

BY ROBERT J. BARRO

COMPASSIONATE CONSERVATISM: LOOK BEYOND THE LABEL



SUCCESS:
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Milton Friedman began his classic book, *Capitalism and Freedom*, by citing the famous words from President John F. Kennedy's inaugural address: "Ask not what your country can do for you—ask what you can do for your country." Friedman complained that people spent too much time inquiring into the origin of the famous phrase and not enough on its substance. He then argued that neither half of the statement expressed a worthy relation between the state and its citizens. He said that the first part suggested that the government was the patron and the citizen the ward, whereas the second implied that the government was the master and the citizen the servant.

When I heard George W. Bush's less elegant expression, "compassionate conservatism," I also focused initially on questions of origin. Many politicians in other countries had used similar terms, for example, "capitalism with a human face" in Chile, "social market economy" in Germany, "productive welfare" in South Korea, and "the third way" in Great Britain. All represent an attempt to mix market-oriented ideas with political correctness. For some reason, politicians fear embracing without apology concepts such as capitalism, free enterprise, and conservatism.

IRRITATING. I should have learned from Friedman's discussion of Kennedy that it would be better to concentrate on the substance of Bush's expression. Unfortunately, the substance is quite irritating, especially the word "compassionate." The obvious implication is that ordinary conservatism is not compassionate and that modifications are therefore necessary. This is surely odd if one identifies conservatism with such basic principles as free markets, property rights, and limited government. As we have known since Adam Smith, the maintenance of these principles is the main reason that Western countries are successful. The most important determinant in reducing poverty is raising the average income of a country, not reducing the degree of inequality. If one genuinely cares about the poor, then how can one not support the basic principles that create a nation's wealth?

Although most of my unhappiness is with the word compassionate, I also do not care very much for the other word, "conservative." This concept suggests maintenance of the status quo, even when that might involve an array of unfortunate rules and overly activist government programs. It could also encompass forms of social conservatism that I find unattractive—for example, restrictions on abortion rights, enforce-

ment of strict drug laws, curbs on immigration, and restraints on international trade. I much prefer the words "libertarian" and "classical liberal"—regrettably, the word "liberal" has been cleverly appropriated by the left in the U.S.

WORRIED. Aside from labels, one has to look at the specifics of policies. I am particularly worried that the junior Bush would support legislation that resembles the senior Bush's great intervention, the Americans with Disabilities Act. This law epitomizes government policies that, although well-meaning, tend to destroy incentives, harm businesses, and encourage wasteful litigation. This kind of intervention typifies the activist policies that were common in Western Europe in the 1960s and 1970s and that led to many years of economic stagnation. In the Netherlands, for example, overly generous disability policies led to almost 15% of the working-age population being classified by the end of the 1980s as state-supported disabled persons. Therefore, I would like to know whether a compassionate conservative would favor the ADA or favor its repeal. In a similar vein of well-intentioned but counter-productive policies, I would like to know whether a compassionate conservative favors the kinds of affirmative-action programs that Colin Powell advocated at the Republican convention.

To be fair, George W. Bush has promoted a number of winning ideas that would appeal to classical liberals. One of these is personalized accounts for Social Security: The best line of Bush's acceptance speech was: "When this money is in your name, in your account, it's not just a program, it's your property." Also attractive are proposals to abolish the death tax, cut income-tax rates, and eliminate the marriage-tax penalty.

I think that Bush will strongly support school-choice proposals. This idea uses solid classical liberal principles to design a program that will be of immense long-term benefit to the nation's poor. Less attractive are Bush's proposals about health care—these talk about markets and incentives but seem to accept the Democrats' idea that government involvement should expand.

Of course, all of this has to make classical liberals nostalgic about Ronald Reagan and Margaret Thatcher in the 1980s. On the one hand, one has to be concerned that these giants were followed by a succession of Bushes, Majors, Clintons, and Blairs. On the other hand, one has to be happy that the Reagan-Thatcher legacy was strong enough so that we could continue to prosper even under leadership that was merely compassionately conservative.

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