



Episode 885: After Communism, Liberty: Discussion with the Heroic Josef Sima

Guest: Josef Sima

WOODS: Considering how many friends we have in common, it's first of all strange that we've never met in person, and second that it took me until Episode 885 to get you on here. But what a story you have and what a life you've led and what work you've done. It's really quite something. Now, you are – I'll just say that you're a couple years younger than I am; we'll leave it right there. So you would have been fairly young during the years that the communist regime was still active in what was then Czechoslovakia, but I'm curious about any memories you may have had from that time.

SIMA: Right, well, indeed, I have recollections. There are things which today we consider to be extremely funny, such as that peanuts were available only before Christmas, for example. Or I had friends who waited more than ten years to get a telephone line. If you wanted to buy a car or even a bike, you had to bribe someone or wait in a queue for a long time. So these things, which we took for normal back then, are fortunately now only like funny stories about the past, and it's really good because life under communism was simply horrible. I was not the one who experienced famine or something, but there were small things which complicated your lives, were something you do not need to have. It's simply a result of a stupid social system, a stupid political system, and I'm so happy this is all in the past.

WOODS: So are you saying then that the only real way people felt the wickedness of the regime was in these minor inconveniences? What about intellectual freedom? Could you have done what you're doing today in, say, 1980?

SIMA: Indeed, it would not be possible. I was talking through the perspective of someone who was 16 or 17, and those small things were part of your life. However, indeed, if you wanted to be an intellectual and you were not willing to cooperate with the regime, you suffered. You really suffered. The basic freedoms which we today take for granted – economic freedom, freedom of speech, and everything – it was not part of what socialism was about. So the system was indeed more horrible because of these big things. But for someone who was 17, waiting to get a bike was actually a little piece of suffering as well [laughing]. Fortunately, as I said, the regime is now history.

WOODS: All right, so at age 17, were you thinking about the sorts of things every 17-year-old thinks about, or were you thinking about Mises and Hayek?

SIMA: Well, I didn't know about Mises, neither Hayek. I enrolled to a university and my teachers back then were indeed former Marxists who suddenly became Keynesians, so not exactly people who would want to debate free markets. These were people who didn't know anything about it. So to me as a young student, it was an intellectual process of discovery, through finding a book by Milton Friedman, perhaps, and then learning about Mises, and then going to the U.S. to spend a summer there learning about Rothbard. So it was an intellectual journey which took me several years.

WOODS: All right, but what is it that wound up bringing you over to the U.S.? That's a big deal and that's not cheap to come all the way here to study Austrian economics. Something must have really been momentous in your life.

SIMA: Well, I knew that I had to – I wanted to learn something and I was not really happy about local university, which, by the way, was the best econ university in the country. And I wanted to learn English. I wanted to meet foreign U.S. professors. So I decided to spend a summer or a few weeks in the summer first at GMU meeting Jim Buchanan, and then slowly discovering the other possibilities, where and how and with whom to learn the free market and get to know free market scholarship.

WOODS: So you did that; you go back to I guess the Czech Republic by that time?

SIMA: Yeah.

WOODS: Okay. And what's the general mood of the public? I'm curious about that, because, all right, people are probably unhappy about communism, but that doesn't mean they embrace what we believe.

SIMA: Well, you know, the early '90s or mid '90s, it was a very fascinating time, because the communist regime was dead and people had very high expectations. And they didn't know exactly what free market-based society means, but they wanted – at least students or the student community, we wanted to learn the alternative. At the same time, back then it was very easy to start a business. People simply wanted for the first time in generations to try to become businessmen, and there was this window of opportunity, even in academia, to simply start reading the, let's say, hardcore free market literature as an antidote to what the communist regime before forced people to read. So it was a post-revolutionary time, which was fascinating, and unfortunately, the ethos, the free market ethos, it's not in existence anymore. But I'm very happy I had a chance to live through it and experience this period of trying and looking for intellectual alternatives.

WOODS: So you ended up bringing books from the Mises Institute to Prague. Tell me about, were there any titles – I know you had a hand in the translation of – well, no, not only had a hand. You actually translated *Power and Market* by Rothbard yourself?

SIMA: Yeah, I did it myself, yeah.

WOODS: That must be – I remember thinking the worst literary project in the world was compiling an index for a book, because I've done that for several books. I hated every minute of it. I hated everything about my life during that project. But translating a book must just be – I don't know. Tell me what it was like.

SIMA: Well, once again, back then I was a PhD student or a young faculty at a university of economics, and I wanted to teach students something meaningful. And there were no books available whatsoever, which was good because then, imagine a book by Mises or Rothbard got translated. And it meant that it was actually one of, let's say, two or three books on the subject on the market. So in a small country where you have some activity of free market groups or free market-leaning individuals, you actually can make a big change because then when, let's say you wanted to write your master's thesis or PhD thesis on banking and one of the books available was Rothbard's *What Has Government Done to Our Money?* – so you always had on a shelf like a regular textbook, and then the Austrian, free market alternative or key book on the subject. So through this, I guess we created in the Czech Republic a very unique intellectual climate which you do not have in the United States, because simply one more book on the free market doesn't really change anything. It's one of many. But here it was one of the a very few. And for some time, the activity of translating free market books had some real impact, and we see it today in the way how many journalists think or what sort of social mood is with respect to some social phenomenon.

WOODS: So some of the translations that you either were involved in or had a hand in were of works that – well, almost of all them would be works my listeners would know about. They might not know the Kirzner book, *How Markets Work*, but everybody knows *Human Action* by Mises, *Man, Economy, and State* by Rothbard. I have a list of books that you were in some way, either arranged for or did the translations. Did you actually – did you do the translations of either one of those gigantic books?

SIMA: Well, I did it with a few friends, so let's say –

WOODS: Oh my gosh, man. I don't know how you're still alive. What a project that is [laughing].

SIMA: I did one-fourth of *Human Action* and one-fourth of *Man, Economy, and State* and was the one who was like the leader of the team of translators. So that was – it was fun.

WOODS: Yeah, okay, well, if that's the way you think about it, that's wonderful. I'm glad people who think that's fun are in charge of projects like that. So you actually, you launched the first ever translation of *Human Action* –

SIMA: Yes, that's true.

WOODS: – in 2006, and you had Ron Paul and his wife over to Prague for part of that. And it's hard to get him to travel internationally because he doesn't like traveling that much, he doesn't like being in hotels. And yet he did that because of the momentousness of the occasion. Do people in the Czech Republic, at least in libertarian circles, do they all get who Ron Paul is?

SIMA: Well, I'm sure most of the people would know. It was not necessarily the case ten years ago. Back then only free market-leaning people knew; today it would indeed be many more. So yeah, Ron Paul is a known public figure and free market intellectual known to people in the Czech Republic.

WOODS: So since you've been back from Mises University, you've helped to get books translated, you've done the translations yourself. You were with a libertarian think-tank there. Now, that's also interesting to me, because again, just because a country moves away from communism doesn't mean necessarily there is any support for what we're doing. Maybe people want the welfare state. Maybe they want a third-way economy. What does a Czech libertarian think-tank do, and what is it talking about, and how is it trying to make these ideas palatable to people in the Czech Republic in particular?

SIMA: Well, I was not the one who started the think-tank. I was a university student and I looked for some opportunities to do free market advocacy or write articles, so I found it. And over time, we organized events, summer schools, conferences, invited top free market scholars from all over the world. And through this, we were building a community, which over time generated a lot of publicly active figures, journalists, or businesspeople who are hardcore libertarians or free marketeers, which I still believe is quite unique. You do not have such influential groups in countries such as Germany or France, but we have it here. And there are similar stories in some of the neighboring countries, such as Slovakia or Lithuania – which is understandable. A small country, a dedicated, small group can actually be very visible.

WOODS: Right, right, right. That's the idea. That's the idea. So you've done summer schools. You've had Joe Salerno over there. You've had Guido Hülsmann. You've had Hans Hoppe. You've had David Friedman. So really, everybody you could imagine has gone over there and spoken. So tell me about the institute you're with now, because this is going to be of the greatest interest to my listeners, and in fact, it could be life-changing for a handful of them.

SIMA: Yeah, well, now I'm president of a small university which is called CEVRO Institute, a university which was established ten years ago and now has some ten programs, both on the BA level and master's level, where you can specialize in law, political science, economic policy. And now newly we have a program in English, which is the first PPE – philosophy, politics, and economics program – in the Czech Republic. It is a flagship of our school, because it has a great international student body and international faculty. Both students and faculty are free market scholars or free market students, and we have, I believe, the best people in the field.

So you can be either a free market student somewhere in Europe who is looking for a program, a master's program, a regular, EU-style program where you want to study, well, then Prague is your place, because here you can meet leading free market, Misesian, Rothbardian scholars from European countries, but also from the U.S. I have people like Peter Boettke of George Mason University or Mike Munger of Duke University coming here and lecturing. So for European students, it's a wonderful place to meet U.S. professors, and it's actually true for U.S. or Canadian or Indian students who perhaps would want to spend one year in the U.S., but to study in the U.S., it might be a bit tricky and expensive. Whereas here in Prague, you can study in a first-class educational institution, you have both European and American professors.

So that was always my dream, to come up with not just a think-tank, but with a full-fledged academic program. And now I have it. I started last year. I'm having here students from 16 countries – U.S., Canada, Ireland, Switzerland – but then European countries – Slovenia, Croatia, Germany – and it's becoming an island of free market scholarship, free market education, which many students don't have back home and many professors don't have it at their home universities. So I believe I can be a wonderful platform for free market students and free market professors.

WOODS: All right, I want people to know that I'm going to be linking of course to the – it's CEVRO Institute, I'm going to be linking to it at TomWoods.com/885. I also want to point out a couple people who my listeners will now be familiar with. Not ten episodes ago, I think, I had Kevin Flanagan on talking about Ireland. Kevin Flanagan is a student there right now as we speak. And then Vit Jedlicka from Liberland is a former CEVRO student of yours. So it's a star-studded group of people.

So there's a lot more I want to ask you about. Let's just take a moment to thank our sponsor.

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I feel compelled to ask you about Václav Klaus, because I'm pretty sure you know him and he may have had some connection with you in the past. It's hard to know from a distance how good people are when we're told they're good but they're far away and maybe if I looked up close they wouldn't be so good. For example, I'm sure there are

people around the world who think Newt Gingrich is a great representative of the free market philosophy or Jeb Bush or something. So I don't know the real story of Václav Klaus, but he was the second president of the Czech Republic for ten years. What can you tell us about him?

SIMA: Well, actually, some 15 years ago, I wrote an article for the *Journal of Libertarian Studies* called "Laissez Faire Fable of the Czech Republic," which was exactly on this topic. So seen from outside, we as the Czech Republic were perhaps the only country in the world which had a president who was familiar with Ludwig von Mises and Friedrich August von Hayek. And free marketeers had huge expectations about how this man who knows what free markets are, how he will transform perhaps the country into a new Hong Kong in Central Europe. Well, nothing of that sort happened, and I guess for U.S. listeners, it might be in some ways similar to the early 1980s and the story of Ronald Reagan, a guy who could very nicely talk about markets, who actually knew some real stuff. But then at the end of the day, nothing of some great, free market revolution happened. And I guess with Klaus, it is the same story, which tells you something about the power of politics, that perhaps it is futile to hope that one day a free market prime minister or president will be elected and then he will somehow turn the country into a free market paradise. I guess party politics has its rules, and typically the outcome is not free market and individual freedom.

WOODS: Yeah, so that's a very interesting lesson. I can't say it's surprising with the experiences that we've had here. And yet I have no doubt that the left wing you have there has a completely fact-free fantasy version of what happened under Václav Klaus. No doubt their view is that this was a terrible right-wing regime that made all these sweeping changes. But it just never happens. I mean, it almost never happens.

SIMA: And on top of it, because of these middle-of-the-road policies which never work, you get the outcomes which are not positive, and these bad outcomes get affiliated with this free market rhetoric. So actually, rather than having free market, at least rhetorically, prime minister and president – rather than helping the free market cause, it's actually producing a lot of hardship for free marketeers because they have suddenly much more complicated position to defend free markets, because people completely misunderstand what it means and they connect these bad consequences of middle-of-the-road policies with some sort of free market reforms, which never existed – only in their fantasies.

WOODS: Now, by the way, if a student were to go over there and enroll in your program, is the program taught in English?

SIMA: Oh, the whole program is completely in English. It's accredited in English. And our plan is to have formal partnerships with U.S. free market PhD programs, so the best students from Prague can actually end up by studying back in the U.S. with the

leading, let's say, Austrian economists. And also, I have some Rhodes scholarships for U.S. students, so the best U.S. students can actually study for free in Prague.

WOODS: Wow, wow. Okay, now you're really sweetening the deal. When we were off the air, so to speak, you were telling me a story of something that happened last month that maybe gives people a feel for what life would be like if they were at CEVRO.

SIMA: Right. I strongly believe that the beauty of real university is not that professors lecture and students repeat what professors say, but I want always to present an intellectual conflict, conflict of visions, to present a free market perspective and then the alternative. So for example, last week we had as a visiting professor Guido Hülsmann of the Mises Institute and University of Angers, who is a leading first Misesian scholar and then a leading free banker. So Guido came to Prague and lectured about the bad consequences of state interventionism in banking. And then the next week, a few days ago, we had the current vice governor of the Czech central bank who gave his story about why you actually have to have central banks and the policies. And now it's up to students to actually challenge professors and make up their minds what actually makes more sense, and I believe this is exactly what universities should offer. But unfortunately, many don't do it. They just present one version of the intellectual take on some situations, and students memorize and never critically think about the real alternatives. The one which stresses the importance of freedom and private property and markets, and the other one which says, Well, you have all of these market failures. You have to have the state, which fixes problems. So that's what we do here.

WOODS: Well, it's really great, and you've got a diverse group of Austrians who are over there, and people are learning from scholars from all over the world. I mean, Guido is a great guy. He is the biographer of Mises. He wrote a tremendous intellectual biography of Ludwig von Mises. I still haven't had him on the show and I'm not exactly sure why, but I've got to do that. But Mat Machaj from Poland is one of my favorite young Austrians. So smart. I've had him on a couple of times. I'm so glad that he's associated with it. You would get an education – if people came to your institute and got a master's degree, they would get an education in economics the likes of which would surprise them even after this puff piece that I've given them about it [laughing]. I mean, really, really, what an opportunity. If I were of that age and not a family man with five children, I would give my right arm for this opportunity. So I want to make sure people know how to find it. I'm linking to it at TomWoods.com/885. If you were to type into Google "CEVRO Institute" and you're in an English-speaking country, the first result will be the English version of the website, so I would direct people there. Does that seem like the best thing?

SIMA: Oh yeah, wonderful.

WOODS: All right, excellent, excellent, so let's get some traffic over there. And even if you're not a student, as you're looking at the website, somebody may come to mind. You may say, Wait a minute, this might be perfect for so and so. Check out with Josef Sima is doing. It is astonishing and great, and it really is a testament to – no doubt you have many colleagues who help you, but really what the vision of one person can accomplish. So CEVRO Institute, you want to check that out and potentially apply and get a master's degree in conditions that are beautiful and wonderful to the point where Kevin Flanagan, whose whole life is based on Ireland and Irish history, is thinking of never leaving Prague [laughing]. So that must tell you something. It's incredible. Thanks so much for your time, Josef. Best of luck with the program.

SIMA: All right, well, it was my pleasure. Thank you for having me.