

CHAPTER 20, "The Law of Human Progress," FROM THE BOOK:

The Science of Economics

By Fred E. Foldvary

1. Social progress and decline

In the final "book" in *Progress and Poverty* (p. 475), Henry George steps back from economics to survey the human condition, and asks: "*What is the law of human progress?*"

Is there some "great law under which human development goes on"? Conventional economics textbooks do not address this question at all. But, as George realized, it is an important issue which puts economics in the greater context of human progress, both material and cultural.

We know from history that human beings are progressive. Whereas most animals continue the same pattern of life from one generation to another, human beings pattern their lives from their cultures, which do evolve. Sometimes, cultures devolve - knowledge gets lost, conditions worsen. Is there some principle by which we can say, this favors improvement, and that does not?

George dismisses the view that human social evolution follows the same methods as biological natural selection - that in the struggle for existence, the fittest races or nationalities survive and propagate. Similarly, some have said that the individuals with the greatest ability will live and propagate, while those with inferior abilities will not. However, the hereditary survival of superior characteristics, which does apply in biological evolution, does not explain human progress.

It is often the poor who have the greatest number of children. George also points to "an enormous fact - the fixed, petrified civilizations" (p. 481). Many societies have not progressed. The proposition that superior human nationalities or families will continuously progress is refuted by the periods of progression and periods of stagnation and retrogression in civilizations such as the Chinese, the Mayan Indians, and the ancient Egyptians.

The stagnation and decline of civilizations is not an exception or isolated cases - "it is the universal rule. Every civilization that the world has seen has had its period of vigorous growth, of arrest and stagnation; its decline and fall" (p. 484). Our own civilization is still young. That we have soared high "would prove nothing as to its permanence and future advance, unless it be shown that it is superior in those things which caused the ultimate failure of its predecessors" (pp. 484-5). If social progress were due to natural selection, "the general rule would be that progress would be continuous" (p. 485), but "The earth is the tomb of the dead empires" (p. 485).

Progress itself generates its own decline, under certain conditions: "that what has destroyed all previous civilizations has been the conditions produced by the growth of civilization itself" (p. 488).

2. What causes progress

It is now recognized, as George realized, that a national character is determined by society's "traditions, beliefs, customs, laws, habits, and associations" (p. 494). "This is the matrix in which mind unfolds and from which it takes its stamp" (p. 504). "Human progress goes on as the advances made by one generation are in this way secured as the common property of the next, and made the starting point for many new advances" (p. 505).

The origin of all human action is in the motivations of individual human beings. All economics is ultimately based on individual human action in the context of the natural environment and of culture. And as George stated (p. 506), "The incentives to progress are the desires inherent in human nature - the desire to gratify the wants of the animal nature, the wants of the intellectual nature, and the wants of the sympathetic nature." These desires, especially the latter two, can never be fully satisfied.

"Mind is the instrument by which man advances." "Mental power" is the "motor of progress... the extension of knowledge, the improvement of methods, and the betterment of social conditions" (p. 507). Mental power is limited, and it can either be devoted to progress or to "nonprogressive" purposes such as physical and social maintenance and conflict, such as war, crime, lawsuits, domestic struggles, and defenses against these. War "can aid progress only when it prevents further war or breaks down antisocial barriers which are themselves passive war" (p. 525).

Since isolated people have less ability to propagate progress, "association is the first essential of progress." The association of people in communities "permits the division of labor and all the economies which come with the co-operation of increased numbers... Improvement becomes possible as men come together in peaceful association, and the wider and closer the association, the greater the possibilities of improvement (p. 508).

George recognized that "commerce, which is in itself a form of association or co-operation, operates to promote civilization, not only directly, but by building up interests which are opposed to warfare, and dispelling the ignorance which is the fertile mother of prejudices and animosities" (p. 512).

Since conflict draws time and energy away from progressive pursuits, a peaceful community will make more progress than one in conflict, and although conflict can generate improvements in the art of war, these improvements are potentially dangerous to civilization and progress. Conflict includes "internal resistances ... which can alone explain how a civilization once fairly started should either come of itself to a halt or be destroyed by barbarians" (p. 513). George notes that conflict "becomes greater or less as the moral law which accords to each an equality of rights is ignored or is recognized." Therefore, **"equality (or justice) is the second essential of progress."** Justice - "the recognition of the moral law - prevents the dissipation of this power in fruitless struggles" (p. 508).

"Thus association in equality is the law of progress." We have the most progress when we co-operate in a community where equal liberty is recognized and protected. "Here is the law of

progress, which will explain all diversities, all advances, all halts, and retrogression" (p. 508). Voluntary cooperation increases progress, while conflict reduces it. Liberty or "freedom, the synonym for equality, is ... the stimulus and condition of progress." **As liberty and justice are preserved, civilization advances, and as they are lacking, an advancing civilization will "come to a halt and recede"** (p. 525).

3. The decline and fall of civilizations

As a society advances in wealth, knowledge, and complexity, as labor becomes more specialized, there is, George observed, a tendency towards greater inequality if there are no changes in the social structure to counter it. Over time, "the garment of laws, customs, and political institutions ... is constantly tending to become too tight as the society develops." Man (i.e. humanity) "threads a labyrinth, in which, if he keeps straight ahead, he will infallibly lose his way" (1879, p. 514).

The main political institution that fosters inequality is a governing monopoly. George noted that one effect of greater and more complex association "is to give rise to a collective power which is distinguishable from the sum of individual powers" (p. 515). Even if elected, if the ruling group has a perpetual monopoly on power, it will tend to be used to perpetuate its power and that of the most powerful interests. The law will reinforce unjust customs, and such customs will be perpetuated by the force of law. Ethnic segregation and discrimination is a prime example. The other institution that creates inequality is the unequal ownership of natural resources. Wages are also unequal, but the concentrated ownership of land creates more extreme inequalities that persist over generations as the land is passed on, whereas much of the inequality of wages is dissipated in one generation by high consumption.

George recognized two elements of human nature that help foster the tendency towards greater inequality.

- The first is **habit**. Customs and laws tend to be perpetuated "long after they have lost their original usefulness."
- The other aspect of human nature is the **capacity for "moral deterioration."** If change is gradual, people can get used to conditions and modes of thought that would have originally been deemed to be immoral (p. 515).

Given a monopolist authority, "as society grows, the disposition to continue previous social adjustments tends to lodge this collective power, as it arises, in the hands of a portion of the community; and this unequal distribution of the wealth and power gained as society advances tends to produce greater inequality, since aggression grows by what it feeds on, and the idea of justice is blurred by the habitual toleration of injustice" (p. 516).

In this way, a patriarchal organization develops into an absolute monarchy, a war chief becomes a despot, a priest becomes a god, as power becomes extended and exalted.

The unequal ownership of land creates economic inequalities that become also political inequalities. George notes that at first, people perceive that land is common property. Later, the

idea of personal and movable property becomes transferred to land. The private ownership of the yield of the land, as opposed the marginal product of labor and capital goods, may help secure possession when the population is low, but as it becomes dense, it fosters the stratification of society into landlords and tenants.

Conquest by war is a major origin of the concentration of land and political power (p. 518). The conquerors become a dominant class, and the original inhabitants become slaves, serfs, or impoverished tenants, as the American Indians did in Latin America. Centuries later, the descendants of the conquerors claim a historical right to the land, as did the Europeans in America and South Africa.

By these methods, inequality becomes established. Social, economic, and political inequality "makes intelligible all the phenomena of petrification and retrogression," which "tends to check, and finally to counterbalance, the force by which improvements are made and society advances" (p. 518).

Power is expended in maintaining the wealth of the ruling elite and in warfare rather than for progress. Such an economy may build great statues and structures, "but it will be monuments of ruthless pride" (p. 519). The society becomes rigidified. "The same causes which tended to produce the hereditary king and hereditary priest would tend to produce the hereditary artisan and laborer, and to separate society into castes" (p. 520).

Great civilizations decay from within.

"The barbarism which overwhelmed Rome came not from without, but from within. It was the necessary product of the system which had substituted slaves and coloni for the independent husbandmen of Italy, and carved the provinces into estates of senatorial families" (p. 522).

George notes that our own civilization may decline as well, and that the seeds of the decline are already planted. As discussed in [Chapter 15](#), democracy by itself cannot avoid a decline. Most would have scoffed at this notion in George's day, but already at the close of the 20th century, the decline of Western civilization does not seem so far fetched, even as its institutions and culture triumph world-wide. Income for many workers has levelled out, government becomes an ever larger force in our lives, and violent crime reaches new heights in lives taken and loot stolen and new depths in attacks ever more vicious and widespread. Poverty and homelessness persist, workers fear for their jobs, education degenerates in schools infested by violence, much of our youth sees no future and escapes reality in drugs, while enterprise becomes ever more stifled in regulations, laws, taxes, and lawsuits. Technology still advances, and offers some hope of liberation, but government and terrorists can also use technology to wreak havoc.

The same cause which led to the downfall of previous civilizations is operating now in our own. George warns that not only are the principles of a pure market economy just and wealth-enhancing, but the failure to follow them is likely to lead to ruin: "if this is not done, progress must turn to decadence, and modern civilization decline to barbarism, as have all previous civilizations" (p. 528).

What are the indications of increasing barbarism? "**One of the characteristics of barbarism is the low regard for the rights of person and of property**" (p. 535). Another, as discussed Chapter 15, is the degeneration of government:

"the growth of a sentiment which either doubts the existence of an honest man in public office or looks on him as a fool for not seizing his opportunities. That is to say, the people themselves are becoming corrupted... Strong, unscrupulous men, rising up upon occasion, will become the exponents of blind popular desires or fierce popular passions, and dash aside forms that have lost their vitality" (p. 537).

"Whence shall come the new barbarians? Go through the squalid quarters of great cities, and you may see, even now, their gathering hordes!" (p. 538).

George foresaw barbarism in Europe.

"What shall we say of Europe, where the dams of ancient law and custom pen up the swelling waters and standing armies weigh down the safety valves, though year by year the fires grow hotter underneath? Europe tends to republicanism under conditions that will not admit of true republicanism" (p. 538).

The horrors of the two world wars testify to the accuracy of his vision. The same warning can be applied to Eastern Europe and the republics of the former Soviet Union today.

Social decay is gradual, so that it may not be noticed for a long time, "though knowledge yet increases and invention marches on, and new states are being settled, and cities still expand, yet civilization has begun to wane when, in proportion to population, we must build more and more prisons, more and more almshouses, more and more insane asylums. It is not from top to bottom that societies die; it is from bottom to top " (p. 542).

4. The unity of moral, social and economic principles

The law of human progress which Henry George developed reveals the unity of moral, social and economic principles. The social law by which civilization progresses is consistent with the moral law mandating liberty and equality and the economic principle that the equal ownership of land rent, used for public goods, and free individual ownership of labor and capital goods, promotes the most prosperity. The denial of liberty and the equality of land is morally wrong, reduces prosperity, and eventually leads to the downfall of a once great civilization.

The principles of ethics, economics, and governance analyzed in this book demonstrate, as George (p. 544) stated, that "these evils are not imposed by natural laws; that they spring solely from social maladjustments which ignore natural laws, and that in removing their cause we shall be giving an enormous impetus to progress."

The distinction between form and substance, discussed in Chapter 15 in relation to democracy, applies to liberty as well. As George declared,

"We honor Liberty in name and in form. We set up her statues and sound her praises. But we have not fully trusted her. And with our growth so grow her demands. She will have no half service!

"Liberty! it is a word to conjure with, not to vex the ear in empty boastings. For Liberty means Justice, and Justice is the natural law" (p. 546).

We have not yet seen the real grandeur of liberty. George, in his "*Ode to Liberty*," declares (p. 548):

"Either we must wholly accept her or she will not stay. It is not enough that men should vote; it is not enough that they should be theoretically equal before the law. They must have liberty to avail themselves of the opportunities and means of life; they must stand on equal terms with reference to the bounty of nature. Either this, or Liberty withdraws her light! Either this, or darkness comes on, and the very forces that progress has evolved turn to powers that work destruction. This is the universal law. This is the lesson of the centuries. Unless its foundations be laid in justice the social structure cannot stand."

"We cannot go on permitting men to vote and forcing them to tramp. We cannot go on educating boys and girls in our public schools and then refusing them the right to earn an honest living. We cannot go on prating of the inalienable rights of man and then denying the inalienable right to the bounty of the Creator. Even now, in old bottles the new wine begins to ferment, and elemental forces gather for the strife!

"But if, while there is still yet time, we turn to Justice and obey her, if we trust Liberty and follow her, the dangers that now threaten must disappear, the forces that now menace will turn to agencies of elevation." But "With want destroyed; with greed changed to noble passions; with the fraternity that is born of equality taking the place of the jealousy and fear that now array men against each other; with mental power loosed by conditions that give to the humblest comfort and leisure; and who shall measure the heights to which our civilization may soar? (p. 552).

These are the principles of the science of economics, interlinked with those of the universal ethic and those of sound governance. As George recognized, "**economic law and moral law are essentially one**" (p. 560). The basic principles of this law are:

- That there is a rational ethic, a natural moral law, stemming from our equal and independent natures, whose basic rules are that evil acts are those which coercively harm others, and good acts are welcomed benefits to others, all other acts being neutral.
- That a proper government at the highest, constitutional, level is the implementation of this ethic, recognizing the political sovereignty of each individual and the equality of human beings with respect to one another and with respect to our natural environment.
- That economic prosperity is realized when no costs and restrictions are imposed on labor and enterprise, the creation of wealth, so long as the social costs of environmental

destruction are compensated for and so long as members of communities as equal co-owners share the yields of land, its rent, which can be applied to their collective services.

These are the main lessons of ethics, of political science, and of economic science. As George said, "What oppresses the masses is their own ignorance, their own short-sighted selfishness" (1883, p. 242).

Education is the antidote to ignorance, and when people become more enlightened, sympathy for a cause can replace apathy. "Whoever becomes imbued with a noble idea kindles a flame from which other torches are lit, and influences those with whom he comes in contact, be they few or many. How far that influence, thus perpetuated, may extend, it is not given to him here to see" (p. 243).

What can individuals and groups do to promote progress? Too often, organizations and movements promoting liberty, environmental protection, equal treatment, the elimination of cruelty, charity for the poor, peace, and many other causes do good work in treating effects, but don't take the time to dig deeper into the fundamental origins of the problems they deal with.

They could do better work by promoting remedies that eliminate the cause of the problems while at the same time helping to relieve distress. As George (p. 242) said, "Until there be correct thought, there cannot be right action; and when there is correct thought, right action will follow." The aim of this book is to have contributed at least to providing some of that "correct thought."