific industry for more than three decades—it’s just absurd.”

At the federal level, the White House has announced myriad tax breaks, grants, and subsidies for electric vehicles in its effort to transform the automotive industry. President Biden praised VinFast’s plans as “the latest example” of his “economic strategy at work,” while Secretary of Energy Jennifer Granholm framed it as proof that companies are “responding to President Biden’s economic plan.”

But even as federal officials took credit for VinFast’s new factory, executives at the company pushed for more government support.

VinFast officials complained privately

about new eligibility requirements on the \$7,500 electric vehicle tax credit for consumers, which mandated that a vehicle’s final assembly take place in North America and that battery materials be sourced domestically, meaning that American VinFast customers wouldn’t get access to the tax credit until the North Carolina factory was up and running.

As President Biden prepared to sign the new requirements into law in July 2022, Madame Le Thi Thu Thuy, then CEO of VinFast, wrote a letter to North Carolina senators Richard Burr and Thom Tillis warning that the tightened-up restrictions on EV tax credits posed “an existential threat to VinFast’s plans to build a US manufacturing hub in North Carolina.”

“Eliminating our vehicles from the federal

“We . . . are going to take people’s rights, their homes, their memories, in favor of something that is proving to be even higher risk than initially thought.”

rebate program threatens to torpedo our entry into the US market, and drastically alter our expansion plans,” Thuy wrote to the senators on July 31, 2022, in the previously unreported letter, according to a copy of the document obtained through a public records request.

After Congress sent the bill to the president’s desk with sourcing and assembly provisions still in place, a top VinFast executive wrote to North Carolina officials on August 9, 2022, that the company is “disappointed that Senate leadership was unwilling to allow for a phase-in on the EV rebate” but that the company remained committed to its plans in the state.

Months later in spring 2023, a VinFast executive again complained to Governor Roy Cooper’s staff about the tax credit’s new eligibility requirements and then tried to enlist state officials to pressure the federal government over a pending \$1.4 billion loan from the federal Advanced Technology Vehicles Manufacturing Loan Program, according to the Raleigh-based *News & Observer*.

“The state of North Carolina has stepped up and provided substantive support for this project,” the VinFast executive reportedly wrote to Cooper’s staff on May 11. “Meanwhile, the (Biden)

Administration has taken credit for the efforts of VinFast and North Carolina—while eliminating our vehicles from federal incentive eligibility, raising interest rates and making it harder to access private capital, and dragging out the process for a federal loan.”

VinFast announced in August 2022 that it would still grant the \$7,500 break to US buyers, a necessary gesture in a cutthroat EV market that has seen Tesla and other more established companies slashing prices in recent years.

VinFast’s Bumpy Road

VinFast originally launched in 2017 as a subsidiary of Vietnamese conglomerate VinGroup and started producing gas-powered vehicles 21 months later in Hanoi, then transitioned to EVs in 2021.

The first VF 8 City Edition SUVs were delivered to American customers in March 2023, but VinFast had to issue a recall two months later due to complaints about the VF 8’s heads-up display randomly going blank, which the National Highway Traffic Safety Administration said could “increase the risk of a crash” because “critical safety information” was no longer in view.

VinFast aimed to sell 50,000 vehicles in 2023 but had only delivered 21,342 through



Lena Stone’s home has been the setting of family gatherings, birthdays, and holidays for nearly 50 years. Eminent domain laws give North Carolina the power to take her home, even though she doesn’t want to sell it.

September, about 2,000 of which went to US customers. Green and Smart Mobility, a taxi company also owned by VinGroup, purchased at least 7,000 of those vehicles.

Trade publications, meanwhile, have universally criticized the newcomer, with one reviewer writing in the automotive magazine *Road & Track* that the “VinFast VF 8 has the worst body control of any modern car I’ve ever driven.”

“Over a 90-minute drive, the 5600-lb SUV never stopped bobbing, swaying, and bucking, producing near-constant head-tossing motions,” the reviewer wrote. “Riding in the passenger seat, I became car sick for the first time in years.”

With sales slow to take off, VinFast posted a net loss of \$623 million in the third quarter of 2023, bringing its total yearly loss to \$1.7 billion. That comes after losses of \$2.1 billion in 2022 and \$1.3 billion in 2021.

VinFast went public in August 2023, with shares briefly soaring to over \$80 before plummeting back below the listing price of \$22. Shares were hovering around \$6 in December.

A VinFast spokesperson said that the company still expects to start production at its US plant in 2025 and “greatly appreciates the support from the state of North Carolina.”

While Governor Cooper and VinFast executives insist that the project is still on track, other North Carolina officials have urged caution.

“In our eagerness to say, ‘We got another mega site going here in North Carolina. Aren’t we something,’ we, I think, are going to take people’s rights, their homes, their memories, in favor of something that is proving to be even higher risk than initially thought,” said Riddell, the Republican state lawmaker who has attempted to reform eminent domain in the state.

Chatham County residents whose homes are in the way of VinFast’s factory shared a similar sentiment, noting that officials may be able to recover some tax dollars if the project goes belly-up, but they can’t build back a demolished home.

“I know VinFast is having problems. It may even be one of those things where we have a nice road to nowhere,” said Kay Hinsley, who has lived in Chatham County her entire life and may have to give up part of her property for road expansion near the site. “I would imagine if they can’t make it, they will just sell it off to something else. The damage to the community will already be done. It’s a sad thing for the people that have called this area home for so long.” ✨

Q&A: Bridget McCormack on the Law's New Era

By Caleb O. Brown

In a candid discussion, the former Michigan Supreme Court chief justice addresses the systemic challenges in civil adjudication and the dynamic potential of AI-driven legal aid.

Bridget M. McCormack, president and CEO of the American Arbitration Association and former chief justice of the Michigan Supreme Court, delivered the Annual B. Kenneth Simon Lecture at the Cato Institute's 22nd annual Constitution Day symposium on September 18, 2023. Caleb O. Brown, host of the *Cato Daily Podcast*, sat down with McCormack for a conversation about the state of America's adjudication system, reforms that could aid those who cannot afford legal help, and how generative artificial intelligence (AI) might be a game-changer.

CALEB O. BROWN: At Cato's Constitution Day, part of the challenges you laid out is people not being able to navigate the system without highly qualified assistance. Hasn't that always been the case?

BRIDGET M. MCCORMACK: The legal system has always been complicated, and I think that's a feature, not a bug. But the problem we face right now is the sheer number of people who have to navigate their civil justice problems without the help of lawyers. When the legal system was built, it was built by lawyers for lawyers, and everybody who encountered it had a lawyer. Now most people are left trying to navigate it on their own or—in many cases—just give up.

The number of people now navigating civil dockets without lawyers is so staggering that I wish I could have every brand-new law student stop in at an eviction docket and a debt collection docket and a family law docket before they start law school.

The vision of our justice system that we teach in law schools (and see in the movies) where each side is represented by a lawyer and the best argument wins is a fiction in most of our civil justice dockets.

BROWN: You suggest big changes that might repair the civil justice system. Are there specific reforms that you think would deliver a disproportionate punch?

MCCORMACK: In a few states, we've seen regulatory reform where the state supreme courts have set up systems where people other than lawyers can provide legal help to people who cannot afford lawyers. Arizona and Utah were first, but recently Alaska and Oregon have done similar things.

There has also been some important litigation in a couple of states that has potentially opened a new avenue for people other than lawyers to help people with civil justice problems. The Upsolve litigation in New York state, which I know Cato has been active in, has so far been successful

PHOTOGRAPHY BY EMMA BURCUSEL



“If you are somebody who’s been served with an eviction notice or a debt collection notice and you can barely even understand the notice, you’re very likely to not even figure out how to defend it.”



McCormack delivers the Annual B. Kenneth Simon Lecture at Cato’s 22nd Constitution Day in September 2023.

in litigating the problem of people who are not lawyers being able to help people with civil justice problems under the First Amendment’s protections.

BROWN: What do you see as the potential role of AI in the legal profession going forward?

MCCORMACK: I believe that this new technology is a good fit for the legal profession for lots of reasons. I talked a lot about the unlicensed practice of law statutes. If an individual who is served with an eviction figures out how to use one of these large language models effectively to respond to an eviction notice and then describes that for others, is that the unlicensed practice of law? It’s going to be awfully hard for states to shut down that kind of information sharing among people who might now have the tools

to figure out what the law provides for them and expects of them—information that we all should know.

BROWN: I appreciate that a lot of your examples are issues related to debt and eviction because, almost by definition, those are the people who can least afford counsel.

MCCORMACK: Exactly. We see extremely high levels of default on those dockets, and you can imagine why. If you are somebody who’s been served with an eviction notice or a debt collection notice and you can barely even understand the notice, you’re very likely to not even figure out how to defend it. You just move out of your apartment, or you don’t show up on the date the court says you’re supposed to because you don’t think there’s much you can do about it.

Imagine if other government services

required a translator to be able to use them—if to enroll your kids in public school, you had to hire a public school specialist, who is the only one allowed to help you enroll your kid. Or if you, to use the highway, had to hire a highway driving specialist. We would overthrow the people in charge.

BROWN: How have lawyers responded?

MCCORMACK: This is actually one of the most disappointing parts of this problem—and I get it. Lawyers usually borrow a lot of money to become educated; in fact, a not insignificant number of lawyers are underemployed. We’re graduating people from law schools who are not able to pay their debts back. So maybe it’s not surprising that there has been significant lawyer resistance to allowing people who are not lawyers to represent people with civil justice

problems. It’s silly because the folks with debt collections and eviction problems are not going to make up the difference between the lawyers who are fully employed and those who are not. But we have seen significant lawyer resistance. This happened in California most recently—the lawyers were opposed to some of the reforms that might have tracked with Arizona’s and Utah’s. And they were successful.

Obviously, there have been some lawyers who have done a terrific job pushing some of these reforms, but not across the board.

BROWN: You founded the Michigan Innocence Clinic. It was called the first exclusively non-DNA innocence clinic in the country. First, explain what that means and what specific need it was created to meet.

MCCORMACK: At the time we founded

it, it was the only innocence project that focused only on cases where there was no DNA evidence to test. DNA exoneration has been a great boost to what we can learn about the mistakes made by humans in the criminal legal system. But what it taught us is the rate of wrongful conviction translates to cases where there is no biological evidence to test. So, if we know that the rate of wrongful conviction is somewhere between 3 percent and 5 percent—and that’s what the DNA cases have taught us—there’s no reason to believe that that rate is lower in cases where there is no biological evidence. So, we thought, let’s focus only on the cases where there is no silver bullet. Let’s put really smart University of Michigan law students on figuring out how to prove someone’s innocence—which is what you have to do once someone’s been convicted. It’s no longer beyond reasonable

doubt; you have to prove innocence. And the Michigan Innocence Clinic has been stunningly successful. I think they are up to 28 exonerations at this point since it was founded in 2008.

BROWN: What changes in a law student when they participate in this kind of project?

MCCORMACK: It’s a profession-shaping experience for every law student who gets to participate. Seeing the ways in which the justice system can go sideways allows a law student to have a perspective even if she never practices criminal law again, but that perspective—that skepticism—is important throughout your legal career.

BROWN: Something that our scholars will harp on is the fact that there are innocent people who plead guilty to crimes. For people who are not that familiar with the criminal justice system, why do you think that is?

MCCORMACK: It’s because the penalty for going to trial is so significant, and just because you’re innocent doesn’t mean you’re going to get acquitted. I started my career as a public defender in New York City in the early ’90s. The drug sentencing laws—the Rockefeller laws—were so severe that the penalty for possession was 25 to life for a first-time offender. I remember having one kid who had been arrested after taking a bus to New York with another kid who had been asked to carry a duffel bag, and the duffel bag turned out to have drugs in it. The plea offer was three years to life. That was the

regular plea offer in these first-offense, first-degree possession cases. It was impossible for somebody not to take it.

He didn’t know that the other kid had been asked to carry the duffel bag. But was the jury going to believe him when he said that? So, he took this plea. In the middle of the plea, the judge had to ask him to specify what was in the duffel bag. He turned to me and said, “I don’t know what to say,” because he didn’t actually know what drugs were in the bag. It was a crushing moment. He was agreeing to go to prison for three years because, to him, it was rational because the chance of doing 25 years was significant. The DNA cases have taught us that a not insignificant number of people who are innocent plead guilty to avoid the trial penalty.

BROWN: How is justice served by a system in which people are strongly encouraged to plead guilty despite being innocent?

MCCORMACK: In my view, it’s not served. This is one of those things that goes on inside courthouses that a lot of people go through life never understanding. If Americans knew what was happening regularly, they would not be satisfied with that state of criminal adjudication. But a lot of the regular players in the criminal adjudication system don’t think there’s any other way to manage it. The only way to manage it is with 96, 97, 98 percent of people pleading guilty.

BROWN: That’s a pretty grim assessment.

MCCORMACK: It’s grim.

BROWN: What informed your decision to go into a legal career?

MCCORMACK: My godmother didn’t have kids of her own, so she was especially attentive to me as a kid. She was a legal aid lawyer in New York City when I was a kid, and I grew up in New Jersey. She had me come visit her, and I went to work with her. She was a real role model for me, and I saw the law as a way to help people. That’s what attracted me to it.

BROWN: You became chief justice of the Michigan Supreme Court in 2019. You were not the first woman to hold that position, but it was the first time that the governor, attorney general, secretary of state, and chief justice seats were all held by women. You’re notably a supporter and champion of other female justices. Did you have similar champions when you were younger?

MCCORMACK: I had excellent mentors throughout my career, and honestly, most of them were men. And I think men are well poised to support women and people of color taking on important leadership positions within the legal profession. That certainly happened for me, and I think without those mentors, I wouldn’t have had the career I’ve had.

It’s important to me to make way for a new generation. I think diversity on the bench, not just in terms of gender and racial diversity but practice-experience diversity, and of people who have represented individuals ascending to the bench will grow confidence in the justice system. ♦

“If Americans knew what was happening regularly, they would not be satisfied with the state of criminal adjudication.”

Sphere in the Classroom: Teaching American History in Polarized Times

By Bekah Congdon

A veteran teacher grapples with the rising tide of political tribalism and leans on Cato's Sphere Education Initiatives to bring civility back to the classroom.

As a history teacher for more than 35 years, Frank Wiswall has seen political and cultural trends come and go, influencing his students in both positive and negative ways. But there is a marked difference about today's tribalism, which has seeped into Wiswall's classroom and caused a chilling effect on the open debate of ideas.

"It has been a dramatic change. I've seen the way my students interact with each other and with the world around them change—especially since the advent of smartphones," Wiswall says.

Wiswall has taught for 26 years at Cranbrook Schools, a private college preparatory school in Bloomfield Hills, Michigan. Last fall, he resumed teaching US history after more than a decade—a challenge he faces with both excitement and trepidation.

"This can be the most stimulating or the most divisive subject right now," Wiswall says. "Many topics in American history have become politicized. For some of my students, this has encouraged them to be more confrontational. For others, I think they don't feel comfortable expressing their views in class for fear of being on the 'wrong side' of a given issue."

The teaching of US history has become a major political battleground. Approaches to teaching topics like the Civil War, the civil rights era, and America's Founding are hotly contested by students, parents, and policymakers alike.

"It's not just a flashpoint in education; it's a flashpoint echoing throughout all of American culture," Wiswall says.

The increasing politicization of historical subject matter—combined with what Wiswall believes is an overreliance on social media to form political views—has hampered free speech and civil discourse in schools.

Rather than relying on facts, reason, and analysis in forming political opinions, Wiswall observes many students using the internet and social media to find content that confirms their biases rather than taking the time to research and understand an issue from every angle.

"The expansion of personal technology has eroded my students' ability to focus and fragmented the sense of community. It's made me adapt how I teach and how I encourage participation," Wiswall says. "What I've learned from Sphere has helped with that."

Sphere Education Initiatives provides professional development seminars and teaching resources to middle and high school educators to help them bring tough conversations on key policy topics into their classrooms. A suite of curriculum content introduces students to diverse points of view—libertarian, conservative, and progressive—and models free speech, respect for viewpoint diversity, and civil discourse.

A cornerstone of Sphere Education Initiatives is the Sphere Summit, a summer program featuring presentations and



Veteran teacher Frank Wiswall leads a thoughtful discussion with students at Cranbrook Schools in Bloomfield Hills, Michigan, applying the civil discourse techniques promoted by the Cato Institute's Sphere Education Initiatives.

workshops with leading policymakers, scholars, and academics. More than 6,000 teachers across the country have attended a summit since 2019 and have collectively reached over 750,000 students.

Wiswall, who has attended the summit every year since 2020 with a growing group from Cranbrook, is among the educators who say the training, resources, and network provided through Sphere have allowed them to revive open and civil discourse in their classrooms—even and especially during discussions on hotly debated issues.

“Sphere has made me rethink and readjust my teaching approach, mainly by being more aware of how I can turn almost any topic into an opportunity for civil dialogue between my students—and ensuring that my classroom is a safe space for an honest and genuine exchange of radically differing ideas,” he says.

To create such a space, Wiswall has used creative ideas from Sphere not only in lesson plans and instruction styles but in the setup of his classroom.

“I organize my classroom in a big circle, and I explain the advantage this gives my students in terms of centering the class on shared discussion,” he says. “I emphasize that I am only one of the voices in the room, and I want to hear from everybody. But what I hear needs to be backed up with evidence and facts. It must be well-informed.”

This academic year, Wiswall has placed renewed emphasis on fostering civil discourse by introducing debate-centered instruction. Inspired by the 2023 Sphere Summit, he has his students engage in debates on pivotal US history topics such as judicial review, the nullification crisis, secession during the Civil War, and the assessment of Reconstruction's success or

PHOTOGRAPHY BY CLAYTON MATTHEWS

failure. Recognizing the prevailing trend of misrepresenting opposing viewpoints in public discourse, Wiswall imparts a crucial lesson to his students: the ability to argue persuasively for both sides of an issue, even if they personally disagree.

“I want my students to listen in order to understand, not just to respond,” he says. “They can disagree, but it has to be done with a layer of civility that recognizes the common humanity of the other person talking to them.”

To this end, Wiswall employs the ideological Turing test—an exercise he learned at the Sphere Summit. He asks his

using “the ultimate source material”—the US Constitution. He's guiding his history students through the document article by article while connecting the dots between the protections the Constitution provides citizens and the actions of politicians that could be interpreted as violations of Americans' constitutional rights.

“I tell my students that voting is not a spectator sport,” Wiswall says. “If there is nothing else I do for these students before they leave, I want to make sure they are ready to get into the arena and have a thorough understanding of our Founding documents so they can be informed participants in our democracy when they start voting.”

For Wiswall, Sphere represents an opportunity not only to enhance teaching but also to rebuild a sense of community that has become fractured over time.

“You meet so many teachers through Sphere whose views really differ—and yet you find in listening to different people that we've got a lot more in common than that which divides us,” Wiswall says.

That feeling of connectedness—even among those with whom he strongly disagrees—is something he wishes to instill in his students.

“I want my students to leave my class with the ability to respectfully disagree with others while still understanding they are intelligent human beings who are worthy of dignity and respect.” ✦

“I want my students to listen in order to understand, not just to respond.”

students to state the opposing view on an issue as accurately and compassionately as possible. If a student is unable to do so, he suggests they conduct more research on the issue—relying on primary source materials, facts, and critical analysis as the basis of their opinion rather than emotion or allegiance to a political party.

In emphasizing the importance of establishing strong foundations, Wiswall is

An Echo of Freedom: Lessons from an 18th-Century Call to Action

By Paul Meany

Amid rising challenges to liberal values, the enduring lessons of *Cato's Letters* forge the path for safeguarding individual liberties.

With the pandemic and subsequent lockdowns, the rise of populism, illiberalism on the left and right, and wars in Ukraine and Israel, it is easy to see why advocates of freedom across the globe are collectively biting their nails as the fate of liberalism worsens.

Freedom is a complex idea to advocate for and defend. It demands firm moral standards to treat every individual as a sovereign capable of making decisions and choosing what kind of life they wish to live. It can leave many unsatisfied. Unlike other ideologies, those that value freedom give no special favors to any particular group, making it seem cold or, at times, too rational. But freedom has no favorites. It is the birthright of all.

Classical liberals and libertarians bear the unique burden and circumstances to advocate such a universal ideal that is widely under attack. In such dire circumstances, how do we best defend freedom?

I believe the answer lies in the namesake of the Cato Institute, *Cato's Letters*, a collection of essays from 18th-century

England written by John Trenchard and Thomas Gordon.

The duo began writing their letters after the South Sea Bubble of 1720. In an 18th-century experiment in crony capitalism, the British state colluded with the South Sea Company to manipulate stock prices for their own gain. When the bubble burst, and the scandal was uncovered, it caused shock and outrage that the highest representatives in government betrayed the public trust in such a conniving manner.

In response, Trenchard and Gordon started writing *Cato's Letters*, publishing essays weekly with the *London Journal*. Trenchard and Gordon did not lament private industry and the market's influence but instead pinned the blame on the state stepping outside its bounds for the sake of profiteering. They believed it was their duty to advocate bringing the conspirators to justice and to outline the principles of a free society long after the scandal had subsided.

Writing as "Cato," Trenchard and Gordon synthesized the philosophies of Thomas Hobbes, John Locke, and Niccolo



PHOTOGRAPHY BY RICHIE DOWNS

Machiavelli. An odd trio, but in the process, Trenchard and Gordon expounded a novel theory of libertarian civic virtue, the necessary attitudes and habits to maintain a free society.

Drawing from Hobbes, they believed that humans are creatures of passion and that our psyches are fundamentally selfish. According to Cato, "Every man loves himself better than he loves his whole species." Lectures on religion and morality cannot change humanity's fundamental selfishness. We must direct selfishness toward laudable goals.

Applying their pessimism to the political sphere, Trenchard and Gordon argued that "virtue" was a word that did not belong in politics because so few are capable of its practice. Boundless political power makes men into monsters. Writing under "Cato," they stated that arbitrary power in a few individuals had killed more than every natural disaster in human history.

We should be wary of those who govern us, as Locke argued. Political power, especially entrusted in only a few hands, is like fire. It can warm, burn, or destroy

depending on whether it is watched, provoked, or increased. The duty of citizens in a free society is not to sit idly by watching the fire of political power but to actively participate in fueling or quelling as circumstances dictate.

"Cato" entrusted private citizens, not virtuous politicians, to preserve and protect freedom. Trenchard and Gordon did not advocate for rational and docile citizenship devoted to an abstract love of its nation. Instead, they believed people should follow their self-interest, fiercely defending their rights and hounding politicians out of office if they overstepped their bounds. Taking from Machiavelli's account of civic virtue, vigilance and reprisal are powerful tools to protect our rightful freedom.

For Trenchard and Gordon, politicians overreaching their bounds is an opportunity for citizens to seize and make "virtue of their present anger." We often hear, "Eternal vigilance is the price of liberty." They might add, "Eternal vigilance and willingness to exact reprisal is the price of liberty," reprisal being the ability to remove governors who encroach on the freedom of their citizens.

Many intellectuals are preemptively lamenting what they see as the slow death of liberalism and, with it, the American experiment. It would be far more productive to cease writing eulogies and spend more time like "Cato" focusing on how we cultivate a liberty-oriented civic virtue, not only to better our lives now but also to establish values and practices to preserve freedom for generations to come.

Trenchard and Gordon wrote *Cato's Letters* to shift public opinion in a productive direction toward a freer society—a practice the Cato Institute diligently pursues 300 years later with the same goal: freedom for all. ♦

Cheer Up: Cato's Case for Optimism Influences the Influencers

By Josh Hardman

ILLUSTRATION BY JEAN-MICHEL TIXIER

Many pundits and politicians claim that free markets and individual freedom lead to growing wealth inequality, resource scarcity, and even environmental collapse. Worse still, some ideologues tell young people that humanity's future is too bleak to merit having children. With the fruits of capitalism—the most powerful anti-poverty force known in history—so brazenly misrepresented, it's no surprise many young Americans view it negatively.

The Cato Institute is countering these false narratives head-on, convincing more people each day that there's never been a better time to be alive—precisely because of the spread of personal freedom and free markets.

Top innovators and technological visionaries are pointing to Cato's work as an answer to doomsayers. In recent months Elon Musk, Marc Andreessen, and John Carmack, each with millions of followers on social media, have encouraged their audiences to look to Cato for the facts about global capitalism, resource abundance, and optimism about the state of the world.

Venture capitalist Marc Andreessen's "The Techno-Optimist Manifesto" provides a resolute response to those who claim technology takes away jobs, reduces wages, and increases inequality: "You are being lied to." Andreessen praises technological

innovation—made possible through free people and free markets—and cites Cato scholars Johan Norberg, Marian Tupy, and Deirdre McCloskey among his select list of "patron saints" of capitalism and optimism.

Norberg is widely regarded as one of capitalism's most compelling advocates. His latest book, *The Capitalist Manifesto*, makes the case for economic freedom, applied to the problems and conflicts of the present day. Many skeptics of capitalism at the turn of the century were persuaded by Norberg's *In Defense of Global Capitalism*, and his theses have only been strengthened. Elon Musk even praised *The Capitalist Manifesto* to his 173 million followers on X (formerly known as Twitter). His recommendation was seen by nearly 30 million users, shared more than 25,000 times, and liked by more than 126,000 people. Musk became aware of the book through John Carmack, a tech titan in his own right for his work in artificial intelligence, software, and aerospace technologies who invited his massive audience to challenge their worldview by reading Norberg's *Manifesto*.

One of the most pernicious myths belying calls for bigger government is the notion that an increasing population will lead to resource scarcities. Tupy and adjunct scholar Gale Pooley are challenging that narrative with their Superabundance



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One of the most pernicious myths belying calls for bigger government is the notion that an increasing population will lead to resource scarcities.
”

project, which provides overwhelming evidence that resource availability grows faster than the population—as long as government policies don’t stifle human freedom, innovation, or the open exchange of goods and ideas. Tupy and physicist David Deutsch wrote “We Will Never Run Out of Resources” in the *Wall Street Journal*, explaining that “the only bottleneck [to our prosperity] will be the rate at which new knowledge can be created.”

Hosted on HumanProgress.org, the Superabundance project packages concepts found in Tupy’s celebrated book—*Superabundance*, coauthored with Pooley—into bite-sized videos. Tupy has further inspired millions by appearing on programs hosted by Jordan Peterson and Dennis Prager, all while appealing to influential academics such as Jason Furman, former chair of the Council of Economic Advisers during the Obama administration, who said, “Anyone who cares about the future of humanity should read [*Superabundance*].”

The Superabundance project is just the tip of the iceberg on HumanProgress.org, which hosts an immense collection of data sets and content. According to Norberg in *The Capitalist Manifesto*, this kind of exhaustive and entertaining collection was unthinkable at the turn of the century, in part because “tax-funded international organizations preferred to keep secret the data they had collected.”

Historians such as McCloskey have been writing about economic progress for decades, and the team at HumanProgress.org has done the painstaking work of combining data and insights about how that progress came to be. The website embodies McCloskey’s view that humanity’s “Great Enrichment” of the past 200 years is due to the spread of liberalism around the world.

Now the Isaiah Berlin Chair in Liberal Thought at Cato, McCloskey has written 24 books and more than 400 articles on

the freedoms that undergird increasing innovation. Her recent critique in the *Wall Street Journal* of *Power and Progress: Our Thousand-Year Struggle over Technology and Prosperity* criticizes the illiberal assumptions made by authors Daron Acemoglu and Simon Johnson. *Power*, she says, discounts that “the world has become radically better off. . . . The state didn’t do it, and forcing short-run egalitarianism or handing power to the Office of Economic Development can kill it, as it regularly has.”

Illiberal critics display a selective appreciation of past progress, overstate inequality in capitalist countries, and clamor for big government policies that would crush economic growth. Adjunct scholar John Early, who is also a generous Cato Sponsor, thoroughly rebutted such critics in his book *The Myth of American Inequality: How Government Biases Policy Debate*. Early’s research highlights how the federal government overstates wealth inequality by ignoring the more than two-thirds of transfer payments that the government gives to low-income households—a policy that encourages underemployment.

Cato’s objective research, innovative content, and principled advocacy for free people and free markets attracts the attention of millions of people online each year. But the work of Cato scholars continues to inspire attention in major media outlets as well. *Washington Post* columnist George Will in August 2023 highlighted a unique spending cut proposal from Romina Boccia, director of budget and entitlement policy, and cited Scott Lincicome and Colin Grabow’s research in his October 2023 criticism of the Jones Act. Lincicome, vice president of general economics and the Herbert A. Stiefel Center for Trade Policy Studies, was a major resource for a cover story in *The Economist* asking, “Are free markets history?” The answer was a resounding “no.” ✨

New Cato Project Shows Humanity of Globalization

By Josh Hardman

Globalization is a popular boogeyman among populist politicians and pundits who claim that globalized markets are taking Americans' jobs overseas, increasing inequality, and consolidating money and power among a class of corporate elites.

Nothing could be further from the truth. Our increasingly globalized economic landscape has delivered returns that reach far beyond financial gains—in the past 20 years, global inequality, poverty, and child labor decreased drastically, while working conditions, employment opportunities, and wages have improved. In other words, globalization lifts all boats.

To refute the bipartisan cadre of Americans who are increasingly hostile to free markets, Cato launched Defending Globalization, a multiyear, multimedia project featuring new analyses from Cato's economic policy scholars and outside experts.

Scott Lincicome is leading this Institute-wide effort to make the case for the free movement of goods, money, ideas, and workers across borders and to make it convincing for every kind of audience across all generations and ideological leanings. This project is designed to move public opinion and renew the policymaking consensus in Washington that global interdependence isn't just a matter of good economics—it's good morals.

Behind the data, charts, and infographics underlining the benefits of global, open markets are very real human lives. Trade barriers, tariffs, and protectionist policies not only hurt the economy and take away jobs here at home but also can mean the difference between poverty and prosperity for millions of people worldwide. The Defending Globalization project gives voice to the many people who have better, safer, healthier, and more prosperous lives because of free trade and voluntary exchange.

A webpage dedicated to the Globalization Project features research, essays, and videos of events and interviews with leading experts in economics and trade policy. The webpage will soon feature new polling, merchandise, and a video series highlighting the stories of people pulled out of poverty thanks to global markets—as well as those facing dire circumstances due to anti-free market policies.

The Defending Globalization project webpage is continuously updated with content and analyses that respond to the issues of the day. As politicians compete to be the most restrictionist, this project will rebut their claims with facts and appeals to the human costs of anti-globalization policies. ♦

For more information, visit Cato.org/defending-globalization

EVENTS



Jimmy Lai's Struggle for Freedom

In November, Cato hosted a film screening of the Acton Institute's documentary, *The Hong Konger: Jimmy Lai's Extraordinary Struggle for Freedom*. Jimmy Lai was the recipient of the 2023 Milton Friedman Prize for Advancing Liberty.



Insights on the FDIC's Agenda

Travis Hill, left, vice chairman at the Federal Deposit Insurance Corporation (FDIC), discusses recent regulatory actions with Norbert Michel, vice president and director of the Cato Institute's Center for Monetary and Financial Alternatives, six months after the high-profile failures of Silicon Valley Bank and Signature Bank.



Defending Globalization: Discussion with WTO Director-General

Dr. Ngozi Okonjo-Iweala, Director-General of the World Trade Organization (WTO), joined Scott Lincicome, Cato's vice president of general economics and the Herbert A. Stiefel Center for Trade Policy Studies, for a discussion on the threats facing both the WTO and globalization more broadly, as well as their implications for the global economy, developing countries, and the world's most vulnerable people.

EVENTS



Fortifying the Foundations of Free Speech

The Cato Institute's Sphere Education Initiatives hosted Nadine Strossen, right, for a special release of her new book, *Free Speech: What Everyone Needs to Know*. Strossen discussed how recent years have produced increasing attacks on the idea of free speech with Allan Carey, director of Sphere Education Initiatives.



Staying Ahead of the Crypto Curve

Cato's Center for Monetary and Financial Alternatives Annual Conference featured a fireside chat with Sen. Bill Hagerty (R-TN), left, moderated by Jennifer Schulp, Cato's director of financial regulation studies. Panels of experts discussed crypto regulation, stablecoins, and US competitiveness.



Economic Equity Debate at Cato

Leading student debaters from the Washington Urban Debate League in Washington, DC, visited Cato for the Sphere Education Initiatives special event "I RESOLVE: A Public Student Debate on Economic Equity." They were joined by an expert panel of judges from across the ideological spectrum who offered feedback and insights after the debate.



Why and How Argentina Should Dollarize

Ian Vásquez, top, Cato's vice president for international studies, was joined by Manuel Hinds, bottom left, the former minister of finance of El Salvador, and Emilio Ocampo, bottom right, adviser on dollarization to Argentina's new president Javier Milei, to discuss the need for Argentina to replace the peso with the dollar in the policy forum "Why and How Argentina Should Dollarize."



View all past and upcoming Cato events at cato.org/events or scan the code to the left with your phone's camera.

PUBLICATIONS



Yes, Free Markets Will Save the World

Capitalism has lifted billions from hunger and poverty. Today, a story about global capitalism, told by right-wing and left-wing populists as well as large sections of the political and economic establishment, does not deny that prosperity has been

created but says that it ended up in far too few hands.

In *The Capitalist Manifesto: Why the Global Free Market Will Save the World*, renowned author and Cato senior fellow Johan Norberg challenges popular economic narratives and delves into the transformative capabilities of free markets. He sheds light on how free markets have catalyzed unparalleled economic growth, lifting countless individuals from the shackles of poverty while ushering in an era of remarkable innovation.

Norberg provides a balanced and nuanced perspective on free markets, addressing common criticisms while emphasizing that a move away from global capitalism would reduce growth, making everyone worse off. For those seeking to understand the principles underpinning global economic systems and the potential they hold for advancing societies, *The Capitalist Manifesto* is a must-read.

"Norberg is perhaps the world's most effective defender of free-market capitalism. In this book he returns to the theme that 'freedom of choice and competition' are the engines of economic progress. He is, of course, correct. Moreover, the evidence is also that more prosperous societies are in general happier ones."

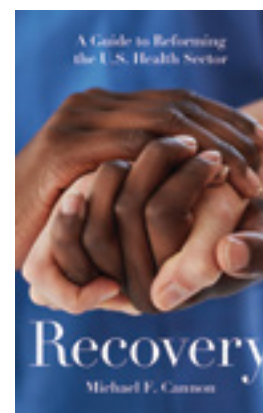
—Martin Wolf, chief economics commentator for the *Financial Times*



Discover the World's Epicenters of Progress

Cities have been vital in driving humanity forward, both the ancient wonders of antiquity and the modern metropolises that shape our global landscape. *Centers of Progress: 40 Cities That Changed the World* by Cato policy analyst

Chelsea Follett takes readers on a captivating journey through 40 pivotal advancements in history. From the birthplace of writing in Uruk to the development of philosophy in Athens to the establishment of a liberal democracy in Philadelphia, each city is a testament to human resilience, innovation, and adaptability. Most cities, Follett found, reached their creative peak during times of social, intellectual, and economic freedom.



Better, More Affordable, and More Secure Health Care

Health care in the United States is not a free market. In fact, the government controls a larger share of health spending than most other advanced nations. State and federal governments subsidize low-quality

medical care and penalize high-quality care. Michael F. Cannon, director of health policy studies, created this quick-reference guidebook for policymakers and the public to identify and easily understand the many government barriers that must be ended so that markets can transform the US health care sector into one that is more affordable, more secure, more universal, and of a higher quality.

PUBLICATIONS



How Free Is Your State?

Americans vote with their feet—or their U-Hauls, rather—and they continue to be repelled by big government policies. *Freedom in the 50 States* was the first index at any level to measure both economic and

personal freedoms and remains the only index to do so at the state level. It compares the states on regulatory, fiscal, and personal freedoms.

New Hampshire, Florida, South Dakota, Nevada, and Arizona intervene in their residents' lives the least, while New York, Hawaii, California, New Jersey, and Oregon exercise the most control over citizens after accounting for all variables. Research fellow William Ruger and adjunct scholar Jason Sorens provide policy recommendations for each state, track the state's trajectory over time, and detail the state's policies across the economic and personal categories.

The index is a catalyst for reform. For example, in a public forum with Ruger, New Hampshire Governor Chris Sununu agreed that his state had plenty to improve on, including legalizing marijuana. This edition has already been discussed on NPR, Fox Business Network, and C-SPAN and in the *New York Post*, *Washington Examiner*, and *Newsweek*.



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FEATURED STUDIES

Freeing American Families

By Vanessa Brown Calder and Chelsea Follett

Policy analysts often assume that pro-fertility and pro-family policies must include direct payments to families or the development of new social spending programs. But in many countries, these policies have been expensive and unsuccessful at raising fertility back to replacement levels and sustaining it there. Instead of replicating costly and unsuccessful international initiatives, policymakers should recognize that a genuinely pro-family policy means less government, not more.

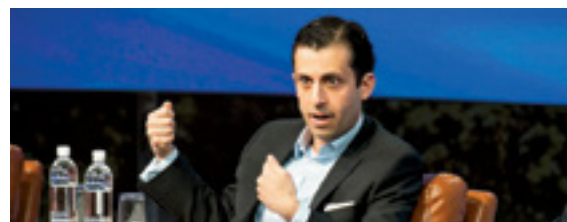


Vanessa Brown Calder, left, and Chelsea Follett

Terrorism and Immigration

By Alex Nowrasteh

Terrorism presents a real threat to the life, liberty, and property of Americans. That has led many Americans to worry about foreign-born terrorists entering the United States, either legally or illegally, and carrying out disastrous attacks. But the annual chance of being murdered in a normal homicide is about 316 times as great as dying in an attack committed by a foreign-born terrorist on US soil. This policy analysis examines the past, so it does not project future trends. Nonetheless, the past is the best guide to understanding what could happen with foreign-born terrorism in the coming years.



Alex Nowrasteh

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Ray and Carol: A Life Steered by Libertarian Ideals and Unyielding Values

By Brian Mullis

“The threats to our Founding principles have never been greater in my opinion, at least not during my lifetime,” Ray Cunningham says.

In an era when political and ideological convictions often seem transient, the story of Ray and Carol Cunningham stands out for its unwavering commitment to libertarian values and a life steeped in intellectual rigor. Their journey underscores the significance of maintaining consistent values and the capacity for adaptability in a dynamic world.

The Cunninghams have thrived thanks to the power of values-driven living. In addition to providing for continuous personal growth, their core values—integrity, empathy, resilience, authenticity, gratitude, open-mindedness, responsibility, compassion, fairness, and lifelong learning—have also been the bedrock of their political and philosophical journey. Living in San Francisco in the 1970s during the early years of their marriage, the Cunninghams were very active in establishing libertarian ideas and reasserting the ideas into the public discourse.

Ray started his libertarian journey while a cadet at the US Coast Guard Academy and then as a commissioned officer for 10 years. “I chanced to read a paperback copy of Ayn Rand’s novel *Anthem* during lunch hour while on a cadet training cruise,” Ray

says. The book ignited a lifelong passion for libertarian thought and, over the next few years following graduation in 1964, Ray found more of Rand’s novels, which led him to “The Objectivist Newsletter,” publications from the Foundation for Economic Education, and *Reason* magazine. By 1971, Ray noticed ads for the formation of the Libertarian Party (LP).

“I had never registered to vote and was very cynical about politics, but the LP platform and objectives were consistent with my own views,” Ray recalls. “So I joined despite my cynicism.”

Shortly after resigning his Coast Guard commission on June 30, 1974, Ray was elected vice chairman of the California LP, and in 1975, he ran for mayor of San Francisco. He built on the experience by chairing the 1976 California LP presidential, 1978 California LP gubernatorial, and 1980 LP presidential campaigns.

It was during these years in San Francisco that Ray and Carol began working with Cato Institute Founder and President Emeritus Ed Crane to build organizations that advanced their beliefs.

“We were aware of Ed’s efforts together with Charles Koch’s with respect to Cato’s startup,” Ray says. “In fact, we hosted a modest reception at our apartment about



Longtime Cato Sponsors Ray and Carol Cunningham reconnected with Cato staff, scholars, and fellow Sponsors at the 2023 Benefactor Summit.

that time that Charles, a most gracious and unpretentious individual, attended personally along with other local libertarians.”

Eventually the Cunninghams left San Francisco as their engineering careers took them to Connecticut and later to the Philippines for 17 years to lead a massive multipurpose dam construction project. As they have been part of Cato’s community from the start, we have welcomed the opportunity to reconnect at events in recent years. They see the Institute’s growth since its founding in San Francisco as “nothing short of amazing.” Cato’s staff and leadership are also grateful to know that Ray and Carol have included the Institute in their estate plans to help secure continued

growth and influence.

“Life over the past 80-plus years has been very good for Carol and me,” Ray says. “We wish the same could or will be true for our extended families, friends, neighbors, and others.” ✦

For information on Cato’s Legacy Society, please contact Brian Mullis at bmullis@cato.org. To learn more about planned giving, please visit Cato.org/plannedgiving.



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MARIAN L. TUPY

Last Word: Following in Julian Simon's Footsteps

By *Marian L. Tupy*

ILLUSTRATION BY BARTOSZ KOSOWSKI

The wager between Julian Simon, at the time a University of Maryland economist and Cato Institute senior fellow, and three scholars—Paul R. Ehrlich, a Stanford University biologist; John Harte, a University of California, Berkeley ecologist; and John P. Holdren, then a University of California, Berkeley scientist and future director of President Barack Obama's White House Office of Science and Technology Policy—is legendary.

The Ehrlich group bet \$1,000 on \$200 quantities of five metals: chrome, copper, nickel, tin, and tungsten. They signed futures contracts that stipulated that Simon would sell these same quantities of metal to Ehrlich's group for the same price in 10 years' time. Since price reflects scarcity, Simon would pay if population growth made these metals scarcer, but if they became more abundant and therefore cheaper, Ehrlich's group would pay Simon.

When the wager concluded in 1990, the five metals became cheaper despite the world's population growing by 850 million people. Ehrlich mailed Simon a check for \$576.07, representing a 36 percent decrease in inflation-adjusted prices. Simon sent Ehrlich a thank-you note and an offer to raise the stakes to \$20,000 in a future wager, but Ehrlich was not interested.

Despite Simon's overwhelming victory, Ehrlich's views continue to have support. The zero-sum thinking that humans

evolved in the Pleistocene—a bigger piece of a slaughtered mastodon for me really meant a smaller piece for thee—means that influential, but misguided, people can keep on banging the drum of overpopulation and overconsumption to this day. And they are believed. Consider the following statements:

- “You can't just continue growth for the sake of growth in a world in which we are struggling with climate change and all kinds of environmental problems.” (Bernie Sanders, 2015)
- “You have to design an economy based on no growth or even shrinking growth.” (Steven Chu, Nobel laureate and former US secretary of energy, 2021)
- “Falling birth rates in the West are 'good for general overall consumption that we have at the moment and our planet.’” (Sarah Harper, Oxford Institute of Population Ageing, 2022)
- “We ought to have a plan for slowing the destructive surge in human population. But we don't.” (Naomi Oreskes, Harvard University, 2023)

These mistaken ideas underpin the increasingly popular degrowth theory that aims to reverse what our Cato colleague Deirdre McCloskey calls the “Great

Enrichment.” If its proponents succeed, get ready for a future of government-mandated reductions in income and consumption and individual carbon budgets and travel restrictions (for you and me, not Meghan, Harry, and John Kerry). The future, in

“Prices of resources are declining because more people means more ideas.”

other words, will resemble the COVID-19 lockdown—except it will last forever.

Luckily, your favorite think tank has picked up Simon's baton with the book *Superabundance: The Story of Population Growth, Innovation, and Human Flourishing on an Infinitely Bountiful Planet*. As we show in the book, prices of resources are declining because more people means more ideas, new inventions and innovations, productivity gains, and higher living standards. Humanity needn't run out of anything so long as we embrace a future where people are allowed to think, speak, publish, associate, and disagree—and to save, invest, trade, and profit. In a word, a future that is free. ♦

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“

**Liberty, when it begins
to take root, is a
plant of rapid growth.**

”

— George Washington

