



Episode 1,441: Jeff Deist on “Woke” Capitalism and Politicizing All of Life

Guest: Jeff Deist

WOODS: Okay, so we're talking today about an issue that came up actually in a previous episode with Michael Rectenwald; toward the end, he started talking about what's referred to now these days as "woke capitalism." Now, first of all, if I may just say a word about this word "woke," I love how the idea is that being woke means you accept all the cultural expected things of you. Like, you woke up to, what, accept all the conventional wisdom on everything? See, to me, woke would be being a libertarian and seeing through all of it. So the word, there's a problem with the word, "I'm woke." And now it's woke capitalism, which means you have business firms who, without a direct compulsion by the state, are nevertheless making darn sure we all know where they stand on a variety of issues that really has nothing to do with their products or anything else, but has everything to do with positioning. And I mean, well, we can theorize later about why they do it, where this phenomenon comes from. But that it is a phenomenon is hard to deny. I mean, Nike, we could just go on down the line of companies engaging in it.

So this was actually your idea for us to talk about this. So obviously, we can get into specifics right away. What do you think about the overall phenomenon? It seems like it's a relatively recent thing. Like I don't remember Pepsi in the 1980s telling me anything except, *If you put us head to head with Coke, you're actually going to, surprisingly, find you prefer us.* That was it. That was what I expected them to say.

DEIST: Well, what's interesting here is that we're just coming off of Pride Month, where almost all of the big companies were applying some sort of rainbow flag or having some sort of administration being involved in Pride Month. It's almost like an arms race, because if other companies are doing it and you don't — let's say you're a brand of beer who doesn't participate with any kind of Pride ad campaign and Budweiser does — then the question becomes: well, are you against Pride? Are you against LGBT folks or LGBT rights? And so it's really an unusual and unique phenomenon, and there's an awful lot of mimicry going on.

But here's the thing: I don't think these companies are doing so because of government, per se. In other words, I think they're leading. I think we can learn something here from Michael Malice in his book where he talks about the Cathedral and the sort of viewpoints that are coming down from on high, generally, in universities. I think that has very much infected corporate America, as well.

So if we go back to, let's say, the housing bubble of the 2000s, we could say that banks and other mortgage lenders were responding rationally to the Fed, because the Fed was making the cost of borrowing money so cheap that, hey, you might as well just throw on as many

loans as you can, and if a lot of them are underperforming and you lose some money, well, you make it up on just volume. And so it was a rational response to a quasi-government entity creating an incentive to do something, whereas here, I don't think companies are doing that. I think they are really leading government in many ways here.

And if you had to have a poster child for this, I'm sure some of your listeners are going to know all about Salesforce. Salesforce is really the 800-pound gorilla in the CRM space. And at the Mises Institute, we use Salesforce, which is a very fine platform, for our own fundraising database. And the CEO of Salesforce is a guy named Marc Benioff, and he is an exceedingly woke, outspoken person on LGBT. And he was really a couple years ago at the forefront, leading companies to boycott some of these states. I guess North Carolina had have had an LGBT bathroom type bill a few years ago, requiring you to use a certain bathroom or something like that, and so he was sort of out front on that, to the point where the governor of North Carolina said he's a corporate bully. And I thought that was so interesting, because here you've got a Republican governor calling a corporate leader a bully. And of course, there's plenty of hypocrisy to go around. In other words, all of a sudden, Tom, all of our friends are the left or not so worried about corporate power. They think it's just a-okay, and these are private companies just doing what they want to do.

What's so astonishing here, though, is you've got to hand it to the left. Now, I use the term woke exactly in the opposite way. To me, someone who's woke is someone who's a maybe a Hoppean ancap who's really read Rothbard and has sort of had the blinders fall off their eyes, not someone who was spoon-fed a bunch of egalitarian nonsense from Twitter or wherever they consume it. But yes, when it comes to wokeness, you've got to hand it to the left, because in a sense, they really do put the progressive movement ahead of profits. Now, of course, maybe they're calculating that in the long run, this is the best thing to do for their bottom line. But in the short term, you sometimes have to admit that some of these companies are perhaps alienating part of Trump America or alienating part of Christian America or whatever it might be, whatever the particular issue is, and there's something pretty profound there, that there's a bottom line ahead of profits.

And I think that's something we have to give them credit for, and we have to think about. I mean, how do you change the world? Rothbard argued for a multi-pronged approach, and the left is doing just that. They do what they can do legislatively. What they can't do legislatively, at the local level, they might do nationally; what they can't do nationally, they might do at the judiciary; what they can't do in court, they might do at the corporate level. So it's really full-court press. And I would say, generally, it's working. I think the left has one the culture wars, and I think that that is now evidenced in corporate America. I don't think there's any question about it, Tom.

WOODS: So you think – maybe I'm misunderstanding, but do you think these companies are sincere, or opportunistic, or what?

DEIST: Well, I think there's a little bit of both. I think they take a cold, hard look at the way things are going, and they say, look, even if we're going to alienate a few customers now, in 10 or 20 or 50 years, it's far better to not be the company that everyone's looking back on, and saying, "Oh, my gosh, they were" – like Volkswagen's involvement in World War II or something like that.

So we tend to think in terms of time preference, and we criticize bad economic policies and bad political policies and democracy, generally, for producing a high time-preference mindset. But wow, here we are looking at the left, and they're playing the long game on us, aren't they? I mean, they're perfectly willing, in some ways, to do tough work today to gain victories that might come beyond their own lifetimes, or at least beyond the next election cycle. So as I said, you've got to hand it to them in that sense.

I think there's a very strong sense amongst Millennials that you don't separate life into personal and professional and religious, that everything is all kind of blended together in one. You want your companies to reflect your work, to reflect your education. And there's not these distinctions that maybe you and I grew up with, where your parents said, "Oh, never talk about religion or politics or sex to a stranger." Well, all those old prescriptions seem to be falling away. And now, everything is utterly politicized. It's almost shocking.

And of course, social media amplifies and intensifies this and makes everything so immediate and so harsh. Just in the last of couple days, we've seen this thing with Colin Kaepernick, who has been involved with Nike as a spokesman. And let me just say, I didn't mind the Colin Kaepernick take-a-knee protest. I don't really care about the National Anthem, and I don't really care about flag waving, and I especially don't like military stuff at football games. And so I thought the take-a-knee protest was subtle. I thought it was understated. It wasn't in your face or aggressive. It was kind of like the Vietnam Wall versus the World War II Memorial. It was quiet. Now, I'm a little offended by – I think that the notion that America is a deeply racist country, I think that's nonsense. And I think that's just not true. I think America is one of the least racist places in the world, maybe not *the* least, but among the least. But nonetheless, Colin Kaepernick thought he was standing up for black folks who have been abused by cops, and he takes a knee, and I think that's fine.

Now, the question becomes: should Nike embrace this, or should Nike steer clear of this and its spokesman? Well, Phil Knight and other people at Nike decided to embrace it and ultimately took him on, kept him as a spokesman, and presumably paid him sponsorship fees during some years where he was not making an NFL salary, I might add. So that's very interesting to me.

But now we find out that Nike was prepared to produce a new shoe with the Betsy Ross flag sewn on the back of it, on the heel or something like that, which is interesting. It'd be funny if they had to so the flag of the country in which it was made. You know, we'd all be walking around with clothes that had Bangladeshi and Vietnamese flags on them. But nonetheless, they were going to make this shoe with a Betsy Ross flag, which by the way, violates the flag code. Some of you might know 4 U.S.C. Section 8, in the 1940s during World War II, was passed into law. You're not supposed to have flags on your clothing. But it's not enforced, and so Colin Kaepernick somehow persuades Nike not to produce this shoe. That's fascinating to me. This is a couple years after the take-a-knee controversy, because even the Betsy Ross American flag now represents some sort of Americanism, which offends him or potentially offends people with whom he agrees.

This is amazing to me, because now we're talking about the next level of wokeness. We're talking about the American flag, garden-variety, Stars-and-Stripes American flag, almost being downgraded to the point of like the Confederate flag, which, of course, has all kinds of connotations to the Civil War and black people don't like it; a lot of people who are black don't like it. And so this is really interesting to me, because now we've reached the point

where – it used to be American history prior to the Civil War is null and void because of slavery. Well, now, the next revolution in all of that is American history prior to the Civil Rights Act of 1964 is null and void. So now what's next?

I mean, if we can't have American flags on a shoe, and the fact that a company like Nike – I mean, we're not talking about some minor company here. We're not talking about a pillow manufacturer who advertises on Sean Hannity's show. We're talking about an iconic American brand. I mean, Nike is up there with Levi's and Harley Davidson and Coca Cola. And yet they have taken a side on this, and there's going to be a lot of right-wing sort of yee-hawism over the next two days, three days – however short the news cycle is now before we forget everything, rush to the next thing – where a lot of people on the right are going to say, "Screw you, Nike. I'm never buying another pair of Nikes. I embrace the flag. The American flag is a symbol of greatness, and we saved the world in World War II," and yada, yada, yada.

I mean, what kind of business practice is this? The only way you can explain this is – well, there's two ways. One is that they're just ideologically aligned with Kaepernick, and they agree with him and damn the consequences. But the other is that we're really experiencing a profound shift, where Nike is actually understanding and gauging the future correctly and going with it. So this is all happening so quickly. It's just not the America that we all thought we knew five years ago, or ten years ago. That's what strikes me, is the pace of it all.

WOODS: And for me, as just an ordinary observer, the point that comes through is one that you've made before, that for the left, politics really is everything. There isn't a part of life where you can be shielded from it. It follows you everywhere. Because as you kind of implied, it's inseparable, because we're all bundled together. It's not like we have some political views, but then we also have our aesthetics and things we do for enjoyment. We have to be making political statements pretty much all the time. So when I had Gary Chartier on recently, I said that when people tell me I should boycott a particular firm because of X or Y, well, most of the time, I don't like X or Y, and yeah, I wish that company wasn't doing that. But even though I don't like X or Y, generally my instinct is I don't want to boycott them, because I don't want to spend the rest of my life investigating every single transaction I engage in. What kind of life is that?

DEIST: Well, even if I was a big flag guy, I have a sweet pair of Nikes that my wife got me for Christmas, and I'm not giving those babies up, especially on a long 12-hour flight. But I mean, here's the thing, is I really like what you said in your interview with Chartier: you don't really believe in these boycotts. You know, Murray Rothbard does have a section about boycotts in *The Ethics of Liberty*. It's very short, and he sort of goes through why boycotts are acceptable under libertarian law with the possible exception – of course, he's showing the era. You know, boycotts now are online. They're digital. But he does talk about pickets, any questions whether a picket's happening on, let's say, a government street and it might be blocking some private landowners, and so it raises some questions that might challenge libertarian law. But in general, he says, no, no, boycotts are fine, and even though they do harm potentially to the boycotted company, they are an expression of property rights. You have your own property, your own money, and you should be able to use it as you see fit.

But I mean, we can take it to the point – and this has come up recently in music, and this always kills me. Taylor Swift, who's very popular – I know very little about her other than through my daughter. But she had been kind of criticized because she has a very kind of country look, and her parents apparently were somewhat wealthy and connected and helped

her gain a toehold in the music industry and other things, and she had never been very political in her songs. So I don't know if I have a bubble-gum pop singer that ten-year-old girls like my daughter like is supposed to be political, but this is, again, the world we live in. And so now she's come out with some new song that is all about gay rights. And of course, it's still not satisfying her woke critics. *Oh, it's too little too late.*

So in that sense, it's not working for her, and that's what strikes me, is no matter what you do, there are so many land mines out there. And some of us who – I'm a little older than you, Tom, but some of us really grew up with '80s music and Morrissey and The Smiths. And of course, Morrissey has been in the news quite a bit lately. People are just absolutely savaging him and saying, "I don't know if I can listen to his music anymore." And the reason for this is, well, for one, he supported Brexit, said some good things about Brexit. So did Johnny Lydon, by the way, I might add. But more recently, I guess he was on the *Jimmy Fallon* show performing, and he had a pin on for what the media calls a far-right British political party. Of course, it turns out these far-right party, so-called, in Europe are actually for all kinds of trade restrictions and generous welfare benefits and early retirement and all kinds of things. What makes them far-right is that they suggest any limits on immigration. That's what "far-right" needs.

So he's given some interviews and said some things lately that are actually causing his fans – now, this is a guy with a catalog. I mean, Morrissey is a big deal in the UK. He's a big deal in America, but in the UK, I mean, he's approaching – he's iconic, no question about it. And so for all of these people to be sort of hammering and say, "Well, can I listen to his music anymore?" I mean, I even read Nick Cave, who's someone I admire very much saying: well, we have to separate the musician from his music, and once you launch that song onto the airwaves, you sort of give up ownership of it, and the people who are listening to it own it themselves, and Morrissey has these reprehensible views – again, with the tone, "what everyone knows." Well, everyone doesn't know. Morrissey disagrees. And so Nick Cave has the audacity to say: well, maybe we should let Morrissey have his retrograde political views and separate the music. Well, thanks very much for allowing someone to have his political views. That's awfully benevolent of you.

But it's just so silly. How far you are going to extend this? I mean, especially if someone considers themselves a libertarian, I mean, look, you're in a minority movement. There's not that many people who agree with you, lock, stock, and barrel, and if you're only going to do business with people who understand that the state is evil, good luck with that root canal or something next time, is all I have to say.

WOODS: Yeah, no kidding. Now, this is not directly related to woke capitalism, but it bears a family resemblance, let's say. I sent out, as we're recording this it's the same day, I sent out to my email newsletter list a very interesting item that I got from Bob Murphy. Bob sends me email fodder sometimes, and nine times out of ten, I don't use it because I can't comment on it in an amusing enough way. But this time, the man and the article had met, because – and incidentally, you should get on my email list. I'm always badgering people, but I just released a brand new eBook called *AOC Is Wrong*, and it's all about Alexandria Ocasio-Cortez. It goes to every single position she has. Like if you're really sure you could debate free college and health care with your neighbors, then you don't need it. But all her stuff, the Green New Deal, it's all in there. So you can get on my email list by going to AOCsWrong.com. Plus, won't it give you satisfaction to type in AOCsWrong.com? How can you not do that? I don't know.

Anyway, I sent to my email newsletter people a note about an article, a scholarly article written by a professor at Columbia University. And it's called "Does Apologizing Work? An Empirical Test of the Conventional Wisdom." Now, he's not talking about individuals apologizing to each other for wrongs committed, but he's talking about the ritual apology, that we all know you say something forbidden, and the guardians of allowable opinion begin the ritual. You need to do expiation for your sin, and that needs to come in the form of public breast-beating and apologizing. We all know it. We've all seen this happen many times.

So he did an empirical investigation of how well that works, and here's what he found. These are his words: "Overall, the evidence suggests that when a prominent figure apologizes for a controversial statement, the public is either unaffected or becomes more likely to desire that the individual be punished." How about that? It turns out that the whole strategy of apologizing and groveling actually makes the situation worse for you. Maybe there's a lesson here from Trump, who apologized only once that I can see. But I just found that a fascinating phenomenon, because all the woke capitalist institutions out there and all the woke activists, they're the ones demanding people's heads when they say the wrong thing. And it turns out, if you just ignore them, you wind up doing better in the polls than if you acknowledge them and apologize.

DEIST: Isn't that interesting, though? Because very few of us are bullies in our real lives, in our corporeal lives. But a lot of people are bullies online, using social media, especially if you're anonymous using social media. So that's actually very interesting. And it also shows how groupthink overtakes us, that we act like hyenas sometimes online, and we sniff weakness, we sense weakness in someone when they start backpedaling. It just doesn't work. And of course, this is what people wanted. This is what they at least appear to want, is the politicization of everything. And that's what this means. It means that every statement, every utterance, every joke, every comedy act, every movie, every TV show, every song, every singer has to be scrutinized through this lens. I mean, is there anything more exhausting, Tom? I mean, we actually have conservative and liberal food chains now. Chick-fil-A is a right-wing proprietor. It's a political act to go to Chick-fil-A or to boycott Chick-fil-A. I mean, it's preposterous.

And what's so dangerous about all this and what I hate about this is that markets are what bring us together. Markets are there the real communitarianism. Like let's say some guy is a redneck, Trump, anti-immigrant, xenophobe who thinks there's too many Mexicans and too many illegals in the United States. Okay. And he goes into a Mexican restaurant in a small town, owned by some Mexicans. There might be some people who work in the back who aren't fully documented or whatever. He sits down; he enjoys his meal; he pays for it; he says goodbye, nods to the proprietor, and leaves. Everyone's happy. It was just a win-win transaction, and so nobody has to yell at each other or worry about politics for that moment, even though that guy might think badly of Mexicans. But nonetheless, he goes and enjoys their food and pays for it peaceably. I mean, that's a tiny example of what markets do a billion times over every day. People have a hard time being angry at their customers and at their suppliers.

And so it's just amazing to me that what's seeping down into the marketplace, what ought to be an exercise in fulfilling people's needs every day has now got to be this virtue-signaling exercise. I mean, the Pride thing was really pretty astonishing, how many companies were involved, the degree to which they had to be involved or felt they had to be involved, the marketing campaigns. I mean, this is now part of the landscape, and it's something that came

up really quick in the corporate world. I mean, a couple years ago, they were still probably cautious and wondering about all this. So it just shows you the power of the Cathedral. It's real.

And it also shows you that we have to understand economics in a subjective manner. Homo economicus was wrong. It was never right. The Austrians never argued that way and always said that people get up every day, and they make all kinds of decisions for all kinds of rational or irrational reasons. And so that's why we can't model out what they're going to do. And we can't always know. The marketplace is just going to be this relentless march of selfishness every day. Well, there actually are some people wake up and, in a sense, give up a little bit of economic value and don't buy Nikes because they're mad about this flag thing, or they don't eat Chick-fil-A because they're mad that some Chick-fil-A CEO is anti-abortion. I mean, there is a little bit of an economic diminution there in your life if you actually want the Nikes or actually like the chicken sandwich. But yet people forgo that, so that's a different kind of want satisfaction. It fits perfectly with economic theory. And so it's a little surprising.

So to circle back to your original question, where is this coming from and why are they doing it — are they really doing it because they're politically woken and they want to have the moral high side, or is it a cynical attempt to just fit in and make more money as a result of being an approved company and this and that — well, it's a lot of things. It's probably a little bit of both. And some of these companies are quite large. They've got thousands and thousands of employees, tens of thousands of employees, so they're not monolithic, and there's different voices within there. But there's somebody driving the ship. There's somebody making the decisions at the corporate level and especially at the marketing level to do all this.

And that's why I get a little bit exasperated sometimes when I hear about the Kochs or someone like this. It's like, look, Trump is not on the right from my perspective — he's certainly not on the left — but the idea that that the left doesn't hold power in this country — and a lot of left-libertarians say that — you know, I just don't buy it. The left controls virtually all universities in the country. The left controls mainline religions. The left controls corporate boardrooms. I mean, we've certainly seen that during Pride Week. Now, that might go more to culture than economics. I get the distinction here. But it's real, and there are certainly people who are being very, very quiet who work at places like Google, like Twitter, and I'm sure at places like Salesforce, and toeing the company line because their paycheck's attached to it.

So it's just funny to see all the shakeout, because for years and years and years, we were told, well, corporate power is just as important as government power. Okay, but look, when it comes to all of this, when it comes to all of this woke capitalism, there's no libertarian view, per se, on any of this. We can deplore it. The only thing a libertarian has to say is, look, I don't want any state action. I don't want government censoring. I don't want government using antitrust to break companies up. I don't want government seizing companies. And that's it. But beyond that, there's no libertarian view, per se. I mean, I think Google's pretty evil.

I've tested this, literally when you go to do a Google search and you type in "Joe Biden" and then all the prompts come up: "Joe Biden, Obama Vice-President," "Joe Biden 2020," "Joe Biden this and that." But when you start to type in — and I'm joking — about like his inappropriate touching or something, none of the prompts auto fill. This isn't in my

imagination. They're actually doing this. Google is actually suppressing searches about Joe Biden rubbing little girls' shoulders and stuff.

So I mean, this is real. These companies aren't my friend. They're not trying to help me create a world that shares my worldview. They're not trying to help me create what I think would be a freer world. I mean, this is true. And we can deplore that, and we can rail against that. And I don't want to hear our friends on the left all of a sudden saying, "Jeff, these are private companies. They can do what they want with their own property." Okay, please don't tell me that if you're on the left, because that's not what you believe.

WOODS: Yeah. So first of all, it's good to point out the hypocritical nature of it. But also, what an uninteresting thing to say. So in other words, a libertarian – now, I know not *qua* libertarian, but as a human being – what, isn't entitled to an opinion on what pretty much anything? Because if I were to criticize anything anybody said, what are they going to accuse me of being against freedom of speech? No, fine, say what you want to say, but I'm allowed to criticize it. Likewise, yeah, have whatever business practice you want, but there's no reason I can't – what reason would there be for me not to be able to criticize that? I mean, think back to the desegregation of lunch counters. That was on private property, and you didn't have people going around saying, "Well, it's a private company, and they can do whatever they want." No, they said, I don't approve of what this private company is doing. That's all we're doing. We're just saying we don't approve of what this private company is doing. So I'm glad you raised that, because that is the low-IQ response to any discussion like this. *It's a private company.* Like we didn't know that? I mean, I just can't get over somebody whose entire contribution to the conversation is that.

DEIST: Well, let's not forget, if you know tech geeks, if you have tech geeks in your life and they're over 40, let's say, the whole promise of the digital age, of the internet revolution, was mass decentralization. Now, remember websites in the '90s? Remember going to Antiwar.com in the '90s? I do. I mean, that was really interesting and exciting. That was independent. But now you fast forward, and we've got three or four gatekeepers, totally centralized gatekeepers – Twitter, Facebook, Google, for example – absolutely, I won't say controlling what you see online, but certainly steering it. I mean, there's no question about that, that Twitter and social media steer the conversation. I mean, come on that's not even debatable.

And so that's what's so interesting to me, is that whatever happened to the decentralized revolution, whatever happened to the promise of just being able to have no gatekeepers and do an end-run around the would-be self-appointed gatekeepers of public opinion. You know, this is peer to peer. We're talking to each other. We can even talk to somebody in China and compare notes on what our governments are doing. That was one of the great promises of the internet. So I think there's a lot to be said for opposing these tech giants to the extent they're illiberal. And I would argue that they are pretty illiberal. I know you've done other shows on deplatforming and social media and legal approaches that might work in a libertarian political sphere and all that. I mean, that's sort of a separate question. But there's certainly nothing wrong with saying, you know, I think Google firing James D more because he questioned things in a memo about whether men or women are better at math or whatever it was, I mean, that that's pretty unconscionable. Whether they have the legal right to do that is a separate question.

WOODS: All right, I'll let you go there. Of course, people, I can't imagine there could be somebody listening to my show who doesn't know about the Mises Institute, but there was

somebody on my email newsletter list who had not heard of Antiwar.com until I mentioned the passing of Justin Raimondo, so I don't want to assume anything. If you haven't visited the Mises Institute's website, it's just going to knock your socks off. And while you're there, make a donation: Mises.org. Jeff is the president. A lot of great things are happening there. I credit the Mises Institute – well, you can decide for yourselves whether it's a good or a bad thing – with making me the person I am today. So definitely check out Mises.org. And Jeff, thanks so much for your time.

DEIST: All right, thank you, Tom.