

From the desk of Brad Lips
Chief Executive Officer, Atlas Network

Freedom at 36,000 Feet

March 18, 2024

Intended for perusal by friends of Atlas Network, this document has been compiled during long flights with the goal of entertaining and informing you, whether you're in the air or on the ground. It's an assortment of observations about the freedom movement and world events with firsthand accounts from my most recent travels.

I made no special New Year's resolution this year, but I've emerged with an unlikely new skill since the last time I wrote to you and our community of supporters: surfing.

It wasn't my idea. At an event in Costa Rica—organized by our local partner, Demo Lab—participants were encouraged to sign up for 6:30 AM morning activities. Atlas Network's high-energy board chair, Debbi Gibbs, provided enough peer pressure that I signed up to join her for the most ambitious of the options provided: early morning surfing lessons. I was doubtful that 53 is the right age for learning new tricks like this, but—by the end of lesson two—I was proud that I was getting the hang of it.

Here are three takeaways from my surfing experiments, which each tie back to why you're involved with Atlas Network.

Building muscle memory matters: It really helped to practice the transition from lying down to standing on a surfboard while on the beach, before entering the turbulent waves. *This reminds me of how Atlas Network helps pro-freedom think tanks proactively build and practice strategies that will be useful in the rough and tumble of daily policy battles.*

Leverage natural forces: After I had practiced that move to get on my feet, I had to slow my mind down and accept that surfing didn't require anything heroic of me; it's much more about finding the right wave and letting it carry me. As President Coolidge once said, "Never [do] anything that someone else can do for you." Likewise, *Atlas Network partners remember that sound government policy isn't about "engineering prosperity" but removing barriers so people can make themselves prosperous.*

Little shifts produce big results: The last revelation I had standing on a surfboard was that, once the water was under me, the tiniest shift in balance could change my trajectory. *Isn't that why you invest in Atlas Network and its partners in the freedom movement? Over and over, we see outsized impact from small investments in pro-liberty projects that YOU make possible.*

RECENT EXAMPLES OF BIG RESULTS

With so many of our partners in other time zones, I wake up with an email box stuffed with messages from all over the globe. One of the joys of my job is when I receive one like this, written by Svetla Kostadinova.

I want to share with you one incredible journey of the Institute for Market Economics (IME). Bulgaria's economic progress over the past decade has been significant, overcoming global crises, political upheavals, the shadow of the pandemic and the war in Ukraine just 500 km away. The remarkable increase in GDP per capita, from 47% of the EU average in 2012 to 62% in 2022, speaks volumes about Bulgaria's achievements.

While celebrating these accomplishments, it's essential to acknowledge the one obstacle that has lingered—our judicial system. Recognizing its pivotal role in fostering growth, creating jobs, and ensuring citizen's security, we embarked on a transformative journey in 2015 with the establishment of the IME Legal Program. Our goal was clear: to champion effective Rule of Law actions from an economic perspective, with legal experts steering our course.

The path we chose was not without challenges—ups and downs, partnerships forged and broken, countless hours of advocacy, and some threats of capture from vested interests. However, our resilience prevailed, fueled by the belief that a robust judiciary is the linchpin to economic prosperity. Free markets, innovation and capital accumulation, and individual flourishing depend on institutions that secure property rights, enforce contracts, and uphold justice in general. It took us eight years to instill this belief in the consciousness of the general public, initiate judiciary reform discussions, and build a team of legal experts capable of contributing to constitutional change.

On December 20, 2023, the Bulgarian National Assembly voted on the bill amending the Bulgarian Constitution—a historic moment shaped by numerous stakeholders, circumstances, and, undoubtedly, the unwavering commitment of IME. More than three decades after the fall of communism and the beginning of the transition to a free-market economy, Bulgaria managed to finally abolish the domination of the Soviet-style prosecution in its judiciary. The constitutional amendments expand and provide guarantees for judicial self-governance without prosecutorial or political undue influence, strip down the omnipotence of the Prosecutor General, and enhance prosecutorial accountability. We were prepared, consistent, and ready to take centre stage but simultaneously, when necessary, provided off-the-record advice, engaged with political parties, international stakeholders, and the media; in short, IME stayed the course, pushing relentlessly for change.

None of this would have been possible without the steadfast support of Atlas Network. Your belief in our efforts, demonstrated through two grants in 2018 and 2020, empowered the IME Legal Program to work independently, systematically, and effectively. These grants, coupled with small donations from Bulgarian supporters, played a pivotal role in shaping the first proposals for constitutional reform in 2019.

As we stand on the threshold of a new year, with the changes in the constitution awaiting to be elaborated on into legislation, there is still much work to be done. Atlas Network, our steadfast partner and supporter, played a crucial role in our success. In a landscape where local institutional support was scarce, your external backing made the IME Legal Program resilient, confident, and truly independent.

To Atlas Network donors and staff, I extend heartfelt thanks. You believed in our efforts, backed us when few others did, and played an instrumental role in reshaping a nation's constitution. Your support was not just financial; it was a beacon of hope and possibility when many doubted change.

In closing, the entire IME team wants to express our deepest gratitude.

The entire IME team would like to thank you, Atlas Network donors and staff, and let you know that you have a stake in changing a constitution for the better.

Pretty cool, no? I thought it was worth reprinting in full for you.

But that's just one recent example of a big payoff from modest investments in a scrappy partner of Atlas Network.

Readers who attended our Liberty Forum & Freedom Dinner last November surely have many more in mind—perhaps especially the project from our Filipino partner that won the 2023 Templeton Freedom Award. The Foundation for Economic Freedom developed a smart strategy for ending dysfunctional government monopolies and welcoming foreign investment in industries like telecom and energy. They just needed to redefine “public utility” within the legal code of The Philippines. It took years of dedicated work to achieve this simple reform, but—wow—it's a game changer.

In a country made up of 7,000 islands, government should not be slowing the development of any options to improve access to energy and the internet. Starlink arrived in the Philippines right after the reform, so that households, businesses, schools and hospitals in remote areas of the country now have wireless broadband and the benefits that come with it.

In the U.S., we are proud to have invested in Nebraska's Platte Institute, which has rolled back job licensing laws at the state level to address workforce shortages. You can learn more details about this win—and others—in the Atlas Club Video my colleague Vale Sloane sends regularly to members of that giving club. (I'll provide a link to a sample episode in the online landing page for this newsletter.)

NOT YET 100 DAYS OF PRESIDENT MILEI

The policy wins I mentioned above—in Nebraska, The Philippines, and Bulgaria—are great examples of what Atlas Network partners now create with regularity: important increases in freedom that benefit real people.

These wins matter. Each win has importance to large numbers of people in our partner's country or state. But sometimes, our partners contribute to even bigger things: events that could represent seismic shifts in world affairs. That's what could happen in Argentina in the aftermath of Javier Milei's election to the presidency of Argentina.

I wrote a piece for *The Hill* last December, titled "Javier Milei's Rise in Argentina Carries a Valuable Lesson for Americans," that celebrated our partners' work in the shift of the Overton Window that made Milei's election possible. I also tried to rein in expectations; after all, implementing such an ambitious pro-liberty agenda (while vested interests throw sand in the gears of society) is a daunting challenge for even the most experienced politician.

Will Milei be as successful in governing as he was as a candidate? As I send this newsletter on March 18, he is exactly 100 days into his term, and there are reasons for optimism:

- Reserves in the Central Bank have increased by \$9 billion, while its liabilities have been reduced by one-third in real terms.
- Fiscal reforms have begun to control government spending, and Argentina's federal government recorded its first monthly budget surplus in more than a decade. Last week, Milei announced the closing of the government's news agency, explaining that a country with approximately 50% of the population in poverty simply cannot prioritize subsidizing public media.
- While economic conditions remain harsh, rates of inflation have begun to slow from last year's disastrous 211% clip.

Now, we anxiously wonder whether Milei will deliver on his campaign promise to “dollarize” Argentina. The idea here is to permit competition with Argentina’s central bank. For too long it used its monetary authority to accommodate government overspending, rather than preserving the purchasing power of citizens holding pesos.

This was the topic of the first of a new series of *Freedom Worldwide* webinars we’re offering, led by my colleague, Dr. Tom G. Palmer. I’ll provide a link to that recording at the landing page you can access via the QR code on the front.

AMLO SAYS WHAT?

Multiple times over the past several months, Mexican President Andrés Manuel López Obrador (aka AMLO) and his spokespersons have promulgated a conspiracy that Atlas Network is mobilizing forces inside Mexico to instigate political change with funding and direction from the U.S. Department of Justice.

Let me be clear, dear reader: whatever we are mobilizing—in Mexico or elsewhere—is happening thanks to YOU, not the U.S. government!

We do not accept government funding. Period. It’s in our bylaws. It’s in our DNA to rely on voluntary donations, rather than lobby for our share of what’s been taken from taxpayers.

My second important point: we are not involved in politics. Of course, we support locally led and locally designed educational and policy efforts that can alter public opinion (e.g., as in Argentina)—and thereby *indirectly* affect elections, as do thousands of other variables. But we do not get involved in elections. That’s important work, indeed. But others are better at it, so we stick to what we know we do well. (Here I’ll recommend a piece I wrote, “Pessimistic about Politics? There’s a Better Way to Change the World.”)

Unfortunately, those with a top-down view of the world have trouble conceiving of how “spontaneous order” works. They never learned the wisdom that Hayek taught us about how buyers and sellers coordinate their behavior in a free economy through the pricing mechanism—not government orders. They can’t imagine that their local adversaries (i.e., the think tanks and civil society groups that get training and compete for grants from Atlas Network) are pursuing their own ends while taking inspiration from afar.

They have to imagine instead that the local leaders, who stand up to big government schemes, are inauthentic mercenaries in a war being designed and waged by ... me, I suppose? In conjunction with the Department of Justice? As well as a few corporations that provided modest support to Atlas Network twenty years ago?

The graphic below shows the insane conspiracy that the Mexican government alleges Atlas Network is at the heart of. **Ridiculous.** The allegations they lob at Atlas Network invariably say a lot more about their thinking than ours!



My final word on this topic is that, while freedom's adversaries fundamentally misunderstand what we do, they're right to worry that we do have a big impact! Atlas Network board member Scott Barbee sent me an encouraging note in the face of these press attacks: "If you're not catching flak, you're not over the target."

MILEI'S MESSAGE AT DAVOS

Back to President Milei for another minute ... If you've not watched Milei's speech at the World Economic Forum in Davos, you need to. (That's also accessible via the QR code on the front.) It's really about as close to a "John Galt speech" as I've ever heard at such a high-profile location. Milei explains why free economies flourish and why socialist economies fail.

He urges the crowd at Davos to wake up: “The Western world is in danger ... because those who are supposed to [defend its values] are co-opted by a vision of the world that inexorably leads to socialism and thereby to poverty.”

World leaders and elite opinion-makers may scoff at Milei right now, but they need to recognize that trust in liberal institutions has declined under their watch. They ignore this discontent at their own peril. In a *Wall Street Journal* piece called “The Humiliation of Davos Man,” Walter Russel Mead made the case matter-of-factly: “‘The emperor has no clothes!’ is the cry of populists everywhere. To render this message ineffective, Davos Man doesn’t need image consultants and disinformation specialists. He needs to get dressed.”

Exactly!

While I worry about aspects of the populism now ascendent in so many places, many elite institutions have shown themselves to be incompetent, corrupt, and arrogant. The public has lost trust in elite institutions because that trust has been squandered. Getting it back means *earning it back*.

THE OUTLOOK FOR 2024

This is where I turn more pessimistic than usual. Most of the elites who govern elite institutions lack the humility to earn back trust.

A Rasmussen survey found that “elites are *three times more likely* to say there’s too much individual freedom in America than all Americans.” American voters in general complain about “too much control” over “too much freedom” by a 57% to 16% margin. Ivy League graduates in urban zip codes disagree; the problem is “too much freedom” (55%) not “too much control” (15%). Here is the condescension that fuels populist resentment.

These survey results were discussed at a conference I attend annually, called The Alamos Alliance, a small group that includes several former finance ministers, central bankers, and star economists. There is deep concern that today’s political polarization incentivizes short-term thinking, which is at odds with financial stability.

Stanford economist John Cochrane presented on why inflation did not show up after the 2009 fiscal stimulus but did after the COVID interventions. He pointed out the worrisome new projections from the Congressional Budget Office that forecast government deficits of 7% of GDP for the next several years, despite optimistic assumptions of no new crises. He quipped that we now seem to have “once-a-century crises” on a once-a-decade schedule.

The way out requires a return to what worked in the past: reducing the size of government, clearing away barriers to innovation, and expanding trade. While some politicians contend that this recipe failed after the fall of communism, former Finance Minister of Brazil Paolo Geddes and economist Bill Easterly persuasively argued the contrary: where free-market reforms took place in the 1990s, economic growth and poverty reduction followed.

We have our work cut out for us in making this case to skeptical audiences. I worry that things may have to get worse before there's public demand for the principles that will make things better.

But there is an optimistic side to this story. Our classical liberal values have succeeded before and will prevail in the long run. Easterly pointed out: these values vanquished colonialism, fascism, and communism. They turned enemies like Germany and Japan into friendly success stories. They enabled the biggest escape from poverty in history. Pessimism about the short-term outlook shouldn't cloud our vision of what we can achieve in the long term.

ADVANCING FREEDOM THROUGH HIVE MIND STRATEGIES

There's an additional reason for optimism that I'll highlight before closing. When I entered the "freedom movement" three decades ago, its conferences all followed a traditional format: a few smart speakers at a podium, and lots of people listening in the audience.

I'm proud that Atlas Network has been part of an evolution that's mostly flipped this model, so there's less passive listening and more active engagement in solving problems. Our Regional Liberty Forums and various training programs include workshops and "hive mind sessions" that foster peer-to-peer collaboration. This is social technology that speeds the success of our partners.

The original inspiration came from the late Giancarlo Iburguen, past rector of Universidad Francisco Marroquín (UFM) in Guatemala. He founded the Antigua Forum in 2012, and I had the honor of presiding over the 2024 iteration of the meeting in January as its president for a one-year term. It was a very special opportunity to work with my friends at UFM to attract great projects that benefited greatly from the unique "accelerator" process at Antigua—including those of our partners in Brazil, Germany, Iraq, and Lithuania.

I'll attach an excerpt from my welcoming remarks, which I think you might enjoy. I paid homage to one of Atlas Network's great benefactors, Sir John Templeton, and I highlighted how the incentive structures of free societies (and pro-freedom events) can amplify our own virtues.

SEEKING YOUR INPUT

At the recommendation of a friend at Liberty Fund, I read a book called *Digital Transformation* by Thomas Siebel from 2019. It uses a biological metaphor: just as the Permian era ended an extinction event that killed off an estimated 96% of species then living on earth, our new wave of technological innovation may do the same to enterprises. Those businesses and nonprofits that survive, Siebel argues, will have adapted to new realities by rebuilding their core value proposition around the new tech. How will this process touch Atlas Network and its global community of independent partners working for freedom? I'm developing some ideas on this front but would welcome your advice! Shoot me an email (Brad.Lips@AtlasNetwork.org) if this is something you're thinking about too.

PARTING THOUGHTS

That's all for edition #3 of my personal newsletter. As always, check out the QR code on the front to access a web page with links to articles, videos, and music that I've mentioned above.

Please stay in touch with your questions and comments. I always enjoy hearing from people like you who are powering our efforts at Atlas Network.

With gratitude,

A handwritten signature in blue ink that reads "Brad". The signature is stylized with a large, sweeping "B" and a cursive "Lips".

Brad Lips
Chief Executive Officer

ATTACHMENT: *From My Welcoming Remarks as President of Antigua Forum XIII*

Jan 18, 2024 – The assignment I was given today by my friends at Universidad Francisco Marroquin, who host this wonderful gathering, is to share quick thoughts on what makes Antigua Forum special—with an eye toward setting expectations and preparing some of you first-timers in the crowd.

To that end, I have two predictions: one, you're going to be in awe of some of the project leaders, who have prepared extensively to make the most of these next two days ... and who are going to pivot and rethink their own ambitions ... and come out with strengthened plans and determination to make big things happen for liberty. This seems to happen reliably for the majority of projects at Antigua Forum each year. This success ratio is a function of selecting great people with great plans, who trust the process that's evolved here at Antigua Forum.

I can also wager a prediction about all of you who are attending as members of the “brain trust.” You've done less advance preparation—or no preparation—and you might wonder what you've gotten yourself into. But I predict, by late afternoon Saturday, you'll be searching your mental thesaurus for words that describe how great this experience is.

I was thinking about the magic that happens here at Antigua Forum and why it happens. And it reminds me of something the late Sir John Templeton emphasized during talks he gave for Atlas Network early in my career in the freedom movement.

Yes, Sir John called attention to the material progress that came from capitalism (or “free competition,” that was his preferred terminology). But more than that: Sir John liked to explain the moral benefits that come from free competition.

He recognized the miracle that's taken place among countless teenagers who never ever volunteered to do a chore at home. They get that first retail job, they discover the definition of “working on commission,” and suddenly they're asking strangers, with sincerity, “How can I help you?” Earning a wage requires good behavior. Business owners also need to exhibit good behavior as they compete to find and retain good employees. The incentives for more virtue in a free enterprise system are really powerful.

Something similar is at play here. The ecosystem that you find at Antigua Forum asks a lot of us and draws out benevolent behavior. It calls on us to exhibit humility, candor, generosity, patience, creativity ... all these virtues. This is why people tend to leave Antigua Forum really refreshed and charged up to do big things. We get the thrill of adding value to worthwhile projects in line with our values ... and, as we do this, we wind up being the BEST version of ourselves.

That is the special thing that happens at Antigua Forum. And I'm delighted to go on this journey one more time, in all of your wonderful company.