

ARTICLES

The Problem of State Culture

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This article introduces the concept of *state culture* to describe the subtle but profound ways in which the modern state shapes norms, values, language, and social conventions. Although property rights and formal freedoms may persist, cultural life is increasingly influenced—if not dominated—by state interventions. Through education, media control, financial incentives, and regulation, the state fosters a cultural environment that supports its own legitimacy and expansion. This has given rise to phenomena such as wokeness, environmental, social, and governance (ESG) compliance, and cancel culture, which are not spontaneous expressions of civil society but symptoms of a long-standing cultural distortion induced by state power. Many seemingly private decisions—such as corporate censorship and social ostracism—occur within this distorted cultural framework and cannot be interpreted as fully voluntary. As such, libertarians face a dilemma: While they must defend property rights, they must also recognize that culture itself can be corrupted through systematic violations of property rights. Drawing on insights from Murray Rothbard, the article proposes that state institutions, as long as they exist, should be operated in ways that align with the cultural norms that would emerge in a truly free society. The goal is not cultural neutrality—impossible under statism—but the active support of values conducive to liberty: private property, personal responsibility, truth, family, and voluntary cooperation.

In many contemporary Western societies, formal private property rights coexist with an increasingly conformist cultural environment. Individuals may own newspapers, universities, corporations, and digital platforms, yet dissenting opinions are frequently marginalized through boycotts, professional ostracism, reputational sanctions, or exclusion from dominant channels of communication. These developments—often grouped under labels such as “cancel culture,” “wokeism,” or “corporate activism”—are sometimes interpreted as the outcome of voluntary choice within civil society. If private actors decide whom to employ, whom to host, and which opinions to promote, no violation of liberty seems to occur, as there is no physical coercion.



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This article argues that this view is incomplete because it overlooks the possibility that culture itself—the shared norms, values, and moral intuitions that guide action—may be systematically shaped by prior and ongoing violations of property rights. When this occurs, later decisions that appear formally voluntary may not be completely independent of coercion. The result is a cultural environment in which private actors reproduce patterns of exclusion, conformity, and ideological alignment that would not emerge under conditions of genuine freedom.

To capture this phenomenon, the article introduces the concept of *state culture*: a social order in which dominant norms, values, and interpretive frameworks are significantly molded by the state's systematic interference with private property. Within a state culture, public opinion is no longer a purely spontaneous product of civil society. Language, moral categories, and perceived boundaries of legitimacy are filtered through a framework that reflects state interests and priorities. As a result, private decisions—such as corporate censorship, academic exclusion, or social ostracism—may satisfy the formal criteria of property rights while materially contributing to the persistence of coercive institutions. Without an explicit account of state culture, libertarian theory lacks the conceptual tools required to address this deeper distortion.

State culture creates a dilemma for libertarians. On the one hand, libertarians defend private property and freedom of association, including the right to discriminate and to boycott. On the other hand, there are cultural phenomena that undermine open discourse, intellectual diversity, and the moral foundations of liberty, yet do so through ostensibly private means.

The central claim of this article is that libertarian theory must take account of the cultural consequences of systematic state intervention. While norms and traditions do not themselves constitute violations of liberty, they are not independent of coercion when their evolution is shaped by persistent infringements of property rights. A society may therefore preserve formal freedoms while drifting into a cultural order that stabilizes and legitimizes statism.

The article first clarifies the distinction between liberty and social norms by revisiting the debate over coercion, tradition, and social pressure within classical liberal and libertarian thought. Next, we introduce a thought experiment to illustrate how cultural outcomes can remain formally consistent with property rights while being substantively unjust due to prior coercion. This leads to a discussion of the problem of state culture. The next section analyzes the mechanisms through which the modern state shapes cultural evolution, including education, media regulation, monetary institutions, welfare arrangements, and ideological conditionality. The following two sections address the libertarian dilemma posed by private action within a statist cultural environment and draw on Murray Rothbard's analysis of state

institutions to develop a framework for minimizing cultural distortion while the state persists. The next section addresses the problem of exclusion from discourse in a free society. The article then outlines the characteristics of a culture that would plausibly emerge in a free society and argues that libertarians must use this counterfactual benchmark when evaluating cultural phenomena under statism. Finally, we highlight a natural alliance against woke culture.

By introducing the concept of state culture, this article seeks to fill a theoretical gap in libertarian thought. It argues that liberty cannot be adequately assessed solely by examining isolated acts of coercion, but that the cumulative effects of systematic intervention on the cultural framework that guides human action must also be considered. Only by addressing this neglected dimension can libertarian theory offer a coherent account of liberty in societies where the state's influence extends into the realm of ideas, values, and meaning.

Liberty, Social Norms, and John Stuart Mill

From a libertarian perspective, individual rights are understood as negative rights. Liberty is secured when the absence of coercion prevails.¹ Within this framework, the libertarian historian Ralph Raico (2012) criticizes John Stuart Mill's conception of liberty. In *On Liberty*, Mill (1879, 15) writes of "the tyranny of the prevailing opinion and feeling, to impose, by other ways than civil penalties, its own ideas and practices as rules of conduct on those who dissent from them."

True liberty, according to Mill, requires independence from tradition, norms, and customs. Raico (2012, 80) objects to Mill's hostility toward tradition and Christianity: "Mill's view tends to erase the rather critical distinction between 'incurring social disapproval and incurring imprisonment' (Burke 1994, 30), and leads to pitting liberalism against innocent, non-coercive traditional values and arrangements, especially religious ones." There is a crucial difference between being forced by physical violence and feeling "forced" to act in a certain way to avoid social disapproval. Physical coercion is objective and externally observable, whereas the sense of social pressure is subjective.

It is violations of property rights, not customs or traditions, that restrict liberty. Those who disregard social norms or break with evolved cultural frameworks must live with social consequences.² A person who refuses to greet neighbors in a village may no longer be invited to local gatherings. Yet this social exclusion does not constitute a violation of liberty. The individual's private property remains untouched; the villagers merely exercise their own property rights by

1 See Huerta de Soto (2024, 213). See also the definitions in Rothbard (2006, 50) and Mises (1998, 276). These definitions refer to physical violence and not to the vague psychological pressure that social conventions may exert. Rothbard (1982, chap. 12) shows that defensive violence is justified against physical aggression, but not against social traditions or norms.

2 For the evolutionary origins of culture and its significance, see Hayek (1988, chaps. 1 and 2).

excluding the nongreeter from their festivities. No one has the right to force the villagers to share their property with someone they prefer to exclude. Such compulsion would itself be a violation of property rights, and thus a restriction of liberty.

Libertarians such as Raico are therefore right to criticize Mill's definition of liberty and to insist that freedom is not curtailed by norms or traditions. Yet within this reasoning an essential point tends to be overlooked: Property rights violations themselves can shape norms, conventions, and traditions.³ These cultural patterns do not evolve independently of coercion but interact dynamically with it. In particular, the state—the institutional monopolist of systematic coercion against private property and entrepreneurial liberty—plays a decisive role in shaping culture, and thereby human thought and action.

Culture influences how individuals interpret and act in the world.⁴ Our worldview is molded by traditions, norms, customs, conventions, symbols, stories, artworks, values, words, and ideas—by the entire cultural fabric through which people interpret reality. Within this interpretive framework, state interference can reorient meanings and behaviors over time.

The following thought experiment illustrates the problem of state influence on culture and human action.

Thought Experiment

Imagine a state that abducts all non-red-haired citizens, once they reach the age of eighteen, for two months and subjects them to a highly effective program of brainwashing.⁵ After this treatment, all non-red-haired citizens come to hate red-haired people, blaming them for every social evil. Consequently, redheads are shunned in public spaces and denied service in restaurants. Entrepreneurs with red hair are boycotted and find no buyers for their products. Opinion pieces depicting red-haired people favorably are never published in the media.

All this occurs without the use of physical violence. The private property of red-haired individuals remains intact, and the state's constitution formally guarantees them the same rights as all other citizens. Yet within this society,

3 This argument differs fundamentally from critiques of market-generated preferences such as John Kenneth Galbraith's "dependence effect." The relevant issue here is not that preferences are socially influenced as such, but that they are systematically shaped through institutionalized coercion. Corporations attempt to persuade consumers through peaceful means, whereas the state ultimately relies upon coercion and the threat of violence. See Hayek (1961) for his critique of the dependence effect.

4 Culture is defined here as a normative and interpretive framework relevant for action, not art or lifestyle per se. On the definition of culture, see also Laje (2022). On the importance of culture as an interpretive framework guiding human action, see Sowell (1994; 1998). Sowell (1998) concentrates on the influence of the state on culture through external conquests, and not on the internal influence of state culture on its own citizens. On the influence of popular culture on political perceptions and interpretations of social order, see Cantor (2012). Historical narratives may likewise reflect ideological distortions favorable to expanded state authority; DiLorenzo (2010) shows that the "Wild West violence" narrative is historically exaggerated and partly ideologically constructed.

5 For techniques of thought control, see Taylor (2004).

discrimination and boycotts against red-haired individuals are culturally normalized and broadly accepted. The vast majority engages in discrimination against redheads, even at economic cost.

Such discrimination, though morally troubling, is technically consistent with private property rights. No property owner can be forced to serve a red-haired customer in his restaurant, publish an article by a red-haired author, or purchase goods from a red-haired entrepreneur. Libertarians defend this right to discriminate and to boycott, for as Rothbard (1982, chap. 18) argued, the right of private property necessarily includes the owner's right to exclude others from the use of his property.

Nevertheless, the situation of redheads strikes us as intuitively unjust, despite the absence of formal property rights violations. This article seeks to explain why that intuition is correct: The discrimination and boycotts against the red-haired are indeed unjust—not because boycotts per se are immoral, but because they occur within a culture profoundly shaped by prior violations of property rights. In the thought experiment, the injustice lies in the state's initial coercion—its abduction and brainwashing—which distorted citizens' cultural framework and moral sentiments.

This leads us to the central concept of this article: state culture—a social order in which the dominant norms, values, and interpretations of reality are significantly shaped by the state's systematic coercion.

The Problem of State Culture

The underlying issue revealed by this thought experiment is what may be called the problem of state culture, a phenomenon that libertarian theorists have thus far addressed insufficiently.⁶

Over recent decades, Western culture has shifted markedly to the left and toward wokeism.⁷ This development is often portrayed as the result of a “natural” process of social and cultural evolution. Left libertarian authors such as Juan Pina (2023) claim that these cultural transformations should be accepted as outcomes of voluntary individual and corporate action within a civil society. Yet this interpretation is gravely mistaken. As Rothbard (2000, 290) observed with biting irony, “Culture separate from government? Don't make me laugh.”

⁶ The topic was examined in Bagus (2024); the present article builds upon and extends that analysis.

⁷ Pippa Norris and Ronald Inglehart (2019) find that younger generations hold more progressive values. See also Inglehart and Welzel (2005). Joshua Conrad Jackson and Danila Medvedev (2024) find an egalitarian drift in values in Western societies. For the extension of the woke agenda and DEI in Western societies, see Zweifel (2024). For the problems of cancel culture from a libertarian perspective, see Bagus et al. (2024). On the cultural war, see Laje (2022).

We do not live in a free society but in a hybrid order where private property formally exists but is far from absolute. The use of private property is directly and indirectly shaped by the state. Consequently, cultural evolution is not spontaneous but artificial. We inhabit a state culture—a culture molded by the pervasive presence and influence of the state.

The decisions of individuals are guided by public opinion and by the dominant cultural framework. Yet this “public opinion” is itself largely a product of state influence. The state shapes ideas, values, and perceptions through education, media, and propaganda, molding the linguistic and conceptual environment in which people think.

Such influence need not be overt or total.⁸ The state need not nationalize newspapers or dictate artistic expression. It is sufficient that it controls the cultural frame of reference—the concepts and moral categories through which citizens interpret the world.

The strength of this influence depends on the size and duration of state intervention. Ideological struggles over culture unfold over extended periods and often span several generations. Once state influence surpasses certain thresholds or tipping points, society becomes dominated by state culture: The majority of citizens interpret reality and act according to a worldview defined by the state. This may occur even when private property and private enterprise formally persist.

The determination of precisely when a society crosses into state culture cannot be made a priori; it is a historical understanding (*Verstehen*).⁹ Historians, not theorists, must assess case by case whether the state’s influence on culture has become dominant or whether spontaneous cultural development still prevails.

Nonetheless, practical indicators exist. When expressing dissenting opinions carries severe social or professional costs—when state-aligned cancel culture and intolerance emerge even among private actors—these are clear signs that state culture has taken root. By this criterion, much of today’s Western world already lives within a state culture.

How the State Shapes Culture

The mere existence of the state influences culture, including customs, habits, norms, ideas, values, and language. By its institutional nature, the state structurally promotes statist ideas. It must justify its monopoly of coercion, and it does so primarily through the educational system it controls. The actions

⁸ In its most explicit form, such cultural steering can be observed in systems such as China’s social credit regime, where access to economic and social opportunities is conditioned upon politically approved behavior.

⁹ On the significance of understanding (*Verstehen*) in the social sciences, see Weber ([1921] 2013, chap. 1, secs. 1–2). On the distinction between theory and history, see Mises (1998, chap. 2).

of public authorities, state-owned enterprises, and government-funded media further reinforce these ideas. Moreover, legislation and regulation constantly reshape the normative framework of social life.

Yet the state's cultural influence extends far beyond its own institutions. Private media are brought into line through a complex network of licenses, regulations, subsidies, and political dependencies. Governments and political parties exert pressure through advertising contracts, state-funded nongovernmental organizations (NGOs), and privileged access to information. Journalists and editors, largely trained in state or state-accredited universities, tend to reproduce the worldview they have internalized through publicly administered education.

The fiat-money system and redistributive welfare programs exert an additional influence by systematically altering time preferences, social cooperation, and work ethics. The state's monetary regime fosters materialism and short-termism (Hülsmann 2014, chap. 10; Marquart and Bagus 2014, chap. 6). The welfare state subsidizes hedonistic and irresponsible lifestyles by socializing their costs. Its pay-as-you-go pension system penalizes traditional families and implicitly rewards childlessness: Children must support not only their own parents in old age but also those who have chosen not to have children.

As the state assumes ever more social functions, the roles of families, churches, and civic associations diminish. The transmission of moral values within these institutions weakens. Individuals become increasingly isolated, while their dependence on the state intensifies. Over decades, this dynamic has produced in much of the Western world a secular, de-Christianized, relativist state culture.¹⁰

Another instrument of manipulation is the state funding of NGOs that promote approved narratives and ideological agendas. A subtler variant consists in privileging certain private corporations through regulations or subsidies; these firms then redistribute part of their monopoly profits to politically favored NGOs. Similar dynamics arise when formally private institutions become structurally dependent upon state-generated rents. For example, privately funded think tanks may advocate increased military spending while receiving donations from defense contractors whose profits depend upon government procurement.

Even "private" companies are steered toward statist values through taxation, accreditation, and subsidies. The more the state regulates strategies, governance, production methods, and prices, the less these enterprises can

¹⁰ Anticapitalist cultural attitudes may themselves become a major obstacle to economic and social recovery. Russell Lambert (2015), for example, argues that the Greek crisis was aggravated by deeply entrenched anticapitalist and antientrepreneurial cultural patterns.

be regarded as truly private. They become hybrid entities, formally private yet materially dependent on the state. Today, many companies operate in symbiosis with government rather than independent of it.

A key mechanism of this alignment is the adoption of ESG criteria. While nominally voluntary, adherence to ESG standards is heavily incentivized. State-backed financial institutions, sovereign wealth funds, and public pension funds apply pressure by refusing to invest in companies that do not comply. Banks, themselves entangled with the state, do likewise. Even some central banks now factor “climate risks” into monetary policy. And through the revolving door between politics and finance, former politicians import statist and ESG ideologies into the corporate world.

Anticipating future regulation or state retaliation, both businesses and individuals practice preemptive obedience. They seek cooperative relations with the state, a necessity that increases as the state’s share of GDP and regulatory burden expand. Thus, statist culture becomes self-reinforcing: Private actors internalize and reproduce the state’s moral-political agenda.

A prominent manifestation of this phenomenon is wokeism. For the purposes of this analysis, “wokeism” denotes a heightened sensitivity to perceived social injustices such as racism, sexism, and “queerphobia.” Its institutional expressions include initiatives associated with diversity, equity, and inclusion (DEI), gender-neutral language, “decolonized” curricula, trigger warnings in academia, and the renaming of streets and monuments. The state actively promotes wokeism through quotas, equality legislation, hate speech laws, and mandatory diversity plans in public administration.

These official diversity and equality agendas shape the moral framework of public discourse. Within such an environment, signaling adherence to DEI principles becomes a source of social and institutional prestige for businesses and universities. Academics who resist such agendas may face institutional disadvantages, including reduced access to funding, deplatforming, and stalled career advancement. Government subsidies for research and cultural activities are frequently politically conditional, often tied to prevailing themes such as “gender justice” or “postcolonial perspectives.” Public subsidies to higher education may also contribute to ideological conformity within academia. George Leef (2013) argues that state support for universities weakens intellectual competition and encourages forms of cultural and institutional homogenization. In this setting, conformity is systematically rewarded, while dissent is discouraged, leading to a contraction of intellectual diversity in favor of subsidized uniformity.¹¹

¹¹ Controversies surrounding topics such as gender differences in scientific aptitude illustrate how academic debate itself may become politically charged (Pinker and Spelke 2005).

A logical consequence of wokeism is the emergence of cancel culture—the systematic ostracism of individuals or ideas deemed “offensive.” Cancel culture manifests in practices such as boycotts, dismissals, public shaming, and the withdrawal of honors or speaking invitations. Florian Follert et al. (2023) analyze the rise of cancel culture in contemporary media environments and the resulting pressures toward conformity and self-censorship.

The state contributes to the spread of cancel culture not primarily through direct censorship but through a combination of financial incentives, ideological framing, regulatory pressure, and control over key discourse-shaping institutions. Public institutions—such as universities, state media, and publicly funded cultural foundations—play a central role in implementing these practices. Moreover, broadly defined laws against “hate speech,” “fake news,” and “discrimination” grant administrative authorities wide discretionary power. To avoid potential sanctions, private internet platforms often engage in anticipatory censorship. Public disclosures concerning pressure by the Biden administration on social-media companies to suppress certain forms of content during the COVID-19 period illustrate how formally private censorship may operate under state influence (see *Murthy v. Missouri*, 603 U.S. 43 (2024); Zuckerberg 2024).

The prospect of legal or reputational sanctions fosters an atmosphere of fear and conformity in which dissenting voices are suppressed not through direct police intervention but via institutionalized mechanisms of intolerance. As Elisabeth Noelle-Neumann (1991) observes, a “spiral of silence” emerges: Individuals refrain from expressing minority opinions to avoid social isolation. The consequence is a structural erosion of freedom of expression, not by explicit coercion but by the systematic manipulation of incentives and discourse.

A Libertarian Dilemma?

Many of the phenomena just described—wokeism, cancel culture, and ideological conformity—are, at least in part, protected by property rights. Yet the exercise of property rights within a state culture produces troubling outcomes. Cancel culture can destroy careers, undermine academic freedom, and privatize censorship. The resulting pressure for conformity distorts truth seeking and public discourse, as vividly demonstrated during the COVID-19 crisis. Science, which depends upon open debate, cannot flourish under the climate of intellectual collectivism fostered by state culture.

From a libertarian perspective, this situation generates a dilemma. On the one hand, social movements, corporate activism, and individual choices present themselves as voluntary expressions of subjective valuation. Even censorship

by private social-media platforms appears to be protected by private property rights. Libertarian theory defends the right to discriminate, and cancel culture may be interpreted as a form of discrimination against certain viewpoints.¹²

This position is reflected in recent libertarian discussions of cancel culture. Walter Block (2021a; 2021b; 2021c), for example, argues that although cancel culture may be socially harmful and intellectually corrosive, responses to it must generally remain consistent with private property rights. In particular, he emphasizes market competition and voluntary alternatives over state regulation of private platforms.

The present article extends this debate by arguing that, within a state culture, formally voluntary acts cannot always be interpreted independently of prior and ongoing coercive distortions. There may be no direct government censorship, yet the state may have delegated repression to the private sphere. In a society where private platforms routinely silence users to comply with state-influenced norms, freedom of speech is merely formal.

This raises the question of whether libertarians should endorse state intervention to prohibit private censorship. Should the state itself be used to reengineer culture in a more libertarian direction?

Here we encounter a variant of the classic problem, discussed by Rothbard (1982, 118), of using or allocating state property in a nonlibertarian world: “But what of governmental assemblies? Who owns them? No one really knows, and therefore there is no satisfactory and non-arbitrary way to resolve who shall speak and who shall not. . . . There is no satisfactory way to resolve this question because there is no clear locus of property rights involved.” In the case of state property, it is unclear who the rightful owner is and therefore who may legitimately decide who gains access to it or who may be excluded. The same structural ambiguity appears, in a different form, with private property in

12 Libertarian theory rejects antidiscrimination laws on the grounds that ownership necessarily entails the right to exclude. Property, by its very nature, distinguishes between owners and nonowners, the latter of which are not entitled to determine how it is used. In this sense, all property use involves discrimination against nonowners. Rothbard’s (2000, 27) assertion that “anti-discrimination laws of any sort are evil” follows directly from this logic.

However, this claim must be reassessed in the context of a state culture. Rothbard’s argument presupposes a social order in which cultural evolution is largely spontaneous and not systematically distorted by prior violations of property rights. Under conditions of pervasive state influence, discrimination may not function merely as an expression of private preference but as a mechanism through which coercive power is exercised indirectly.

In such contexts, discrimination against critics of the state by formally private actors can amount to the effective suppression of dissent. Where a state culture dominates public discourse, systematic exclusion of government opponents may undermine freedom of expression without direct censorship. In this sense, discrimination by private actors may contribute to the entrenchment of totalitarian outcomes, even when formally consistent with property rights.

Historical experience illustrates this danger. In National Socialist Germany, the widespread exclusion of Jews by private businesses operated within an anti-Jewish totalitarian state culture. Analogously, contemporary forms of wokeism and cancel culture can lead to the social and professional isolation of critics of dominant political institutions. Rothbard did not consider the emergence of such phenomena. His categorical rejection of antidiscrimination laws was formulated in a theoretical environment that did not confront the dynamics of privatized censorship and culturally mediated repression characteristic of modern state culture.

a state culture. Ownership may be formally clear, but the context of decision-making—the surrounding culture—has been profoundly shaped by prior coercion.

Thus, private property rights may be exercised in ways that would not arise under conditions of a free society and that reinforce statist norms. For example, libertarian activists might be boycotted or ostracized by companies operating within a statist moral framework. How should this problem of state culture be addressed? Several considerations follow.

Libertarians must first recognize and become aware of the problem of state culture. Cultural distortion through state influence is real and cannot be dismissed as spontaneous social evolution.

The ultimate goal remains the abolition of the state. Once the state disappears, the problem of state culture disappears with it.

Libertarians should criticize manifestations of state culture—cancel culture, DEI, wokeism—not because they formally violate property rights, but because they are products of prior violations. The erosion of family, faith, and traditional values can likewise be criticized as a consequence of state manipulation, not of free evolution.

Libertarians must engage in the cultural battle, both outside and within state structures. Ideas and values determine the course of civilization; those conducive to liberty must be defended against those that sustain statism.

But what are these values that libertarians should uphold? The values most conducive to liberty are those identified by Rothbard (2000, 37–42) in his article “Right-Wing Populism”—values commonly regarded as conservative or right-wing. Rothbard makes the case for paleolibertarianism.¹³ Following Rothbard’s reasoning, we argue that the paleolibertarian should defend, counterfactually, the culture that would emerge in the absence of state manipulation: a culture grounded in private property, personal responsibility, charity, and a love of truth, life, and liberty. Conversely, he must reject the statist culture of redistribution, envy, violence, and resentment. The benchmark for evaluating public policy must therefore be the culture of a free society. From this perspective, political reforms—such as tax reductions for large families—may be justified insofar as they move society closer to the value structure of a free order.¹⁴

13 Rothbard (2000, 32), suggesting an alliance between libertarians and conservatives, writes, “In sum, the task of paleolibertarians is to break out the sectarian libertarian hole, and to forge alliances with cultural and social, as well as the politico-economic, ‘reactionaries.’ The end of the Cold War, as well as the rise of ‘political correctness,’ has made totally obsolete the standard libertarian view that libertarians are either half-way between, or ‘above,’ both right and left. Once again, as before the late 1950s, libertarians should consider themselves people of the right.”

14 Under certain conditions, a state intervention may be understood as a second-best measure that partially offsets the harmful effects of another state intervention without thereby becoming desirable in itself. For example, where a private firm enjoys a state-granted monopoly, a price ceiling may reduce monopoly rents. A similar logic can be applied, with due caution, to state interventions aimed at counteracting cultural distortions produced by prior state interference.

Rothbard, Culture, and State Influence

Which kind of culture should libertarians promote within the state, as long as the state continues to exist? Although Murray Rothbard never addressed this question directly, his writings on state enterprises and pricing offer a useful analogy.

Rothbard (1995, 99, 146) examined what prices state-owned enterprises should charge if they cannot yet be privatized. Should their goods be offered for free? He answered no, because that would create excess demand and shortages; when privatization is not immediately feasible, state enterprises should set prices that approximate free-market levels—that is, market-clearing prices.

As an illustration, imagine a state railroad company that cannot be privatized in the short run. What price should it charge for its tickets? It should neither give them away—causing shortages—nor charge exorbitant prices. It should set a price as close as possible to the market rate, even though the exact market price cannot be known *ex ante* (Mises 1920). The principle is heuristic: Minimize distortion by approximating what would arise under free exchange.

Rothbard (1995, 147) extended this reasoning to other state operations: “How to run government operations, within the goals for cutting the budget and ultimate privatizations? Simply, to run it for the designed purpose (as a school, a thoroughfare, a library, etc.) as efficiently and in as businesslike a manner as possible.”¹⁵ Thus, state schools should focus on education, not on woke indoctrination. More broadly, government activities should be administered as if they were private, with the aim of reducing inefficiencies and avoiding ideological distortions.

Analogously, while the state persists, cultural policy should foster the culture of a free society, guided by the counterfactual benchmark of culture as it would emerge under private conditions. Rothbard (2000, 27) briefly touches upon this when discussing admission of homosexuals to the state military: “The military should be considered like any other business, organization, or service; its decisions should be based on what’s best for the military, and ‘rights’ have nothing to do with such decisions.” He argues that admitting homosexuals would weaken morale; hence, private defense agencies would likely exclude them. The principle is general: State institutions should be structured as they would be in a free society, promoting liberty rather than undermining it. Rothbard (2000, 41) insists, “We must try, short of ultimate privatization, to operate government facilities in a manner most conducive to a business, or to neighborhood control.”

¹⁵ He advances a similar argument in Rothbard (2000, 29).

That is, as long as the state endures, its institutions should be run as a business or a neighborhood community would run them. However, Rothbard overlooks that both “businesses” and “neighborhoods” in a state culture may become ideologically corrupted—by wokeism or antisemitism, for example. Thus Rothbard’s rule must be slightly refined: State institutions should be run in the way businesses or neighborhood communities *in a free society* would run them.

Cultural distortion can be minimized, though not eliminated until the state vanishes. Just as a state railroad will always distort market prices, so the state will always distort culture through control of education, language, narratives, symbols, and so forth. Only the abolition of the state can remove this influence completely.

Until then, libertarians must ask, What kind of culture should we support while the state still exists? The answer, by analogy to Rothbard’s pricing rule, is language, narratives, values, ideas, and subjects that are transmitted by state educational institutions but that approximate those that would prevail spontaneously in a free society. The task is to support—within and beyond the state—cultural patterns that would emerge without coercion.

This logic applies even outside the state. Consider cancel culture promulgated by large internet social-media firms, which censor politically incorrect opinions or apply “shadow bans.” In a free society, such acts would be unobjectionable exercises of property rights. Yet in our hybrid order, things differ.

The decisive question is whether opinions suppressed within a state culture would also be suppressed in a free society. In most cases, this is unlikely, as many censored viewpoints explicitly defend liberty itself. Consequently, within a state culture, the private censorship of antistatist voices must be morally criticized from a libertarian perspective, even when such censorship is protected by private property rights. But should libertarians use the state to forbid such censorship? I argue that, as a last resort, this may be justified from a libertarian perspective. Several caveats are nevertheless essential.

First, the primary libertarian response must remain the battle of ideas—promoting the virtues and institutions that sustain liberty and exposing those that corrode it. Once the culture shifts, legal prohibitions of private censorship become unnecessary.

Second, a distinction must be maintained between the reform of state institutions and intervention in nominally private property. It is one thing to argue that state institutions should neither censor dissent nor indoctrinate students with statist ideologies. It is another to defend legal prohibitions directed against formally private actors such as corporations, internet platforms, and schools operating within a state culture.

Traditional libertarian theory generally rejects such intervention because it presupposes that private decisions emerge within a framework of voluntary exchange and largely spontaneous cultural evolution. The central claim of the present article, however, is that this presupposition becomes problematic once the culture itself has been systematically shaped by prior and ongoing violations of property rights.

Within a state culture, some forms of “private” censorship may no longer represent fully independent exercises of private property rights but rather the indirect continuation of coercively produced ideological structures. In such circumstances, legal restrictions on private censorship may, as a second-best response, become compatible with libertarian principles precisely because the supposedly private conduct is partly the product of prior coercion.¹⁶

The thought experiment involving discrimination against redheads illustrates this problem. Although the resulting exclusion and censorship are formally carried out by private actors, they arise within a cultural environment deliberately engineered through systematic state coercion. The moral and legal evaluation of such conduct therefore cannot be abstracted from the coercive origins and statist shaping of the surrounding culture.

Exclusion from Discourse in a Free Society

Now let’s focus on the case of exclusion from discourse in a free society. Even in a free society, the exclusion of certain actors from discourse may be justified—not on the basis of mere opinions or ideological beliefs, but insofar as such actors engage in the advocacy, coordination, or normalization of aggression against private property.

From a libertarian perspective, the moral evaluation of censorship cannot rest on the assumption that all opinions are of equal moral worth. Opinions differ fundamentally in their relationship to liberty and coercion. Some advocate aggression and attack the institutional foundations of a free society; others defend liberty. Defending aggression against innocent persons is not morally equivalent to defending private property rights. One opinion is morally reprehensible, and expressing it may constitute a criminal act insofar as it involves incitement to, or collusion in, aggression; the other represents an expression consistent with libertarian principles. Accordingly, suppressing the advocacy of aggression differs categorically from silencing criticism of the state.

In practice, it is often unclear whether a statement constitutes a direct threat to private property through incitement to, or conspiracy in, aggression. This requires an understanding of the specific context. If someone publicly

¹⁶ Questions concerning the transition from statism to a free society constitute an important field within libertarian theory. In debates on monetary reform (see Huerta de Soto 2020), for example, the role of the state in facilitating a less disruptive transition toward a free monetary order has frequently been discussed. Analogously, the transition from a state culture toward the culture of a free society may require measures aimed at mitigating the lingering effects of prior state-induced cultural distortions.

expresses the wish that an earthquake might destroy the houses of the rich, this constitutes a wish rather than the planning of a concrete attack. By contrast, anyone who incites others to jointly rob their “capitalist” neighbor is planning a concrete attack on private property. Between these extremes lie gray areas, such as the statement that the rich should be taxed more heavily, the interpretation of which depends on the specific circumstances.

Abstract expressions of belief, however erroneous, do not warrant defensive action. By contrast, persistent agitation for expropriation, redistribution, or the establishment of coercive monopolies constitutes advocacy of systematic rights violations. In such cases, refusal of access to one’s property—whether physical or institutional—must be understood as a defensive response to a credible threat, not as ideological censorship.

A free society must defend itself against conspiracies directed by statists against private property. Naturally, this always involves a matter of judgment. Open calls for violence that have a realistic chance of being carried out should be actively opposed. Just as habitual thieves may be boycotted, so too may those who advocate systematic plunder. An immediate threat to the integrity of private property may be met with boycott, ostracism, social exclusion, or cancellation. Enemies of private property should not be tolerated in a free society (Hoppe 2002, 216–18). Hence, cancellation per se is not the problem; it is a legitimate expression of property rights and sometimes a prerequisite for peaceful order. It becomes problematic within a statist culture, where it serves to entrench statist ideology rather than to protect liberty.

The Culture of a Free Society

If the aim is to defend the kind of culture that would prevail in a free society, one must ask, What would such a culture look like? This question cannot be answered through direct observation, because no society today exists free from systematic state intervention. However, we can use counterfactual reasoning. Just as one can infer what market prices, such as those for train tickets, would be under free exchange, it is possible to reason about the moral, aesthetic, and institutional patterns that would emerge absent coercive interference.

In a free society, property rights are absolute, and individuals must bear full responsibility for their actions. This implies a culture emphasizing responsibility, prudence, and foresight. Those who act recklessly suffer the consequences directly; those who act virtuously reap rewards. The welfare state, by contrast, cushions economic and moral failure and thus fosters imprudence, dependency, moral relativism, and short-termism.

A free society would reward thrift, reliability, and self-discipline—virtues indispensable to long-term cooperation—with reputation playing a central coordinating role. In the absence of state redistribution, mutual aid and voluntary charity would blossom, guided by personal compassion rather than bureaucratic entitlement. Charity would become a more important moral act.

Because the state would no longer monopolize education, families, churches, and private associations would regain their central role in transmitting moral values. Parents could freely choose how to educate their children. The coercive homogenization of curricula—today imposed through ministries of education—would vanish.

The arts and sciences would regain independence. Without subsidies or ideological filters, artists and scholars would once again be accountable to audiences and peers, not to bureaucrats and grant committees. Aesthetic and intellectual standards would reflect genuine excellence rather than conformity to political fashions. Innovation would thrive because creativity would no longer be blocked by state coercion.

The language of a free society would differ as well. It would cease to be manipulated by euphemisms such as “social justice” or “sustainability.” Concepts would again correspond to reality. Truthfulness in language is both a sign and a precondition of a free civilization.

We can outline five analytical approaches to understanding what the culture of a free society would look like:

1. **Theoretical deduction.** Freedom presupposes certain virtues: respect for life and property, self-reliance, honesty, industriousness, and prudence. These virtues are not optional ornaments but functional prerequisites of a stable free society.
2. **Historical retrospection.** We can look into the past to see what the culture looked like before the state took over certain areas. Before the welfare state, moral life was sustained by voluntary institutions—family, religion, guilds, and civic associations. Examining prestatist eras reveals the spontaneous order of virtue and cooperation that flourishes without central design.
3. **Comparative analysis.** Societies with larger public sectors may be compared to those in which the state plays a smaller role, with attention to family structures, birth rates, religiosity, and levels of interpersonal trust and civic engagement. Such comparisons can provide insights into the cultural characteristics of freer societies.
4. **Analysis of state-induced distortions.** We can infer the effects of a single intervention on culture. If taxation and welfarism discourage work, we can infer that in a free society there would be a stronger work ethic. If state-induced inflation promotes debt and speculation, we can assume that a sound-money order in a free society would foster saving and long-term planning.

5. **Examination of state interests.** The cultural effects of the state may also be inferred from its institutional interests. Because the state thrives on dependency, it has incentives to increase citizens' reliance upon it. Consequently, the state systematically undermines institutions that foster independence from it—most notably family, religion, and private property. Promoting the culture of a free society therefore requires sustaining precisely those institutions the state tends to weaken.

From these methods, we can infer that the culture of a free society would be more bourgeois in character, marked by stronger social cohesion, greater independence, and a more pronounced transcendent or spiritual dimension. It would esteem family, faith, voluntary charity, honesty, and the pursuit of truth. It would reject envy, resentment, and class warfare. It would be future-oriented, entrepreneurial, and peaceful.

In a social order without welfare transfers, individuals and families must internalize the full consequences of their actions, which systematically reward long-term orientation, reliability, honesty, voluntary charity, and stable family structures, while penalizing envy and resentment.

The vision of such a free society is not utopian. Elements of it already exist wherever people interact freely: in entrepreneurial creativity, in voluntary communities, in independent scholarship, and in the resilience of families that resist political manipulation. Libertarians should recognize, defend, and expand these islands of liberty within the statist sea.

A Natural Alliance Against Woke Culture

From the foregoing also follows a strategic insight: Libertarians should seek an alliance with conservatives, echoing the paleolibertarianism advocated by Murray Rothbard in the early 1990s. Rothbard (1993) argued that culture must not be ignored, as the Republicans were doing. The Left was capturing institutions and winning the culture war. He insisted that libertarians need a cultural strategy and that their natural allies are conservatives.

Historically, libertarian thought has often converged with conservatism, and such an alliance against the political Left is not accidental. The Left tends to use political power to erode the moral foundations of liberty—family, religion, and property—whereas a coherent Right seeks to preserve or restore them.

Such cooperation does not compromise principle. Libertarians and conservatives often differ on the scope of legitimate coercion and the importance of faith, yet they share a common enemy: statism. They can agree on defending the cultural preconditions of liberty.

Liberty requires a moral culture compatible with it. A society that despises hierarchy, responsibility, and self-control cannot remain free in the long run. Libertarians should therefore welcome conservative cultural policies that counteract statist distortions, provided they reduce coercion in the long run and strengthen institutions that would naturally flourish in a free order.

Whether contemporary right-populist movements such as Trumpism successfully advance the cultural preconditions of liberty remains contested. Critics of paleolibertarian strategy argue that alliances with nationalist or populist forces risk strengthening new forms of statism rather than limiting political power. These dangers are real. Yet the alternative strategy of cultural neutrality may carry even greater risks, as it leaves the institutions and narratives of state culture entirely uncontested. The present argument is therefore narrower: Libertarians cannot remain culturally neutral within a state culture and must engage questions traditionally dismissed as merely “cultural” or “social.” In resisting forms of state culture that erode the cultural foundations of a free society, alliances with conservatives therefore remain strategically important. At the same time, libertarians should seek to persuade conservatives of the desirability of ultimately abolishing all forms of state interference in society.

Conclusion

We live in a state culture. Wokeism, DEI ideology, and cancel culture dominate the moral discourse of our age. This culture is not the spontaneous product of free exchange but the outcome of decades of state-driven cultural engineering—a campaign to erode the institutions and virtues that sustain liberty.

Libertarians must therefore criticize actions that undermine bourgeois and capitalist culture, even when such actions appear formally consistent with property rights. The relevant benchmark is the counterfactual culture of a free society—the culture that would exist absent systematic coercion.

The state is never culturally neutral; it always promotes some values and suppresses others. Recognizing this, libertarians must take a stand in the cultural struggle, defending the moral and institutional foundations of liberty: the family, property, voluntary cooperation, and truth seeking.

As long as the state exists, it will influence culture. But just as Rothbard argued that state enterprises should charge prices that approximate those of the market, libertarians should support policies and practices that approximate and promote the culture of a free society.

This must be done under two constraints: first, minimizing violations of property rights; and second, advancing the ultimate abolition of the state.

Only in a society free from systematic coercion—where education, art, religion, and companies evolve without political manipulation—can culture once again reflect the natural order of liberty: a culture structured by private property, individual responsibility, and voluntary social cooperation.

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