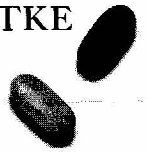


PETER J. BOETTKE



HUMAN FREEDOM AND THE RED PILL

The red pill or the blue pill? Responsibility or comfort? Reality or illusion? Every day we make our choices and the choices define who we are. Economist Peter Boettke argues that societies also have choices, and would do well to avoid the temptations of the blue pill . . .

NEO: "You mean this isn't real?"

MORPHEUS: "What is real? How do you define real? If you are talking about what you can feel, taste, smell, or see, then real is simply electrical signals interpreted by your brain."

MORPHEUS: "I didn't say it would be easy Neo, I just said it would be the truth."

NEO: "I can't go back, can I?"

MORPHEUS: "No. But if you could, would you really want to?"

CYPHER: "I know what you're thinking 'cause right now I'm thinking the same thing. Actually, to tell you the truth, I've been thinking the same thing ever since I got here. Why, oh why, didn't I take the blue pill!?"

We each have our fantasies. From travel agencies to prostitution and virtual-reality games, major industries have arisen to cater to our fantasy life. We all need to escape from reality every once in a while. Consumer demand for narcotics, alcohol, and even sports is fueled by a desire to escape everyday life. Like millions of other fans, I watched Michael Jordan's basketball career in utter amazement. From his winning shot in the 1982 NCAA finals as a college freshman to his last second shot to win the 1998 NBA title against the Utah Jazz, I could only imagine the thrill he experienced in achieving such a high level of athletic excellence.¹ Would I willingly plug myself into a machine that would enable me to "experience" that joy? Would I do so even if in "reality" I was only a body in a tank, plugged into a computer system that provided that "be like Mike" moment? I have dreamed of such a moment since I was a boy, and now I could experience it. So why not accept that bargain? And, if I say yes, am I simultaneously affirming the choice that Cypher makes in *The Matrix*?

Of course I (and millions of others) would plug in, if it entailed a momentary departure from reality. I could be like Mike for an afternoon or evening, and then return to my life. But this is *not* the choice we are confronted with in *The Matrix*. Instead we are confronted with an all-or-nothing choice. Either we *live* our life, or we *experience* life.² Once the deal is put this way, the obviousness of plugging in disappears. Depending on certain conditions, we could still see the logic of plugging in—e.g., a person diagnosed with a fatal disease, who has no immediate family, may prefer to plug in rather than suffer through the final stages of life alone. But again, this is not the choice we are confronted with in *The Matrix*. At best we get a one-

¹ Jordan still amazes basketball fans now, playing for the Wizards after returning to the game in 2001 at the age of 38.

² I have been told of experiments with rats where they were confronted with the following choices—they could either learn to press a lever and receive food, or they could press another lever that would send an electronic stimulus that simulated sexual satisfaction. The rats would continually press on the second lever and starve to death. Human beings need not be rats. Even as staunch a utilitarian as John Stuart Mill argued that there was more to human betterment than experienced pleasure when he wrote: "It is better to be a human dissatisfied than a pig satisfied; better to be Socrates dissatisfied than a fool satisfied." (Mill, p. 10)

time either/or decision, such as Cypher's. I either live my life as I have constructed it, or I experience a life constructed for me. At worst, you get no choice at all because you remain ignorant of your real existence as fuel for the AI's power plant.

The Matrix puts this choice before us in stark visual terms. The real world is tough and ugly, while the Matrix provides us with the experience of normal human life in 1999. If Neo chooses the blue pill, he doesn't have to experience eating goop inside the real world. He can continue to enjoy eating noodles at the local Chinese restaurant, safe from the knowledge that he's being fed intravenously. His reality as a "battery" is certainly worse than reality as a revolutionary fighter, but inside the matrix life as Mr. Anderson is one of material comfort compared to the harsh conditions on-board the hovercraft. Why should he choose the reality of fighting rather than the experience of living as a computer programmer?³

In this essay, I argue that one of the important lessons we should learn from contemplating the decision to take either the red or blue pill is the connection between individual freedom and responsibility, the link between living a free and responsible life and living a *meaningful* life. Living a meaningful life requires us to have the freedom to construct our life *and* be responsible for the decisions we make in constructing that life. Any step away from that burden of responsibility is a step toward opting for the blue pill; it atrophies our humanity to that extent. This argument can be extended from individual choice to the realm of public choice with respect to political, legal, and economic institutions. Choosing between institutions is analogous to choosing between the red and blue pill; opting for "blue pill" institutions can have the same negative consequences on our humanity as when we choose the blue pill in our private lives. To take the red pill is to choose to take responsibility for our lives, both on the personal and larger social levels.

³ Neo's restless mind already has detected the unreality of the Matrix before he is freed by Morpheus. There is a "splinter" in his mind that he seeks to understand. The overwhelming number of humans in the Matrix are not the least bit uneasy. To convey the unreality of the Matrix, the Wachowski Brothers added a green tint to all scenes inside the Matrix and a blue tint to all scenes outside the Matrix to depict reality.

THE RELEVANCE OF *THE MATRIX* TO POLITICAL ECONOMY

Theoretical knowledge, especially in the disciplines of moral philosophy and political economy, advances through the use of thought experiments and imaginary constructions. *The Matrix* draws our attention to the thought experiment of Plato's cave. In Plato's simile of the cave, we are asked to consider the situation of prisoners chained since birth and unable to see anything but the images their controllers project against the wall as shadows from a tended fire. The prisoners do not know they are in fact prisoners; they are blind to their ignorance. When this ignorance is revealed, there is not immediate enlightenment, but instead outrage and disbelief.⁴ A prisoner freed from the cave faces a tough transition, but once he adjusts to reality he can flourish. Liberation from ignorance is a precondition for nourishing our humanity. As Charles Griswold has put it: "Clearly, one must discover for oneself that one has been living in illusion, that one is not free but a slave of a system, that there exists the good and true by nature. Coming to the truth is a transformation of soul that is as much a discovery of self—that one has a soul, and that soul has a certain nature—as a discovery of what is real."⁵ Only through this transformation can we attribute meaningfulness to our lives. That meaningfulness, however, is assigned through our being free and responsible individuals—people who must make choices in the face of nature and truth.

Robert Nozick also covered this ground in his justly celebrated *Anarchy, State and Utopia* with his example of the experience machine. Nozick's thought experiment is directly related to the Matrix because it entails being plugged into the machine and having neuropsychologists stimulate your brain to give you any experience you desire. You would really be just a body floating in a tank with electrodes attached to your brain, but you would experience all of

⁴ Consider Neo's original reaction upon learning the truth from Morpheus. In the next scene, Morpheus apologizes, because he states that after a certain age the mind is unable to accept the truth and thus they don't attempt to rescue those individuals.

⁵ Griswold, p. 8

life's desires. Nozick asks, "Should you plug into this machine for life, preprogramming your life's experiences?"⁶ Nozick argues that once we think hard about the situation, we should *not* plug in for three reasons: (1) what matters for us is to *do* certain things, not just experience those things; (2) what matters is we want to *be* a certain type of person, we want to be courageous, kind, intelligent, witty, or loving—not a blob floating in a tank; and (3) what ultimately matters is that our imagination of what we want to achieve in our life is *unbounded*, whereas the experience machine will limit our world to the limits placed on us by those running the machine.⁷ Liberty enables us to strive to become the men we want to become, it provides us with the space to incorporate the unknown and the unpredictable into our lives and modify our life plans; it instills in us a sense of responsibility as well as adventure. In a discussion of Nozick's experience machine, David Schmidtz asks us to recollect our visits to the zoo with small children. Aren't we often amazed at the bored reaction of small children to seeing the tigers and zebras in their confined space? These same children will squeal with excitement at watching a rambunctious squirrel foraging for stray food on the sidewalk or chasing another squirrel up a tree. "The kids know: The squirrel is real in a way zoo animals are not. Somehow, there is more meaning, more reality, in the wild—in experiences that have

⁶ Nozick, *Anarchy, State and Utopia*, p. 42. Note the either/or nature of Nozick's question, if the question was instead put as one entailing a choice on the margin Nozick modifies his answer. We do not need to engage reality 100 percent of the time (Nozick, *The Examined Life*, p. 121). The problem is not plugging into the experience machine per se, the problem would be not returning to reality from the experience machine. Not learning to make free choices and burden the responsibility for the choices made. Not constructing a life, but merely experiencing a life.

⁷ When Morpheus fights with Neo in the training simulator he attempts to free his mind from the illusions of the Matrix, to learn that the Matrix is bounded by rules governed by their programmers, but as a human he can bend and break those rules. Neo asks whether this means he will be able to dodge bullets, and Morpheus replies that when he comes to fully understand who he is he will not have to. The human mind can step beyond the bounds that the rules of a program require. A criticism of hard Artificial Intelligence made by Roger Penrose runs along similar lines when he deploys Godel's theorem to challenge the idea that a mind can fully know itself. John Searle makes a different but equally compelling argument against hard AI when he points out the difference between syntactic clarity and semantic meaning. Human thought is grounded in semantic meaning, not just syntactic clarity. For a discussion of the relevance of the philosophy of mind to questions of political economy see Boettke and Subrick, "From Philosophy of the Mind to Philosophy of the Market."

not been scripted, especially by someone else.”⁸ Gerald Erion and Barry Smith state bluntly that “Neither the experience machine nor the Matrix allows for genuine, meaningful action; instead they merely give the *appearance* of meaningful action.”⁹ Inside the Matrix, our contact with reality is denied in any meaningful sense and thus our lives are devoid of meaning.

And herein lies the relevance of the Matrix for political economy. Not only would we not plug in because of what it means to live a life, but once we think about what it means to construct a life we realize that we actually need certain social institutions. These are necessary for us to construct a meaningful life as well. Our ability to make *free* choices, to *do* certain things, to *become* the type of people we want to become and to *imagine* goals we hope to achieve is a function of the political and legal institutional context in which we find ourselves (which gives us the freedom to make the most of natural talents and material circumstances). While individuals may make responsible choices under any conceivable set of institutions, our ability to make morally meaningful choices and live a flourishing human life is not invariant with regard to the institutions. Our choice of institutions is analogous to our choice of taking either the red or blue pill. “Red pill” institutions that promote our freedom to choose are a *necessary* condition for human flourishing, whereas the “blue pill” institutions that attempt to script our lives tend to atrophy our humanity.¹⁰

⁸ Schmidt p. 211

⁹ Erion, Smith p.26

¹⁰ Socialism and communism, for example, did not just lead to poor economic performance but atrophied the human moral sense. Political informants, party loyalists, and perpetrators of purges were often ordinary people who were lead to commit heinous acts because of the institutional arrangement. Sovietologists talk of the “dual reality” of life within the Soviet Union and the necessity for individuals to “live the lie”; even ordinary language was perverted to convey the fact that people had to live one way to survive and speak another way to conform to the official ideology. The original aspiration of communism was one of advanced material production, economic security, and social harmony between the classes, yet the reality was one of poverty and arbitrary power. Political leaders of the post-Lenin period made Cypher’s choice and chose the illusion of power and relative affluence over the ugly reality of a failed ideology. Communism did not fail because humanity failed to live up to its ideal, but because its ideals failed to live up to humanity. On the history, collapse, and transition from communism in the former Soviet Union see Boettke, *The Political Economy of Soviet Socialism, Why Perestroika Failed, and Calculation and Coordination*.

SOME EMPIRICAL OBSERVATIONS ON FREEDOM AND FLOURISHING

This discussion of red- and blue-pill institutions is not as abstract as it may first appear. It is, in fact, very concrete when we understand the connection between institutions, human freedom, and economic growth. Institutions are required for us to live a free and responsible life. These very institutions also enable individuals to realize improvements in the productive capacity of mankind. Institutions and material means work together to lift individuals out of ignorance and squalor.

For much of history, human beings have lived in wretched poverty. The vast majority of individuals lived a life that was so filled with misery that they didn’t even know the extent of their misery—like the prisoners in Plato’s cave. The struggle for survival was hard, children either died before maturing or sacrificed their childhood to work; women who lived to adulthood often died in childbirth, and even as civilization advanced they continued to be denied access to education and opportunity; men were illiterate, bore the burden of difficult labor, and frequently died young. Life expectancy was short, and prospects for improvement of one’s lot in life was negligible.

Mankind was able to overcome this miserable state because of the adoption of institutions of freedom—recognition of private-property rights, the establishment of a rule of law, and the opening of the economy to trading opportunities from afar.¹¹ The sad reality is that while mankind has found the way beyond its miserable existence, much of mankind still lives under wretched conditions in the underdeveloped world.¹²

It is not my purpose here to provide a detailed institutional explanation of why some nations are rich and other nations are poor, but instead simply to argue that an instrumentalist view of the institutions of economic freedom link tightly to the institutions necessary for human freedom. Put another way, *the material preconditions for human flourishing are produced by the same set of institutions that are*

¹¹ The basic book on this subject in my opinion is Rosenberg and Birdzell.

¹² See Easterly for a discussion of the human tragedy of underdevelopment.

necessary for us to effectively choose freely. Without those institutions we will not only be denied the material means to move beyond the mere struggle for survival, but also *denied the social space for us to make meaningful choices—to construct our lives.*¹³

The relationship between economic freedom and economic growth is positive. Security of property and the freedom of contract, free pricing, low levels of regulation and taxation, stable currency and open international trade are positively correlated with economic growth throughout the world. Countries that adopt institutions that differ from this recipe perform decidedly worse. Moreover, the relationship between economic growth and human capabilities is also positively correlated. Life expectancy rises, nutritional content of the average diet improves, great strides are made in sanitation, and educational access for women and minorities increases.¹⁴ Ignorance and squalor are overcome through modernization and economic development.

To connect this discussion to our earlier discussion of illusion and reality, we must recognize that without the modernization move, individuals remain chained inside Plato's cave, watching images on the wall. Development breaks those chains, and development is only brought about by the adoption of certain key institutions. These institutions, in fact, are the mechanism by which our prisoners escape the cave and achieve enlightenment. As mentioned above, this transformation is not easy and often brings in its wake outrage and disbelief. Recent protests of globalization aside, however, we must realize that the greatest hope for lifting the world's poor from misery is the spread of *real* capitalism.¹⁵

¹³ For an examination of the relationship between development and human freedom see Sen. His position deviates significantly from the one in this paper, but the topic is similar.

¹⁴ See Boettke, *Calculation and Coordination* for a discussion of these issues. Also see Boettke and Subrick, "The Rule of Law and Human Capabilities," for an examination of the relationship between the rule of law, economic growth, and human capabilities.

¹⁵ See Norberg for a nice summary of the evidence on this claim. By real capitalism I mean an unhampered market economy and not the defense of corporations. Capitalism is not a defense of the corporate order, but an institutional regime that enables individuals to pursue their projects and realize the mutual benefits from exchange through voluntary cooperation.

THE FREEDOM TO RIGHT AND WRONG

Our choices are never as stark as the one Morpheus offers to Neo—blue pill or red pill. We often trade off the reality of the “red pill” and the responsibility to live a free life for the illusion of security the “blue pill” of socialism and the modern welfare state supposedly provides. I don't want to argue here about the efficiency of socialism, but instead focus attention on the impact on our ability to live meaningful lives once we adopt the institutions of socialism or even the mixed economy of the welfare state.¹⁶ My argument is simple. Whenever we move away from notions of individual responsibility we lose something of ourselves. It is not just the incentive effect, once we are able to socialize the costs of our decisions that result in perverse consequences. The welfare state's “help” is tantamount to feeding the poor a blue pill.

In order to make a moral choice we must also have the ability to make wrong choices. To do the right thing, in other words, we must have the freedom to do the wrong thing. If we don't have that freedom, then in what sense did we really *choose* the right thing? Our moral sensibility emerges through our experience with free choices.

We can argue that Cypher's choice was a poor one because he had the freedom to choose, in a way that we wouldn't argue that the police in the opening scene of the movie were choosing poorly because they attempted to arrest Trinity. In one instance a free choice was being made, in the other no choice at all was being made—the police were simply playing a pre-scripted role inside the Matrix.

In addition to learning to do the right thing, our experience of living with our choices teaches us prudence and other virtues associated with *thoughtful decision-making*.¹⁷ The freedom to choose is directly tied to our accepting responsibility for our choices. If we are not responsible for our choices, our moral sense and our prudent self are truncated to our detriment as free individuals. F. A. Hayek stressed how the expansion of the corporate welfare state influenced

¹⁶ For a documentary history of the economic assessment of socialism see Boettke, ed., *Socialism and the Market Economy*.

¹⁷ See Scarle for a discussion of rationality and action.

individual psychology and threatened to transform individuals from being able to live free and responsible lives into entities within a "social" machine. Protection from the consequences of our choices results in a retardation of our humanity. In short, institutions that protect us from our choices distort our incentives and our fundamental humanity. "It is important to realize," Hayek argued, "that we are not educating people for a free society if we train technicians who expect to be 'used,' who are incapable of finding their proper niche themselves, and who regard it as somebody else's responsibility to ensure the appropriate use of their ability or skill."¹⁸ To be truly "human" means to choose freely and bear responsibility for those choices. We may try to avoid the responsibility but we cannot if we hope to be the masters of our own lives. "It is doubtless because the opportunity to build one's own life also means an unceasing task, a discipline that man must impose upon himself if he is to achieve his aims, that many people are afraid of liberty."¹⁹

Moral esteem is worthless without freedom. In *The Matrix*, Cypher is the lowliest character. He is despicable. Is it because he turns his back on his friends and betrays their trust? We value trust in others precisely because there are always others who are untrustworthy. But Cypher's violation of the trust is a particularly egregious one. He makes his choice in full knowledge that he will achieve a better *experience*, not a better *life*. In his proposed deal with the "agents," he will not remember anything, and he will be programmed as a successful and powerful actor, but he will in reality be nothing more than a battery in the powerhouse. At the moment of his decision, he knows the full magnitude of his choice. Perhaps a life lived as a battery is a fitting future for someone who would make that deal. Cypher is choosing to not live a human life but to experience a life scripted by someone else. He is, in short, sacrificing his humanity. Neo, on the other hand, must choose between saving Morpheus and risking himself (as the Oracle foretold), and in making that choice he learns that he indeed is "The One," and his humanity is affirmed. As Erion and Smith state: "Cypher's decision is, in fact, *immoral*. In

contrast, Neo's decision to face 'the desert of the real' allows him to undertake genuine action and have genuine experiences that give his life meaning, and thus a moral value."²⁰

Just as Neo must go through electronic stimulation to build up the muscles that have atrophied over the years of his life in the power plant, individuals who live under a situation under circumstances where the costs and benefits of their decisions are not internalized will experience an atrophying of their humanity. When we attempt to exchange our freedom for security we may in fact get neither. Ultimately, our humanity is lost.

CONCLUSION

Trinity corners Neo and whispers in his ear, "It is the question that drives us." And she is certainly correct. Nature has not endowed mankind with sharp teeth and claws, or thick and tough skin. Instead, we are at the mercy of nature. In brute struggle for survival with nature and other animals, we are one of the weaker species. But we are endowed with the facility to reason. This ability allows us to communicate with others, to cooperate with them, and to innovate in our dealings with nature (the uses of tools) and others (the relationships we form). It is our capacity to question and learn through both abstract deduction and experience that empowers us.

The Matrix is a wonderful artistic depiction of the basic human dilemma caused by the burden of free choice. If we take the "blue pill" and run from the burden, we don't live a meaningful life. We may experience a life, but not live it. If, on the other hand, we take the "red pill," we travel deep inside the rabbit hole and must cope with a reality of tough moral choices, decisions that sometimes go wrong, and relationships that lead to pain. But we also know the joys of adventure and achievement. Living a flourishing human life is only possible once we take Morpheus's challenge. Once we do, the question truly is not whether we can go back or not, but whether we would *want* to go back even if we could.

¹⁸ Hayek p.81-82

¹⁹ Hayek p.72

²⁰ Erion, Smith p.27

Morpheus's challenge is not limited to our private life. At a foundational level, our public choice of institutions is analogous to the individual choice between the red and blue pill. If we take the blue pill and do not adopt institutions that require us to make free choices and accept responsibility for those choices at an individual level, then our ability to live meaningful lives will be truncated and our moral sense atrophied. On the other hand, the establishment of guarantees of individual freedom in political, legal, and economic realms brings with it prosperity and an enhancement of our capabilities to live a flourishing human life.

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TAKING

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RED

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SCIENCE,
PHILOSOPHY,
AND RELIGION
IN THE MATRIX

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BENBELLA BENBELLA BOOKS • *Dallas, Texas*

2003