

# Capitalism: State intervention for the rich

Review of *The Conservative Nanny State* by Dean Baker

Anarcho

May 18, 2006

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A new book has been published on the internet which should be of interest to anarchists. It is called "*The Conservative Nanny State*" by Dean Baker and is available at [www.conservativenannystate.org/](http://www.conservativenannystate.org/).

In America, as here [in Britain], the right have been pushing a particular perspective on the economy, namely that they favour "free market" policies. Indeed, they have so skewed the political spectrum that the notion is that they stand for economic "liberty" while the left stand for statism. In reality, of course, capitalism has always relied on the state (to create it and to maintain it). Baker's book is a timely and well argued account of this truism using the home of neo-liberalism itself as its base.

The books subtitle, "*How the Wealthy Use the Government to Stay Rich and Get Richer*", gives you a taste of what to expect. He covers much ground, including obvious areas (copyright, bankruptcy laws, corporations, etc.) as well as the more indirect forms, such as the Federal Reserve Board manipulation of the economy to keep workers in their place by maintaining a "natural" rate of unemployment (thanks to New Labour, this policy is being applied here).

"*The Conservative Nanny State*" shows that the idea that capitalism is based on the free market is completely untrue. It explains how the right is as strongly anti-free market as the system itself, pushing trade, monetary, tax and intellectual property policies that make the rich richer and the rest of us worse off. Anarchists should hardly be surprised, as we have always argued capitalism is based on using the state to help the elite.

Baker is one of those rare birds, a left-wing economist as well as being co-director of the **Center for Economic and Policy Research** ([www.cepr.net/](http://www.cepr.net/)) in Washington. He writes well and explains his subject in an easy to read way and it requires no background in economics. Highly recommended – and free!

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