

# 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

**J**ust 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

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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.”

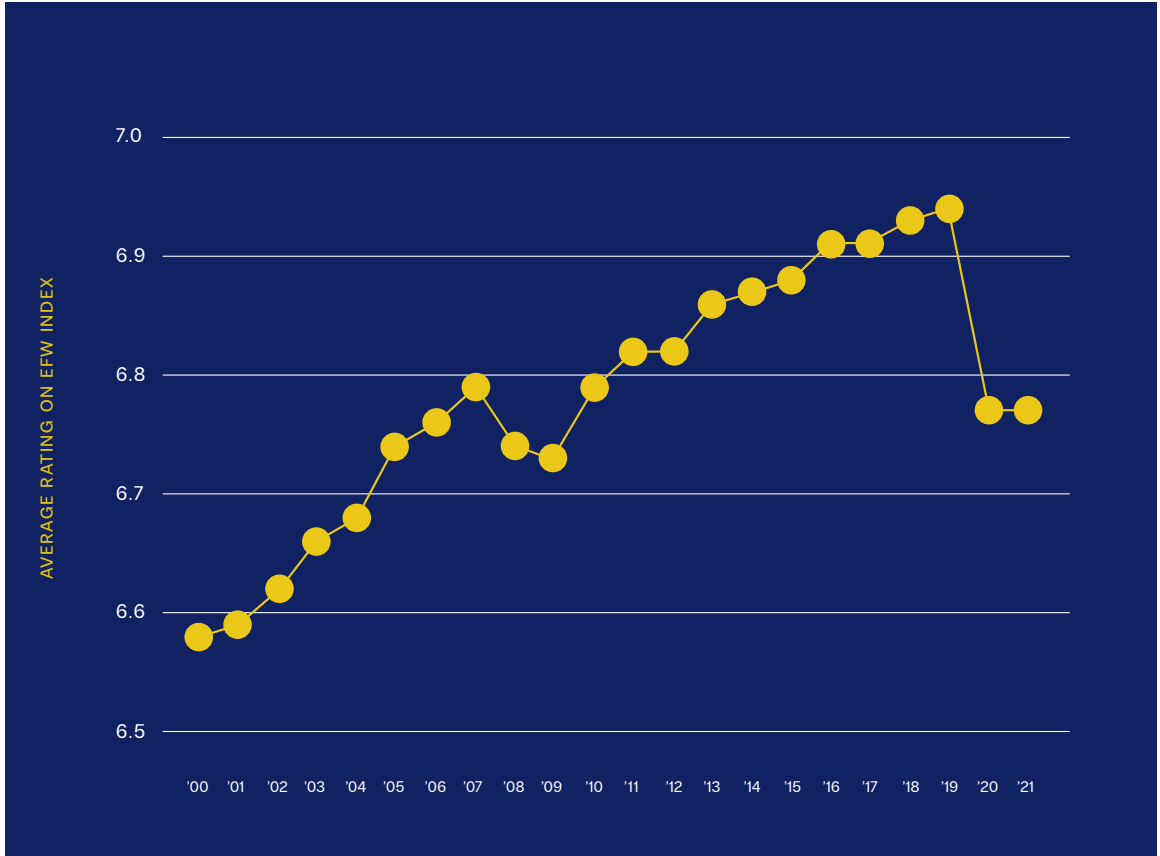
Free men and women constantly correct for government mistakes and come up with innovative solutions. Sometimes it comes in the form of new technologies that give us the chance to work around regulations. We didn't get more taxis by petitioning the city taxi commission but by inventing an app for it. 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 (EFW): 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



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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

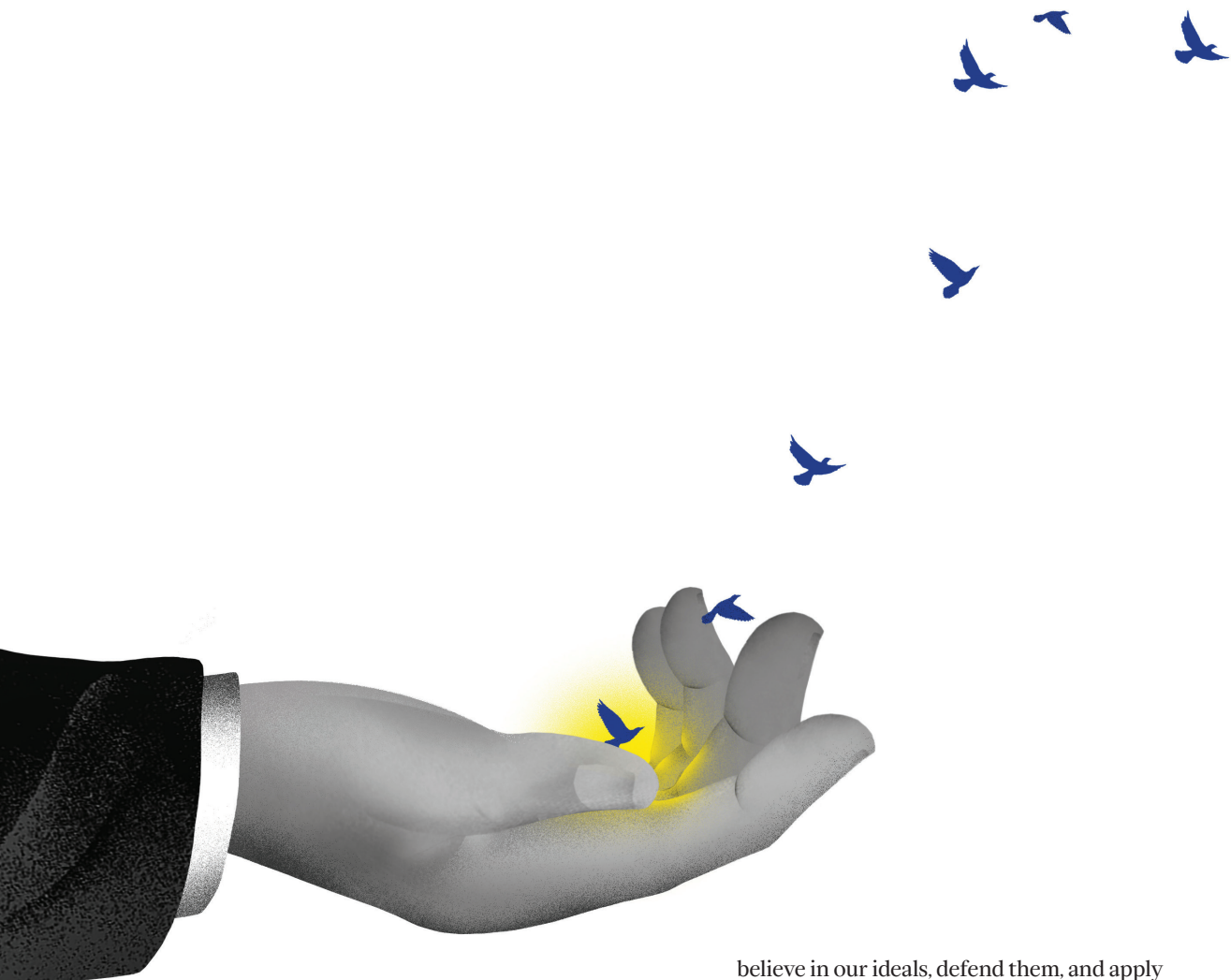
brawl argument: "He started it. I was just defending myself." This is also what stokes the fires of tribalism in America. Ten years ago, it seemed like tolerance had won and gay marriage seemed happily uncontroversial. But some on the left were not happy until they had forced their old enemies to apologize 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 statisticians 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 statisticians 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



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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." ♦