

# Boundaries of Classic Liberalism

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## Introduction

The true purpose of humans is to develop their abilities in the highest and most harmonious form to a complete and appropriate whole in accordance with the commands of logic rather than suspicious and temporary passions. Liberty is an indispensable factor in the need for such a development. Besides, there are several other important factors that are also closely related to the liberty factor.

It is quite difficult to talk about liberalism to a wide audience in a country where serious books and articles on liberalism have yet to be written. Especially, in countries like Azerbaijan, where both in academia and politics liberalism related activities are less popular, many people claimed to be “a liberal.” This article will focus on some basic liberal concepts.

Political systems differ from one another in terms of their views on **individual**, **society**, and **state**, and every political system is developed by choosing one of the three factors as the basis of its philosophy. While state is in the center of everything in fascism, theories of socialism are built on public choices (society), and liberalism values the individual more than anything. Liberalism defends the individual against the pressures of society and state, which limits her and prevents her development. As a result of accepting the individual as the most valuable thing, liberalism tries to ensure that the individual is free in every field of her life. In this view, society and state are considered as means of pressure that limit individual liberties. Liberalism accepts

the necessity of state, emphasizes the inevitability of social relations, and states that liberty of an individual cannot be restricted unless it violates liberty of other individuals. These features differentiate liberalism from fascism, socialism, and anarchism in terms of state, society, and individual, accordingly.

Liberalism is a broad concept and the term has been given different meanings throughout history, that is, it underwent a process of "meaning inflation." According to George Sabine, a philosopher of Cornell University, in a narrow sense, liberalism is a theory between conservatism and socialism while in the broader sense, it is opposed to communism and fascism (Sabine 1969, 119). For Ludwig von Mises, an Austrian economist, liberalism is a political doctrine. In terms of praxeology (study of human behavior) rather than political theory, liberalism is the application of theories which are directed towards problems of human behavior posed by economics (Mises 1949, 153). In other words, according to Mises, liberalism is applied economics.

Liberalism is mainly divided into two categories. One form is called social liberalism, the theory of welfare state, communal liberalism, and etc. And the second form is classic liberalism, which was believed to be "true" liberalism by Friedrich Hayek, one of the most well-known academic liberals of the twentieth century. According to Hayek, liberalism, which is based on the idea of individual liberty, first emerged in England and it encompasses the period from the seventeenth century Old Whigs till the nineteenth century Gladstone (Hayek 1967, pp. 82-95, 109).

Classic liberalism is individualist, not communal; it is a form of liberalism that is based on negative liberty (that is, being free from something) rather than positive liberty, it defends limited government against an interventionist one, and it is against the notion of social justice because it believes that a just society spontaneously emerges within the framework

of market economy (Yayla 2015, 38-39).

## **State and Civil Society**

Civil society establishes a balance between state and the individual. A strong civil society creates an obstacle to communal despotism and sustains the continuity of a moral order which defends the values of liberty. In societies where the state power eliminates civil societies, reestablishment of this order is vital and we would be mistaken to think that the state will rebuild a new civil society instead.

A civil society arises as a result of human activities that were spontaneously shaped by a free people. When individuals act separately and fail to communicate with the others, they create a fertile ground for totalitarian regimes. Relationships among humans such as family, religious communities, private initiatives, voluntary associations, and free trade unions weaken the loyalty to state coercive power and oppose obedience that is required by totalitarian regimes. Therefore, totalitarian societies attempt to weaken such structures. Alexis de Tocqueville, who travelled from Napoleonic France to the United States of America, was surprised when he witnessed many voluntary associations that supported all variety of views (Ashford 2015, 16-17).

In totalitarian societies, state becomes an obstacle for those individuals who want to cooperate with one another for achieving their own goals. The rationale behind this attitude is that all goals of the society are defined by state as well as individuals' goals and private initiative are either ignored, or eliminated by the coercive power of state. Начало формы

## **State and Individual**

Liberal state is individualist. It explains history and society in terms of individual psychology and individual choices. The goal of state is the happiness of the individual.

According to liberalism, true and the only value is the individual. The individual is creative. Society and state have been created by the free will of individuals. The individual comes before society and state (should be considered in the context). The individual becomes a member of a society with her own liberties and natural rights. Liberties and natural rights (life, freedom, property) are the fundamental individual rights. Liberty is freedom of reason and will. These liberties end when the liberties of others begin. With the guidance of reason and will, individuals create their small worlds in which they can freely develop themselves. Liberalism advocates a peaceful coexistence of these small worlds. And the primary goal of state is to sustain this peace.

The main problem of liberalism is the dilemma between individual liberties and state power. Liberalism defends the former against the latter and tries to disrupt intervention of state in these areas. Human rights and liberties are the furthest border of state. State cannot interfere into private lives of individuals and it must respect human rights and liberties. These rights, which are crucial for personality of individuals, are not given to humans by state; therefore, state can neither interfere, nor eliminate them.

Liberalism believes that it is important to prioritize individual liberties and public contract in the concept of state. John Lock, a seventeenth century classic liberal, stated that

*And so whoever has the legislative or supreme power of any common-wealth, is bound to govern by established standing laws, promulgated and known to the people, and not by extemporary decrees; by indifferent and upright judges, who are to decide controversies by those laws; and to employ the force of the community at home, only in the execution of such laws, or abroad to prevent or redress foreign injuries, and secure the community from inroads and invasion. And all this*

*to be directed to no other end, but the peace, safety, and public good of the people (Locke 1980, 68).*

This idea defines the activities of state within the liberal framework. According to Locke, “but though men, when [people] enter into society, give up the equality, liberty, and executive power they had in the state of nature, into the hands of the society, to be so far disposed of by the legislative, as the good of the society shall require; yet it being only with an intention in every one the better to preserve himself, his *liberty* and *property*” (Locke 1980, 68 emphasis added).

Individualism has been and is criticized from a variety of angles. If we generalize all these approaches, we can say that the “individual” and “individualism” proposed by liberalism is abstract and a nominalist imagination, respectively. It is impossible to imagine the individual apart from a society. The values of society are vital for the individual. Without a society, it would be meaningless to think about the existence of the individual. In order to understand society, it is necessary to understand the environment that also includes the individual (Mises 1949, 41).

Responses to criticisms of liberalism both by the right and the left can be found in the works of Mises. According to this Austrian economist and social theorist, all behavior and activities in society are carried out by individuals (Yayla 2014, 148). A collective continues its existence and activity not its own but through one or more of its members. Collectives (as a whole) do not have any existence or activity beyond the existence and activity of their members. In other words, the life of a collective (community) is related to the activities of its members. There is no collective entity that does not include individual activity. It is impossible to have an idea about an individual person by examining the collectives, (communities) of which nature and boundaries are unclear (Mises 1949, 42).

## Elements of Classic Liberalism

Authors, whether they are within or outside of the liberal thinking tradition, have different opinions concerning the main elements of classic liberalism .

According to George Sabine, “the definitive features of liberal politics” are limitation of state powers, promotion of private initiative, and expansion of contractual freedom (Sabine 1969, 103). At the same time, Sabine clarifies “the two postulates of liberal political philosophy”: individualism should be against collectivism in any form and indispensable relationships among individuals should indisputably be moral (Sabine 1969, 123).

According to Andrew Belsey, liberalism can be described as a political activity with five characteristics: individualism, freedom of choice, market economy, *laissez-faire*[\[1\]](#), and limited state (Belsey 1986, 173).

Hayek defends similar ideas to that of David Hume, a Scottish historian and philosopher, in his writings. According to Hayek, the main principles and goals of liberal social order are the concepts of peace, justice, and liberty (Hayek 1967, 177). He highlights the importance of rule of law and the fact that mentioned three concepts are “negative” (freedom from) in nature. Sometimes he even uses “rule of law” and “liberalism” interchangeably (Yumer 1988, 27).

On the basis of all these and similar ideas, it is possible to come to the conclusion that individualism, liberty, spontaneous order and market economy, rule of law and limited state are the basic elements of classic liberalism (Yayla 2015, 154).

When it comes to modern liberalism, a question arises: What has happened to Adam Smith’s classic liberalism? Scottish economist Adam Smith said that the richness of nations is not in the amount of gold and silver they collect, but in the

quantity of goods and services they produce. He thought that the state intervention would reduce economic growth. Thomas Jefferson, the third US president in the Early Republic, took advantage of Smith's ideas. According to this view, the state should not interfere with religion, press, and freedom of opinion. These elements of classic liberalism are called conservatism by Americans.

By the end of the nineteenth century, we learned that the market economy was not a self-regulated system as Smith thought. Competition was imperfect. The market was controlled by manufacturers (Smith warned about it). The powers and numbers of monopolies were growing. The existing economic system had created a poorer layer of people. Thomas Hill Green, the English philosopher, re-explained liberalism in the 1880s. Green agree that liberty was the founding idea of liberalism. However, what would happen if economic development started to restrict liberty? Classic liberals had great faith in contracts (agreements that are reached as a result of private initiatives and are not in the control of state). But what would happen in an unequal economic development? Are poor people really free to accept a very low paid job? Classic liberalism argued in favor of non-intervention. Yet what would happen if earned wages were below the level of hunger? Green said that at this point it was important for state to intervene. In such a situation, it would be necessary for state to protect rather than eliminate liberties. It would be crucial to accept a certain degree of "positive liberty" along with "negative liberty." State would have to intervene in order to guarantee that liberty would remain at an acceptable level.

Modern liberals have encouraged the laws on wages and working hours, and freedom of association as well as raised high taxes for the rich people to implement them. At the same time, they regulated banking and financial systems to control development and crisis. It was the liberalism of Woodrow Wilson and Franklin D. Roosevelt that has existed in the United States

for more than a century. By the end of the nineteenth century, Woodrow Wilson, a political scientist and a representative of then-popular progressivism, analyzed the problems of the industrial society both as a scholar at the academic level and a politician during his presidency. He explained American liberalism, which is in contradiction with American founding philosophy (classic liberal philosophical perspective), in his books. After the major economic downturn in the United States, a new program, known as the New Deal, was launched with a liberal welfarist understanding. This was the basis of F. D. Roosevelt's political course.

Classic liberalism removed state from the market but modern liberalism recovered it: this time in order to protect people from unjust economic system (Roskin 2015, 62-66).

In the contemporary world, there is no state based on pure classic liberal ideology. Libertarian thinking in the United States can also be called modern classic liberalism. However, some new concepts have also been added. In the macro level, that is, in the whole world, there are two major obstacles to the realization of classical liberal ideas in the real life and the transition of welfare states to "minimal state." The first is that the defense needs of a country still demand important functions from the state. And the second is that substantial differences of liberal and non-liberal countries in terms of their economic development forces the formers to adopt non-liberal political decisions, such as restriction of freedom of movement, on economic grounds. It will be impossible to realize classic liberal ideas in any part of the globe as long as these obstacles are not removed (Yayla 2015, 222).

## **Conclusion**

While expressing an opinion about liberalism or analyzing it, we should think of it as a whole, in a form of a paradigm. This is not a collection of systematic texts from the



collection of certain parts of separate social theories. Some of the misconceptions about classic liberalism are related to these features. Although we sometimes focus on economic or political sides of liberalism, it is a complete whole. Liberalism, within the framework of a competitive environment, provides opportunities for all people to explore what is best for themselves, to choose their own goals, and to implement them in their own way. In liberal system, one person's gain does not mean that another has failed. Liberalism, on the basis of consensus, creates opportunities for all people to benefit to some extent.

The purpose of modern liberalism is liberty, too. As classical liberalism, fundamental rights are respected in modern liberalism. When we focus on the fundamental elements of both forms of liberalism, we categorize both of them as liberalism regardless of the fact that they have as many differences as their similarities. Classical liberalism includes important interconnected issues such as negative liberty, negative justice, individualism, liberal rationalism, limited role for state in social life, spontaneous social order, and market economy without state intervention. On the other hand, modern liberalism has been built on the basis of positive liberty, communalism, social justice, greater involvement of state in the lives of individuals and society, Cartesian rationalism, and adaptation of a certain degree of positivism. Labelling these different theories under the same title confuses many people. Therefore, some classic liberals claim that modern or social liberalism is fraudulent. They emphasize the importance of using modifiers such as classic, social, modern, and so forth while talking about the concept of liberalism. Thus, it is necessary to analyze liberalism in a multifaceted and profound manner before we come to a conclusion.

[\[1\]](#) This is a short version of the motto used by physiocrats: "*laissez faire laissez passer, le monde va de lui meme*" ("let do and let pass, the world goes on by itself!"). It refers to the concept that aims to protect property rights and oppose

the state intervention in economy.

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