

HOW I BECAME A LIBERTARIAN

Franklin Cudjoe



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Personal Perspectives No. 21
ISBN 1 85637 585 4
ISSN 0267-7156

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Beginning the Journey

I was in the second year of my undergraduate program in Land Economy when I received 'honourable mention' to attend the 31st International Student Committee (ISC) symposium in St. Gallen, Switzerland in 2001. Mine was among the winning essay entries for the general topic 'The Balance of Power'. I was convinced that history and geo-politics tilted the balance of power in Europe in favour of the Germans.

It was the year that began my libertarian journey.

At ISC, I met a Rotary Ambassadorial Scholar by the name of Nick Slepko. He convinced me to attend a seminar on Austrian Economics in New York. In June of that year, I applied and was invited to attend the Foundation For Economic Education's (FEE) Advanced Economics Seminar. The seminar topic was 'Should Governments Guarantee Freedom from Poverty?' Even though I erroneously argued for strong government intervention in building the assets of the poor, I realised that to enhance freedom from poverty, governments must ensure reducing risk for private investors through stable monetary and fiscal policy, stable investment regimes, and a clear and transparent business environment.

Learning from Personal Experience...

Significantly, my FEE essay had been influenced in part by my mother, a fish trader. Her ordeal at getting a loan of US\$150

from a moneylender as start-up capital thirteen years ago explained how regulated Ghana's financial sector was. My mother's business could only thrive after a decade of progressive financial liberalisation when Ghana's economic books began reflecting a favourable balance of payments with a wider pool to access quasi venture funds.

... and the Internet

I had two scholarships from FEE's Cecil Bohanon and the Richard Seth Staley Educational Foundations to attend, but my visa application fell through that year.

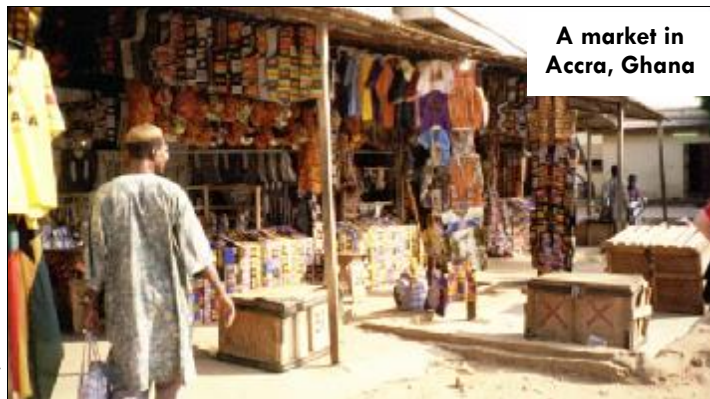
I concentrated on school but found time to access market-oriented web pages that Nick had introduced me to. It is through the Internet that I became familiar with the work of the Acton Institute, blending religion with liberty, the Institute of Humane Studies' (IHS) seminars in foundational classical liberalism, and Cato and Heritage's coverage of wide ranging topics on every facet of human organisation.

In 2002, I applied to FEE and IHS' Liberty and Society seminar. That was the first time I came into contact with the work of the French economist Frederic Bastiat. FEE applicants were asked how Bastiat would have responded to the assertion that war was good for the economy. I argued that at first glance war looks like an economic opportunity, with so much production and jobs created in the munitions and building industries ostensibly leading to wealth creation. A careful examination however, proves otherwise. In a war,

wealth is not created but destroyed and transferred. Since taxes are a no-go area for governments, bank rolling a war means the creation of inflation through indirectly asking central banks to print more money. If inflation gets out of hand, the economy crashes as it did in Germany after World War I.

Further Difficulties Overcome

But again, my application for a visa to attend the two seminars fell through. Interestingly, on the very day of my visa refusal, I was seeing off three Gambian friends who were attending a FEE seminar, but had had a short overlay with me in Ghana, in order to make a connecting flight. But given the fact that the Gambians had earlier gone through a similar ordeal with the US embassy in the Gambia, it made me understand how limited and arbitrary the system was after all.



A market in Accra, Ghana

New Opportunities and Knowledge

Then there was a fascinating turn of events when I received a phone call from the President of Ghana's Institute of Economic Affairs to intern as a Programs Officer/ Research Assistant. IEA Ghana offered me insights into conducting research and apart from the numerous events I helped organise, I contributed to two important projects on water privatisation and governance review in Ghana for the year 2002.

While at IEA, Atlas's Director of Institute Relations, Dr Jo Kwong introduced Tho-

mas Sowell's *Knowledge and Decisions*, and Hayek's *Use of Knowledge in Society* as starters to me. Linda Whetstone, board member of Atlas and Julian Morris of the International Policy Network were generous to send me copies of Frederic Hayek's *The Road to Serfdom*, and Roger Bates and Richard Tren's *Cost of Free Water*.

An introductory reading of Tom Sowell's taught me that all human institutions needed an authentication of the knowledge process since ideas are everywhere but true knowledge is rare. Hayek's *Use of Knowledge* taught me that the knowledge we must make use of is not the exclusive preserve of any one or group, but rather as "the dispersed bits of incomplete and frequently contradictory knowledge which all the separate individuals possess" and the transmission of which occurs spontaneously, inducing the individual while seeking his own interest to do what is in the general interest. I realised that economics was a dynamic discipline since the scarcity constraint is weakened through the use of knowledge in freely allocating resources rather than the static and statist view of resource co-ordination by 'all-knowing' central planners.

Applying the Lessons to Ghana and Africa

Through a didactic e-mail discussion on privatisation with Julian Morris, I realised how fatuous the argument that companies put profits before people was. Apart from asking where the money was to come from, I was so well aware of how dysfunctional

and moribund Ghana's state-owned enterprises had become, with a few recuperating after heavy doses of private capital.

Julian's edited book, *Sustainable Development: Promoting Progress or Perpetuating Poverty* and Terry Anderson and Donald Leal's *Free Market Environmentalism* explained how the search for lasting economic growth had taken a complete Malthusian turn, with a misplaced and unscientific whining over depletion of our natural resources. These works were to make a significant impact on a paper I presented during a UNDP sponsored event in Dubai in January 2003 after I had left IEA Ghana. I railed against Western environmental fundamentalists who wish to stop us in Africa develop by using our resources and made the case for a good incentives structure through property rights, free markets, rule of law and limited government as institutions that can take us out of our doldrums.



On my way back to Ghana, I encountered James Shikwati, Director of the Inter Region Economic Network (IREN) in Kenya. I was later to be a Visiting Fellow of IREN, working alongside IREN's June Arunga, a powerful speaker and perhaps Africa's youngest female advocate on market economics. We debated with African youths from over 40 countries on the causes of wealth and poverty during the first African Youth Parliament event in Kenya. Arunga's insights affected my deep involvement with the first ever West African Students Summit in Ghana.

I realised that there was the need for one to continue seeking education in liberal ideas, but my third attempt to attend FEE and

IHS failed because the BCINS turned me down. I turned my attention to Germany where the Friedrich Naumann Stiftung and the Institute for Economic Studies, Europe were organising a seminar on 'Europe and Liberty'. Without any benchmarks for comparison à la HIS and FEE, the seminar faculty made up for the deficits in my basic liberal thinking. It was also a rewarding experience to have met at the same event and learnt 'the ropes' about starting a think tank from the Executive Director of Montreal's Economic Institute, Michel Kelly Gagnon.

The Solution for Africa: Capitalism

A huge and worrying deficit of capitalism—the system that has made the West rich—is rife all over Africa, making us the poorest in the world. Yet we have the identical resource responsible for the West's rise: the human mind. Only we have been under the influence of the so-called benevolent dictators, and sham democratic regimes continue to repress individual and economic freedom.

The only way one can keep liberty's foes at bay is to give meaning to Hayek's message summarised by IEA, UK General Director, John Blundell in *Waging the War of Ideas* that one should "Keep liberal thought relevant and vibrant; recognise the importance of history; be principled and steadfast; avoid special interests; eschew politics and instead search for leverage; recognise the critical role of the intellectual; and be Utopian and believe in the power of ideas."

George Orwell once said, "One of the attributes of the intelligent is to repeat the obvious". What more would be worthwhile than a call to promote classical liberalism in Ghana and Africa?