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Economist

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Philosophy briefs

Liberalism's greatest thinkers



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The brains trust

We publish a collection of briefs on liberalism's greatest thinkers and why they still matter

LIBERALS ARE in the market for new ideas. For roughly 30 years, they ran the world. Starting in the early 1980s, free markets, globalisation and individual freedoms flourished. Liberalism—in this broad classical sense, rather than the narrow American left-of-centre one—saw off communism as well as social conservatism. Then, in the crash of 2008, it all fell apart.

The financial crisis unleashed economic austerity and the rise of populism. Liberals, in charge of government and the banks, got the blame. They have been paralysed ever since.

One source of new ideas is the past. The offerings of old liberal thinkers still hold lessons, it is the job of this collection of briefs to highlight them.

What emerges? Liberalism is pragmatic. John Maynard Keynes, a lifelong champion of the liberal ethos, advocated government intervention during recessions to avoid the social ruin of economic collapse. The welfare state was not a socialist creation, as both right and left assume, but a liberal one—so that individuals are free to achieve their full potential.

Thanks to this pragmatism, liberalism is a broad church. John Rawls was a progressive American academic, his counterpart Robert Nozick a libertarian. Keynes believed in intervention; Friedrich Hayek and his fellow mid-20th-century Austrian, Joseph Schumpeter, insisted on the freest of free markets. (We have urged readers who think our choice of dead white men too narrow to add their favourite liberal thinkers to our Literature of Liberalism—see the final section of this booklet.)

And liberals think concentrations of power pose a threat. If anyone should have known that intellectual dominance would lead to disaster, as it did in 2008, liberals should have. Mill thought that no argument was ever settled definitively. Alexis de Tocqueville, the great chronicler of liberal America, cherished the diversity of local groups as a guard against state power. Yet the liberals in charge before the financial crisis were convinced that they had all the answers. In protecting what they had, they stopped thinking.

Were the great minds still humming today, three things would trouble them. The first is the steady erosion of truth by “fake news”, Twitter storms and viral postings. Liberalism thrives on conflict. But for argument to be constructive, it must be founded on good faith and reason. Today both sides talk past each other. The idea has become common, on both right and left, that when people put forward an argument you cannot separate what they say from who they are.

The second worry is the erosion of individual freedom. Mill popularised the term “the tyranny of the majority”. He supported democracy, including women’s suffrage, but warned how, as now in Turkey and the Philippines, it could turn into mob rule. Separately, Isaiah Berlin, an Oxford academic, would have seen that “no platforming” in order to protect minority groups comes at the cost of individual speech.

Last, the great thinkers would have lamented liberals’ faltering faith in progress. New technology and open markets were supposed to spread enlightenment and prosperity, but many people no longer expect to live better than their parents did. As democracies drift towards xenophobic nationalism, universal values are in retreat. And for the first time since the heyday of the Soviet Union, liberalism faces the challenge of a powerful alternative, in the form of Chinese state-capitalism.

Today’s liberals like to think that they are grappling with uniquely difficult issues. They should consider their forerunners. Mill and Tocqueville had to make sense of revolution and war. Keynes, Berlin, Karl Popper and the Austrians confronted the seductive evils of totalitarianism. Today’s challenges are real. But far from shrinking from the task, the liberal thinkers of yesteryear would have rolled up their sleeves and got down to making the world a better place. ■

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The father of liberalism

Against the tyranny of the majority

John Stuart Mill's warning still resonates today

BY THE AGE of six, John Stuart Mill had written a history of Rome. By seven, he was devouring Plato in Greek. "This looks like bragging," his father James told a friend when the boy was eight; "John is now an adept in the first six books of Euclid and in Algebra."

The hot-housing that began at the younger Mill's birth in 1806 yielded its intended result: a prodigy with a profound faith in the power of reason. He became the leading exponent of the philosophy of liberalism, formulating ideas about economics and democracy that shaped the political debates of the 19th century. His reflections on individual rights and mob rule still resonate today. Especially today.

Mill grew up at a time of revolution. Democracy was on the march. America had broken free from Britain; France had overthrown its monarchy. In 1832 Britain passed the first Reform Act, which extended the franchise to

the middle classes. The Industrial Revolution was in full swing. The old social order, in which birth determined social position, was disintegrating. Nobody could be certain what would replace it.

Many today see Mill as an avatar for the ruthless capitalism of his era. Henry Adams, an American historian, referred to Mill as "his Satanic free-trade majesty". In the few surviving photos of him, he looks somewhat cold and unfeeling.

He wasn't. True, in his early years Mill was a dyed-in-the-wool utilitarian. His mentor was Jeremy Bentham, who had argued that the principle underlying all social activity ought to be "the greatest happiness of the greatest number". The aim of political economy, as economics was then known, was to maximise utility. Like Gradgrind in Charles Dickens's "Hard Times", Mill initially followed Bentham

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in seeing humans as mere calculating machines.

But that was only the young Mill. In his brilliant autobiography, published after his death in 1873, he confided that he grew up "in the absence of love and in the presence of fear". The result was a breakdown in his early 20s. He later came to believe that there must be more to life than what Benthamites term the "felicific calculus"—the accounting of pleasure and pain.

He turned to the poetry of William Wordsworth and Samuel Taylor Coleridge, which taught him about beauty, honour and loyalty. His new aesthetic sense pushed him away from gung-ho reformism and gently towards conservatism. If the societies of the past had produced such good art, he reasoned, they must have something to offer his age.

Mill did not reject utilitarianism as thoroughly as his contemporary Thomas Carlyle, who argued that only pigs would view the seeking of pleasure as the foundation of all ethics. Instead, Mill qualified it. Unlike Bentham, who thought that pushpin, a board game, was "of equal value with...poetry", he maintained that some sorts of pleasure were superior to others. He denied that these nuances meant he was no longer a utilitarian at all. What may at first seem a purely virtuous act that engenders no immediate pleasure—being true to your word, say—may eventually come to seem essential to well-being.

This refinement of utilitarianism demonstrated a pragmatism that is one of Mill's intellectual hallmarks. On many issues it is difficult to pigeonhole his stance, or even to pin down exactly what he believes. Part of what makes him a great thinker is that he qualifies his own arguments. His views evolved over the course of his life, but for most of it he rejected absolutes and recognised the world's mess and complexity. John Gray, a philosopher, writes that Mill was "an eclectic and transitional thinker whose writings cannot be expected to yield a coherent doctrine."

Above all, though, like all liberals Mill believed in the power of individual thought. His first big work, "A System of Logic", argues that humanity's greatest weakness is its tendency to delude itself as to the veracity of unexamined convictions. He renounced shibboleths, orthodoxies and received wisdom: anything that stopped people thinking for themselves.

He wanted them to be exposed to as wide a range of opinions as possible, and for no idea ▶▶

or practice to remain unchallenged. That was the path to both true happiness and progress. To protect freedom of expression he formulated his “harm principle”: “the only purpose for which power can be rightfully exercised over any member of a civilised community, against his will, is to prevent harm to others,” he wrote in “On Liberty”, his most famous book.

As Richard Reeves’s biography makes clear, Mill thought the coming industrial, democratic age could enable human flourishing in some ways, but hinder it in others. Take free trade, for which he was an enthusiast (despite working for a long time for the East India Company, perhaps the world’s biggest-ever monopoly). He thought free trade increased productivity: “Whatever causes a greater quantity of anything to be produced in the same place, tends to the general increase of the productive powers of the world,” he wrote in “Principles of Political Economy”. He criticised the Corn Laws, tariffs which largely benefited holders of agricultural land.

Yet Mill was even more taken by the philosophical argument for free trade. “It is hardly possible to overrate the value, in the present low state of human improvement, of placing human beings in contact with persons dissimilar to themselves, and with modes of thought and action unlike those with which they are familiar.” This applied to everyone: “there is no nation which does not need to borrow from others.” He practised what he preached, spending a lot of time in France and seeing himself as a sort of interlocutor between the revolutionary passion of French politics and the buttoned-down gradualism of England.

As democracy spread, he anticipated, ideas would clash. He supported the Reform Act of 1832, which, as well as extending the franchise, did away with “rotten boroughs”, constituencies with tiny electorates, often controlled by a single person. He praised France’s move in 1848 to institute universal male suffrage. Each voter’s views would be represented—and each would have reason to be informed. Participation in collective decision-making was for Mill part of the good life.

For the same reason he was an early proponent of votes for women. “I consider [sex] to be as entirely irrelevant to political rights as difference in height or in the colour of the hair,” he wrote in “Considerations on Representative Government”. After becoming an MP in 1865, he presented a petition calling for female suffrage.

Mill believed that society was advancing. But he also foresaw threats. Capitalism had flaws; democracy had an alarming tendency to undermine itself.

Take capitalism first. In 1800-50 average annual real-wage growth in Britain was a pathetic 0.5%. The average working week was 60 hours long. At times life expectancy in some cities dipped below 30. Mill supported trade unions and legislation to improve working conditions.

He worried, though, that capitalism could

inflict spiritual damage that would be harder to fix. The pressure to accumulate wealth could lead to passive acceptance of the world as it was—what Mill’s disciples call the “tyranny of conformity”.

Mill loved the idea of a country founded on liberty, but he feared America had fallen into precisely this trap. Americans displayed “general indifference to those kinds of knowledge and mental culture which cannot be immediately converted into pounds, shillings and pence.” Following Alexis de Tocqueville’s premonitions, Mill saw America as the country where there was less genuine freedom of thought than any other. How else could it live with such a huge inconsistency at its heart: a proclamation of liberty for all which co-existed with the institution of slavery?

In praise of experts

Democracy itself threatened the free exchange of ideas in a different way. Mill thought it right that ordinary people were being emancipated. But once free to make their own choices, they were liable to be taken in by prejudice or narrow appeals to self-interest. Give the working classes a vote, and chaos could result.

That in turn might cramp society’s intellectual development, the views of the majority stifling individual creativity and thought. Those who challenged received wisdom—the freethinkers, the cranks, the Mills—might be shunned by “public opinion”. Expertise could be devalued as the “will of the people” reigned supreme.

The upshot was frightening. Paradoxically individual freedom could end up being more restricted under mass democracy than under the despotic sovereigns of yore. Mill famously refers to this as “tyranny of the majority”. But he worries just as much about middle-class “respectable” opinion as working-class ignorance.



He pondered how to counter the tyrannical tendencies inherent in economic and political liberalism. Experts had a vital role to play, he thought. Progress required people with the time and inclination for serious study—a secular clergy, of sorts, termed the “clerisy” (a word borrowed from Coleridge). The clerisy had a utilitarian justification: its members would devise “rules that would maximise human well-being if we all followed them,” as Alan Ryan, a political theorist, puts it.

One solution was to give educated voters greater power. In this dispensation, people who could not read or write, or who had received the 19th-century equivalent of welfare benefits, would not get a vote. (Mill also thought certain citizens of Britain’s colonies, including Indians, were incapable of self-government.) University graduates might get six votes, unskilled workers one. The aim was to give those who had thought deeply about the world more say. The lower orders would be reminded that they required political and moral guidance, though in time more of them would join the ranks of the educated.

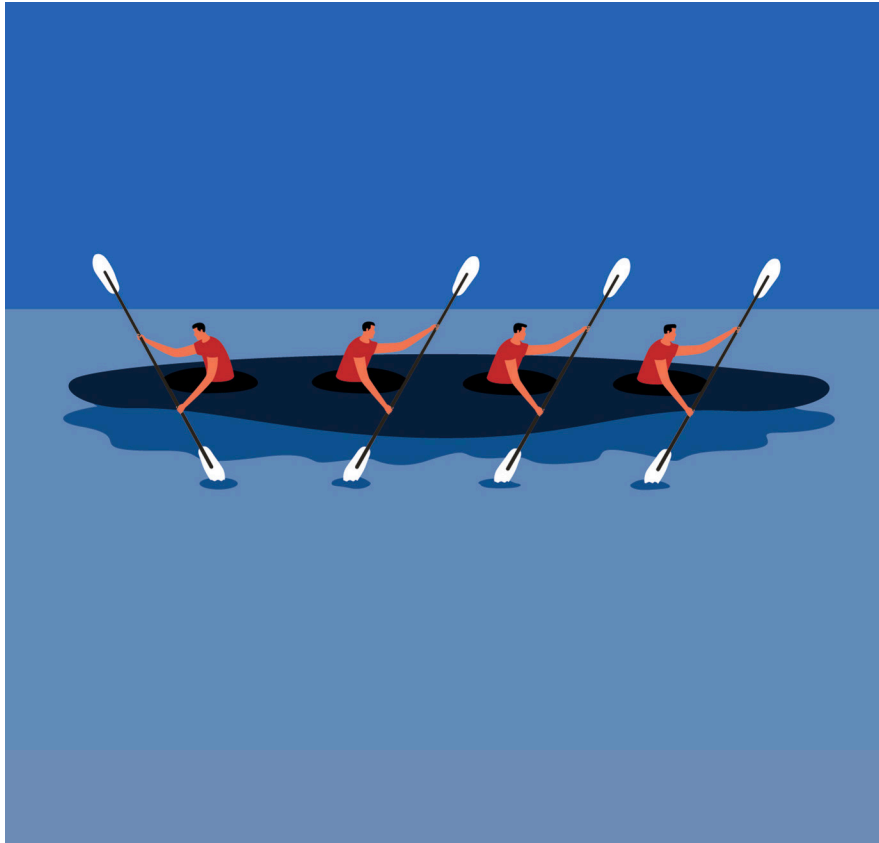
Although that approach looks snobbish, or worse, Mill was enlightened for his time. Indeed, he would have approved many of the social changes in the 21st century, including the universal franchise and women’s rights.

There would be much to concern him, too. Take Brexit. Whether or not Mill would have been a Brexiteer, he would have abhorred the referendum. Why get laymen to decide a matter on which they have little knowledge? He would have watched the rise of President Donald Trump, whose anti-intellectualism he would have loathed, and say: “I told you so.” He might have been surprised that America had taken so long to elect a demagogue.

The intellectual climate on both sides of the Atlantic would have depressed him. “[T]he peculiar evil of silencing the expression of an opinion is, that it is robbing the human race,” Mill wrote in “On Liberty”. “If the opinion is right, they are deprived of the opportunity of exchanging error for truth: if wrong, they lose, what is almost as great a benefit, the clearer perception and livelier impression of truth, produced by its collision with error.” He would not be impressed by no-platforming.

He might well argue that, before 2016, liberal thought had succumbed to a tyranny of conformity. Until recently there was little talk in liberal society about the “left behind” or the losers from free trade. Many liberals had fallen into a decidedly unMillian complacency—assuming that all the big arguments had been settled.

No longer. Mr Trump’s victory has prompted liberals to revisit the case for everything from free trade to immigration. Brexit has led to a lively debate about the proper locus of power. And universities have become a battleground over the limits of free speech. Like Mill’s, these are disorienting times—urgently requiring the intellectual flexibility and boldness epitomised by the father of liberalism. ■



Alexis de Tocqueville

The French exception

The gloomiest of the great liberals worried that democracy might not be compatible with liberty

HE IS THE most unusual member of the liberal pantheon. Liberalism has usually been at its most vigorous among the Anglo-American middle classes. By contrast, Alexis de Tocqueville was a proud member of the French aristocracy. Liberalism tends to be marinated in optimism to such an extent that it sometimes shades into naivety. Tocqueville believed that liberal optimism needs to be served with a side-order of pessimism. Far from being automatic, progress depends on wise government and sensible policy.

He also ranks among the greats. He wrote classic studies of two engines of the emerging liberal order: “Democracy in America” (1835-40) and “The Old Regime and the French Revolution” (1856). He also helped shape French liberalism, both as a political activist and as a thinker. He was a leading participant in the “Great Debate” of the 1820s between liberals and ultra-Royalists about the future direction of France. In 1849 he served briefly as foreign minister (he died a decade later). He broad-

ened the liberal tradition by subjecting the bland pieties of the Anglo-American middle class to a certain aristocratic disdain; and he deepened it by pointing to the growing dangers of bureaucratic centralisation. Better than any other liberal, Tocqueville understood the importance of ensuring that the collective business of society is done as much as possible by the people themselves, through voluntary effort, rather than by the government.

Tocqueville’s liberalism was driven by two forces. The first was his fierce commitment to the sanctity of the individual. The purpose of politics was to protect people’s rights (particularly the right to free discussion) and to give them scope to develop their abilities to the full. The second was his unshakable belief that the future lay with “democracy”. By that he meant more than just parliamentary democracy with its principle of elections and wide suffrage. He meant a society based on equality.

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The old regime was predicated on the belief that society was divided into fixed classes. Some people are born to rule and others to serve. Rulers like Tocqueville’s family in Normandy inherited responsibilities as well as privileges. They were morally bound to look after “their people” and serve “their country”. Democratic society was based on the idea that all people were born equal. They came into the world as individuals rather than as aristocrats or peasants. Their greatest responsibility was to make the most of their abilities.

Terror and the state

Many members of Tocqueville’s class thought that democratisation was both an accident and a mistake—an accident because clever management of the old regime could have prevented the revolution in 1789, and a mistake because democracy destroyed everything they held most dear. Tocqueville thought that was nonsense—and pitied his fellow blue-bloods who wasted their lives in a doomed attempt to restore aristocratic privilege.

The great question at the heart of Tocqueville’s thought is the relationship between liberty and democracy. Tocqueville was certain that it was impossible to have liberty without democracy, but he worried that it was possible to have democracy without liberty. For example, democracy might transfer power from the old aristocracy to an all-powerful central state, thereby reducing individuals to helpless, isolated atoms. Or it might make a mockery of free discussion by manipulating everybody into bowing down before conventional wisdom.

Sir Larry Siedentop, an Oxford academic, points out that Tocqueville’s contribution was to identify a structural flaw in democratic societies. Liberals are so preoccupied by the “contract” between the individual on the one hand and the state on the other that they don’t make enough room for intermediate associations which acted as schools of local politics and buffers between the individual and the state. And, he was the first serious thinker to warn that liberalism could destroy itself. Tocqueville worried that states might use the principle of equality to accumulate power and ride roughshod over local traditions and local communities. Such centralisation might have all sorts of malign consequences. It might reduce the variety of institutions by obliging them to follow a central script. It might re-▶▶

▶ duce individuals to a position of defencelessness before the mighty state, either by forcing them to obey the state's edicts or making them dependent on the state's largesse. And it might kill off traditions of self-government. Thus one liberal principle—equal treatment—might end up destroying three rival principles: self-government, pluralism and freedom from coercion.

Tocqueville feared his own country might fall into the grip of just such an illiberal democracy, as it had in the Terror, under Maximilien Robespierre in 1793. The French revolutionaries had been so blinded by their commitment to liberty, equality and fraternity that they crushed dissenters and slaughtered aristocrats, including many members of Tocqueville's family. His parents were spared, but his father's hair turned white at 24 and his mother was reduced to a nervous wreck.

He was worried about more than just the bloodshed, which proved to be a passing frenzy. The power of the state also posed a more subtle threat. The monarchy had nurtured an over-mighty state, as French kings sucked power from aristocrats towards the central government. The revolution completed the job, abolishing local autonomy along with aristocratic power and reducing individual citizens to equal servitude beneath the "immense tutelary power" of the state.

By contrast, the United States represented democracy at its finest. Tocqueville's ostensible reason for crossing the Atlantic, in 1831, was to study the American penal system, then seen as one of the most enlightened in the world. His real wish was to understand how America had combined democracy with liberty so successfully. He was impressed by the New England townships, with their robust local governments, but he was equally taken by the raw egalitarianism of the frontier.

Why did the children of the American revolution achieve what the children of the French revolution could not? The most obvious factor was the dispersal of power. The government in Washington was disciplined by checks and balances. Power was exercised at the lowest possible level—not just the states but also cities, townships and voluntary organisations that flourished in America even as they declined in France. The second factor was what he called "manners". Like most French liberals, Tocqueville was an Anglophile. He thought that America had inherited many of Britain's best traditions, such as common law and a ruling class that was committed to running local institutions.

Of liberty and religion

America also had the invaluable advantage of freedom of religion. Tocqueville believed that a liberal society depended ultimately on Christian morality. Alone among the world's religions, Christianity preached the equality of man and the infinite worth of the individual. But the ancien régime had robbed Christianity of its true spirit by turning it into an adjunct of

the state. America's decision to make religion a matter of free conscience created a vital alliance between the "spirit of religion" and the "spirit of liberty". America was a society that "goes along by itself", as Tocqueville put it, not just because it dispersed power but because it produced self-confident, energetic citizens, capable of organising themselves rather than looking to the government to solve their problems.

Sleeping on a volcano

He was not blind to the faults of American democracy. He puzzled over the fact that the world's most liberal society practised slav-



ery, though, like most liberals, he comforted himself with the thought that it was sure to wither. He worried about the cult of the common man. Americans were so appalled by the idea that one person's opinion might be better than another's that they embraced dolts and persecuted gifted heretics. He worried that individualism might shade into egotism. Shorn of bonds with wider society, Americans risked being confined within the solitude of their own hearts. The combination of egalitarianism and individualism might do for Americans what centralisation had done for France—dissolve their defences against governmental power and reduce them to sheep, content to be fed and watered by benevolent bureaucrats.

Tocqueville exercised a powerful influence on those who shared his fears. In his "Autobiography" John Stuart Mill thanked Tocqueville

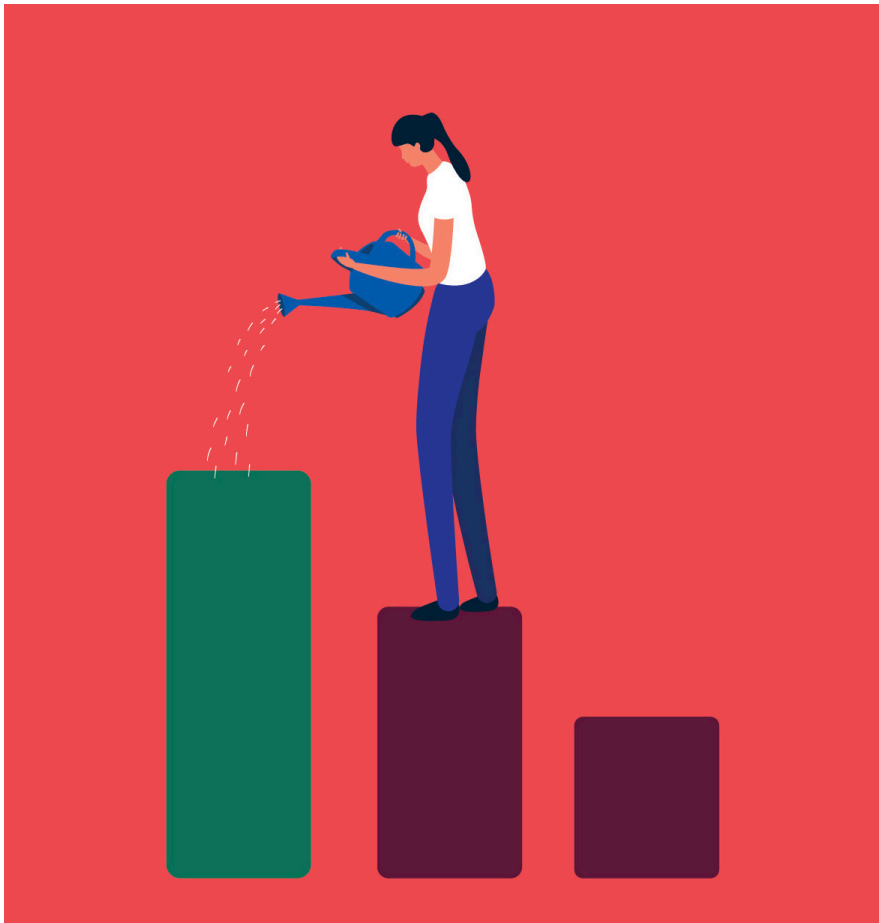
for sharpening his insight that government by the majority might hinder idiosyncratic intellectuals from influencing the debate. In 1867 Robert Lowe, a leading Liberal politician, argued for mass education on the Tocquevillian grounds that "we must educate our masters". Other Liberal politicians argued against extending the franchise on the grounds that liberty could not survive a surfeit of democracy. In the 1950s and 1960s American intellectuals seized on Tocqueville's insight that mass society might weaken liberty by narrowing society's choices.

More recently intellectuals have worried about the rapid growth of the federal government, inaugurated by Lyndon Johnson's Great Society programme. Transferring power from local to the federal government; empowering unaccountable bureaucrats to pursue abstract goods such as "equality of representation" (even if it means riding roughshod over local institutions); and undermining the vitality of civil society tends, they fear, to destroy the building blocks of Tocqueville's America. A recent conference, organised by the Tocqueville Society and held in the family's Normandy manor house, dwelt on the various ways in which democracy is under assault from within, by speech codes, and from without, by the rise of authoritarian populism, under the general heading of "demo-pessimism".

It is worth adding that the threat to liberty today does not stem just from big government. It also comes from big companies, particularly tech firms that trade in information, and from the nexus between the two. Gargantuan tech companies enjoy market shares unknown since the Gilded Age. They are intertwined with the government through lobbying and the revolving door that has government officials working for them when they leave office. By providing so much information "free" they are throttling media outfits that invest in gathering the news that informs citizens. By using algorithms based on previous preferences they provide people with information that suits their prejudices—right-wing rage for the right and left-wing rage for the left.

Today's great rising power is the very opposite of the United States, the great rising power of Tocqueville's time. China is an example not of democracy allied to liberty but of centralisation allied to authoritarianism. Its state and its pliant tech firms can control the flow of information to an extent never dreamed of. Increasingly, China embodies everything that Tocqueville warned against: power centralised in the hands of the state; citizens reduced to atoms; a collective willingness to sacrifice liberty for a comfortable life.

Before the revolution in France in 1848, Tocqueville warned that the continent was "sleeping on a volcano...A wind of revolution blows, the storm is on the horizon." Today democracy in America has taken a dangerous turn. Populists are advancing in Europe, Asia and Latin America. Authoritarians are consolidating power. The most pessimistic of great liberal thinkers may not have been



John Maynard Keynes

Was he a liberal?

People should be free to choose. It was their freedom not to choose that troubled John Maynard Keynes

IN 1944 Friedrich Hayek received a letter from a guest of the Claridge Hotel in Atlantic City, New Jersey. It congratulated the Austrian-born economist on his “grand” book, “The Road to Serfdom”, which argued that economic planning posed an insidious threat to freedom. “Morally and philosophically, I find myself”, the letter said, “in a deeply moved agreement.”

Hayek’s correspondent was John Maynard Keynes, on his way to the Bretton Woods conference in New Hampshire, where he would help plan the post-war economic order. The letter’s warmth will surprise those who know Hayek as the intellectual godfather of free-market Thatcherism and Keynes as the patron saint of a heavily guided capitalism.

But Keynes, unlike many of his followers, was not a man of the left. “The Class war will find me on the side of the educated bourgeoisie,” he said in his 1925 essay, “Am I a Liberal?”

He later described trade unionists as “tyrants, whose selfish and sectional pretensions need to be bravely opposed.” He accused the leaders of Britain’s Labour Party of acting like “sectaries of an outworn creed”, “mumbling moss-grown demi-semi-Fabian Marxism”. And he stated that “there is social and psychological justification for significant inequalities of incomes and wealth” (although not for such large gaps as existed in his day).

Why then did Keynes advocate Keynesianism? The obvious answer is the Great Depression, which reached Britain in the 1930s, shattering many people’s faith in unmanaged capitalism. But several of Keynes’s ideas dated back further.

He belonged to a new breed of liberals who were not in thrall to laissez-faire, the idea that “unfettered private enterprise would promote the greatest good of the whole”. That doctrine, Keynes believed, was never necessarily true in

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principle and was no longer useful in practice. What the state should leave to individual initiative, and what it should shoulder itself, had to be decided on the merits of each case.

In making those decisions, he and other liberals had to contend with the threats of socialism and nationalism, revolution and reaction. In response to the Labour Party’s growing political clout, a reform-minded Liberal government had introduced compulsory national insurance in 1911, which provided sickness pay, maternity benefits and limited unemployment assistance to the hard-working poor. Liberals of this kind saw unemployed workers as national assets who should not be “pauperised” through no fault of their own.

This cadre of liberals believed in helping those who could not help themselves and accomplishing collectively what could not be achieved individually. Keynes’s thinking belongs within this ambit. He dwelled on entrepreneurs who could not profitably expand operations unless others did the same, and on savers who could not improve their financial standing unless others were willing to borrow. Neither group could succeed through their own efforts alone. And their failure to achieve their purposes hurt everyone else, too.

How so? Economies produce, Keynes said, in response to spending. If spending is weak, production, employment and income will be correspondingly feeble. One vital source of spending is investment: the purchase of new equipment, factories, buildings and the like. But Keynes worried that private entrepreneurs, left to their own devices, would undertake too little spending of this kind. He once argued, provocatively, that America could spend its way to prosperity. Certainly, countries could underspend their way out of it.

Earlier economists were more sanguine. They believed that, if the willingness to invest was weak and the desire to save was strong, the interest rate would fall to bring the two into alignment. Keynes thought the interest rate had another role. Its task was to persuade people to part with money and hold less-liquid assets instead.

Money’s appeal, Keynes understood, was that it allowed people to preserve their purchasing power while deferring any decision about what to do with it. It gave them the freedom not to choose. If people’s demand for this kind of freedom was particularly fierce, they would part with money only if other assets ▶▶

▶ seemed irresistibly cheap by comparison. Unfortunately, asset prices that were so very low would also depress capital spending—resulting in diminished production, employment and earnings. Falling incomes would reduce the community's ability to save, squeezing it until it matched the nation's meagre willingness to invest. And there the economy would languish.

The resulting unemployment was not merely unjust, it was also thuddingly inefficient. Labour, Keynes pointed out, does not keep. Although workers themselves do not disappear through disuse, the time they could have spent contributing to the economy is squandered for ever.

Such wastefulness still haunts the world. Since the beginning of 2008, the American workforce has put in 100bn fewer hours than it could have if fully employed, according to the Congressional Budget Office. Keynes was often accused by bean-counting officials of a cavalier disregard for fiscal rectitude. But his penny-foolishness was nothing compared with the extraordinary waste of resources from mass unemployment.

Somewhat pink

The remedy most often associated with Keynes was simple: if private entrepreneurs would not invest heavily enough to maintain high employment, the government should do so instead. He favoured ambitious programmes of public works, including rebuilding South London from County Hall to Greenwich so that it rivalled St James's. In his letter to Hayek, he admitted that his moral and philosophical agreement with "The Road to Serfdom" did not extend to its economics. Britain almost certainly needed more planning, not less. In the "General Theory" he prescribed "a somewhat comprehensive socialisation of investment".

His worst critics have seized on the illiberal, even totalitarian, implications of that phrase. It is true that Keynesianism is compatible with authoritarianism, as modern China shows. The interesting question is this: if Keynesianism can work well without liberalism, can liberalism prosper without Keynesianism?

Liberal critics of Keynes make a variety of arguments. Some reject his diagnosis. Recessions, they argue, are not the result of a curable shortfall of spending. They are themselves the painful cure for misdirected spending. Slumps thus pose no conflict between liberty and economic stability. The remedy is not less liberalism but more: a freer labour market that would let wages fall quickly when spending flags; and an end to activist central banks, because artificially low interest rates invite the misdirected investment that ends in a bust.

Others say that the cure is worse than the disease. Recessions are not reason enough to infringe on liberty. This stoicism was implicit in Victorian institutions like the gold standard, free trade and balanced budgets, which tied governments' hands, for better or worse.

But by 1925, society could no longer tolerate such pain, partly because it no longer believed it had to.

A third line of argument mostly accepts Keynes's diagnosis but quarrels with his most famous prescription: public mobilisation of investment. Later liberals placed more faith in monetary policy. If the interest rate would not naturally reconcile saving and investment at high levels of income and employment, modern central banks could lower it until it did. This alternative sat more comfortably with liberals than Keynesian fiscal activism. Most of them (although not all) accept that the state has a responsibility for a nation's money. Since the government will need a monetary policy of one kind or another, it might as well choose one that helps the economy realise its full potential.

These three arguments have rebuttals. If an economy has spent badly, surely the solution is to redirect expenditures, not to reduce them. If liberal governments do not fight downturns, voters will turn to illiberal governments that do, jeopardising the very freedoms the government's pious inaction was meant to respect.

Last, Keynes himself thought easy money was helpful. He just doubted it was sufficient. However generously supplied, extra liquidity may not revive spending, especially if people do not expect the generosity to persist. Similar doubts about monetary policy have revived since the financial crisis of 2008. The response of central banks to that disaster was less effective than hoped. It was also more meddling than purists would like. Central-bank purchases of assets, including some private securities, inevitably favoured some groups over others. They thus compromised the impartiality in economic affairs that befits a strictly liberal state.

In severe downturns Keynesian fiscal

policy may be more effective than monetary measures. And it need not be as heavy-handed as its critics fear. Even a small and unassuming state must carry out some public investment—in infrastructure, for example. Keynes thought these projects should be timed to offset downturns in private spending, when men and materials would anyway be easier to find.

In promoting investment, he was happy to entertain "all manner of compromises" between public authority and private initiative. The government could, say, underwrite the worst risks of some investments, rather than undertaking them itself.

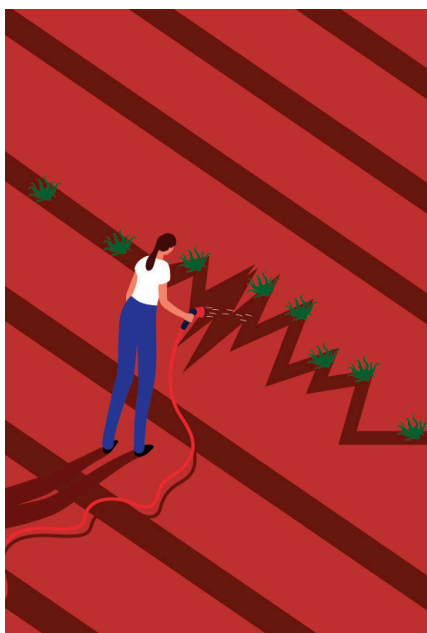
By the 1920s Britain had progressive taxation and compulsory national insurance, which collected contributions from wage-earners and firms during periods of employment, then shelled out unemployment benefits during spells of joblessness. Although not intended as such, these arrangements served as "automatic stabilisers", removing purchasing power during booms and restoring it during busts.

This can be taken further. In 1942 Keynes endorsed a proposal to lower national-insurance contributions during bad times and raise them in good. Compared with varying public investment, this approach has advantages: payroll taxes, unlike infrastructure projects, can be adjusted with the stroke of a pen. It also blurs ideological lines. The state is its most Keynesian (judged by stimulus) when it is also at its smallest (measured by its tax take).

Keynesian theory is ultimately agnostic about the size of government. Keynes himself thought that a tax take of 25% of net national income (roughly 23% of GDP) is "about the limit of what is easily borne". He worried more about the volume of spending than its composition. He was broadly happy to let market forces decide what was purchased, provided enough was. Done right, his policies only distorted spending that would otherwise not have existed at all.

Keynesianism can certainly be carried to excess. If it works too well in reviving spending, it can strain the economy's resources, yielding chronic inflation (a possibility that also worried Keynes). Planners can miscalculate or overreach. Their power to mobilise resources can invite vociferous lobbying, which can turn militant, requiring a forcible government response. The totalitarian states Keynes worked so hard to defeat showed that the "central mobilisation of resources" and "the regimentation of the individual" could destroy personal liberty, as he himself once noted.

But Keynes felt that the risk in Britain was remote. The planning he proposed was more modest. And some of the people carrying it out were as worried about creeping socialism as anyone. Moderate planning will be safe, Keynes argued in his letter to Hayek, if those implementing it share Hayek's moral position. The ideal planners are reluctant ones. Keynesianism works best in the hands of Hayekians. ■





Schumpeter, Popper and Hayek

The exiles fight back

Between them, three Austrian intellectuals formulated a response to the 20th century's tyrannies

AS THE SECOND world war raged, Western intellectuals wondered if civilisation could recover. George Orwell, the most brilliant of the pessimists, wrote "Animal Farm" and began work on "1984", which saw the future as "a boot stamping on a human face—forever". Among the optimists were three Viennese exiles who launched a fightback against totalitarianism. Instead of centralisation, they advocated diffuse power, competition and spontaneity. In Massachusetts Joseph Schumpeter wrote "Capitalism, Socialism and Democracy", published in 1942. In New Zealand Karl Popper wrote "The Open Society and its Enemies" (1945). Friedrich Hayek wrote "The Road to Serfdom" (1944) in Britain.

Vienna, their original home, had been devastated. In 1900 it was the capital of the Habsburg monarchy, a polyglot, fairly liberal empire. In short order it faced two world wars, the empire's collapse, political extremism, annexation by the Nazis and Allied occupation.

Graham Greene visited in 1948 and described the former jewel of the Danube as a "smashed, dreary city".

War and violence "destroyed the world in which I had grown up," said Popper. Schumpeter viewed Austria as just a "little wreck of a state". "All that is dead now," said Hayek, of Vienna's heyday.

Yet the city shaped them. Between 1890 and the 1930s it was one of the brainiest places in the world. Sigmund Freud pioneered psychoanalysis. The Vienna Circle of philosophers debated logic. The Austrian school of economics grappled with markets; Ludwig von Mises made breakthroughs on the role of speculation and the price mechanism. Von Mises mentored Hayek, who was a cousin of the philosopher Ludwig Wittgenstein, who went to school with Adolf Hitler, who stood at the Heldenplatz in 1938 to welcome "the entry of my homeland into the German Reich".

The three wartime thinkers had different

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backgrounds. Schumpeter was a flamboyant adventurer born into a provincial Catholic family. Popper's family was intellectual and had Jewish roots; Hayek was the son of a doctor. But they had common experiences. All three attended the University of Vienna. Each had been tempted, and then repelled, by socialism; Schumpeter was finance minister in a socialist government. He also lost his fortune in a bank collapse in 1924. He then left for Germany, and, after his wife died, emigrated to America in 1932. Hayek left Vienna for the London School of Economics in 1931. Popper fled Austria just in time, in 1937.

Each was troubled by the Anglo-Saxon countries' complacency that totalitarianism could never happen to them. Yet warning signs abounded. The Depression in the 1930s had made government intervention seem desirable to most economists. Now the Soviet Union was a wartime ally, and criticism of its terror-based regime was frowned upon. Perhaps most worryingly, in Britain and America war had brought centralised authority and a single collective purpose: victory. Who could be sure that this command-and-control machine would be switched off?

Hayek and Popper were friends but not close to Schumpeter. The men did not co-operate. Nonetheless a division of labour emerged. Popper sought to blow up the intellectual foundations of totalitarianism and explain how to think freely. Hayek set out to demonstrate that, to be safe, economic and political power must be diffuse. Schumpeter provided a new metaphor for describing the energy of a market economy: creative destruction.

The hotel years

Start with Popper. He decided to write "The Open Society" after Hitler invaded Austria and described it as "my war effort". It begins with an attack on "historicism," or grand theories dressed up as laws of history, which make sweeping prophecies about the world and sideline individual volition. Plato, with his belief in a hierarchical Athens ruled by an elite, gets clobbered first. Hegel's metaphysics and his insistence that the state has its own spirit are dismissed as "mystifying cant". Popper gives a sympathetic hearing to Marx's critique of capitalism, but views his predictions as little better than a tribal religion.

In 1934 Popper had written about the scientific method, in which hypotheses are ▶▶

advanced and scientists seek to falsify them. Any hypothesis left standing is a kind of knowledge. This conditional, modest concept of truth recurs in “The Open Society”. “We must break with the habit of deference to great men,” Popper argues. A healthy society means a competition for ideas, not central direction, and critical thinking that considers the facts, not who is presenting them. Contrary to Marx’s claim, democratic politics was not a pointless charade. But Popper thought that change was only possible through experimentation and piecemeal policy, not utopian dreams and large-scale schemes executed by an omniscient elite.

Hayek shared Popper’s view of human knowledge as contingent and dispersed. In “The Road to Serfdom” he makes a narrow point ruthlessly: that collectivism, or the longing for a society with an overarching common purpose, is inherently misguided and dangerous to liberty. The complexity of the industrial economy means it is “impossible for any man to survey more than a limited field”. Hayek built on von Mises’s work on the price mechanism, arguing that without it socialism had no way to allocate resources and reconcile millions of individual preferences. Because it is unable to satisfy the vast variety of people’s wants, a centrally planned economy is innately coercive. By concentrating economic power, it concentrates political power. Instead, Hayek argues, a competitive economy and polity is “the only system designed to minimise by decentralisation the power exercised by man over man”. Democracy was a “device for safeguarding” freedom.

Schumpeter is a puzzle. (In his history of neoliberalism, Daniel Stedman Jones picks von Mises as his third Viennese thinker instead.) His previous book, a tome on the history of business cycles, flopped in the 1930s. It is fashionable now to describe his follow-up, “Capitalism, Socialism and Democracy”, as one of the greatest works of the 20th century. But it can be turgid and long-winded; parts are dedicated to prophecies of the kind Popper thought nuts. Schumpeter’s contention that socialism would eventually replace capitalism—because capitalism anaesthetised its own acolytes—is sometimes thought to be tongue-in-cheek. Yet, like a gold nugget amid sludge, the book contains a dazzling idea about how capitalism actually works, rooted in the perspective of the businessman, not bureaucrats or economists.

Until John Maynard Keynes published his “General Theory” in 1936, economists did not really concern themselves with the economic cycle. Schumpeter emphasised a different sort of cycle: a longer one of innovation. Entrepreneurs, motivated by the prospect of monopoly profits, invent and commercialise products that trounce their antecedents. Then they are trounced in turn. This “perennial gale” of birth and death, not planners’ schemes, is how technological advances are made. Capitalism, while unequal, is dynamic. Firms and their owners enjoy only limited windows of

competitive advantage. “Each class resembles a hotel,” Schumpeter wrote earlier; “always full, but always of different people”. Perhaps he was recalling his own wild ride in Vienna’s banking industry.

Taken together, in the 1940s Hayek, Popper and Schumpeter offered a muscular attack on collectivism, totalitarianism and historicism, and a restatement of the virtues of liberal democracy and markets. Capitalism is not an engine for warmongering exploitation (as Marxists believed), nor a static oligarchy, nor a high road to crisis. Accompanied by the rule of law and democracy, it is the best way for individuals to retain their liberty.

Serfdom revisited

The reception of their work varied. Popper struggled to get his book published (it was long and paper was still rationed). By 1947 Schumpeter’s was hailed as a masterpiece; his battered reputation soared. Hayek’s work had



little impact until it featured in Reader’s Digest in America, turning him into an overnight sensation there. And, over time, the three men’s paths diverged. Popper, who moved to Britain in 1946, returned to focus on science and knowledge. Schumpeter died in 1950. Hayek moved to Michigan, becoming a luminary of the Chicago School of free-market economists and a shrill critic of all government.

But their combined stature grew. By the 1970s Keynesianism and nationalisation had failed, leading a new generation of economists and politicians, including Ronald Reagan and Margaret Thatcher, to emphasise markets and individuals. The collapse of the Soviet Union in the 1990s vindicated Popper’s searing attack on the stupidity of grand historical schemes. And Silicon Valley’s continual reinventions,

from the mainframe and PC to the internet and mobile phones, vindicated Schumpeter’s faith in entrepreneurs.

The three Austrians are vulnerable to common criticisms. The concentration of their intellectual firepower on left-wing ideologies (rather than Nazism) can seem lopsided. Schumpeter had been complacent about the rise of Nazism; but for Popper and Hayek, the devastation unleashed by fascism was self-evident. Both argued that Marxism and fascism had common roots: the belief in a collective destiny; the conviction that the economy should be marshalled to a common goal and that a self-selected elite should give the orders.

Another criticism is that they put too little emphasis on taming the savagery of the market, particularly given the misery of unemployment in the 1930s. In fact Popper was deeply concerned about workers’ conditions; in “The Open Society” he lists approvingly the labour regulations put in place since Marx wrote about children toiling in factories. He thought pragmatic policies could gradually improve the lot of all. In the 1940s Hayek was more moderate than he later became, writing that “some minimum of food, shelter and clothing, sufficient to preserve health and the capacity to work, can be assured to everyone”. The economic cycle was “one of the gravest problems” of the time. Schumpeter showed fewer signs of compassion yet was profoundly ambivalent about the social impact of creative destruction.

Today the Austrians are as relevant as ever. Autocracy is hardening in China. Democracy is in retreat in Turkey, the Philippines and elsewhere. Populists stalk the Americas and Europe: in Vienna a party with fascist roots is in the ruling coalition. All three would have been perturbed by the decay of the public sphere in the West. Instead of a contest of ideas, there is the tribal outrage of social media, leftwing zealotry on America’s campuses and fearmongering and misinformation on the right.

Together the trio shine a light on the tension between liberty and economic progress, now exacerbated by technology. In the 1940s Hayek and Popper were able to argue that individual freedom and efficiency were bedfellows. A free, decentralised society allocated resources better than planners, who could only guess at the knowledge dispersed among millions of individuals. Today, by contrast, the most efficient system may be a centralised one. Big data could allow tech firms and governments to “see” the entire economy and co-ordinate it far more efficiently than Soviet bureaucrats ever could.

Schumpeter thought monopolies were temporary castles that were blown away by new competitors. Today’s digital elites seem entrenched. Popper and Hayek might be fighting for a decentralisation of the internet, so that individuals owned their own data and identities. Unless power is dispersed, they would have pointed out, it is always dangerous. ■



Berlin, Rawls and Nozick

Rawls rules

Three post-war liberals strove to establish the meaning of individual freedom

ONE DEFINITION of a liberal is a person who supports individual rights and opposes arbitrary power. But that does not tell you which rights matter. For example, some campaigners say they want to unshackle transgender people, women and minorities from social norms, hierarchies and language that they see as tyrannical. Their opponents say that this means limiting what individuals do and say, for instance by censoring frank discussions of gender, or forbidding the emulation of minority cultures. Supporters of these kinds of “identity politics” claim to be standing up for rights against unjust power. But their opponents do, too. If both claim to be “liberal”, does the word mean much at all?

The problem is not new. Isaiah Berlin identified the crucial fault line in liberal thought in Oxford in 1958. There are supporters of “negative” liberty, best defined as freedom not to be interfered with. Negative liberties ensure that

no person can seize his neighbour’s property by force or that there are no legal restrictions on speech. Then there are backers of “positive” liberty, which empowers individuals to pursue fulfilling, autonomous lives—even when doing so requires interference. Positive liberty might arise when the state educates its citizens. It might even lead the government to ban harmful products, such as usurious loans (for what truly free individual would choose them?).

Berlin spied in positive liberty an intellectual sleight of hand which could be exploited for harm. Born in Riga in 1909, he had lived in Russia during the revolutions of 1917, which gave him a “permanent horror of violence”. In 1920 his family returned to Latvia, and later, after suffering anti-Semitism, went to Britain. As his glittering academic career progressed, Europe was ravaged by Nazism and communism.

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Under positive liberty the state is justified in helping people overcome their internal, mental vices. That lets government decide what people really want, regardless of what they say. It can then force this on them in the name of freedom. Fascists and communists usually claim to have found a greater truth, an answer to all ethical questions, which reveals itself to those who are sufficiently adept. Who, then, needs individual choice? The risk of a perversion of liberty is especially great, Berlin argued, if the revealed truth belongs to a group identity, like a class or religion or race.

To reject positive liberty is not to reject all government, but to acknowledge that trade-offs exist between desirable things. What, for example, of the argument that redistributing money to the poor in effect increases their freedom to act? Liberty must not be confused with “the conditions of its exercise”, Berlin replied. “Liberty is liberty, not equality or fairness or justice or culture, or human happiness or a quiet conscience.” Goals are many and contradictory and no government can infallibly pick among them. That is why people must be free to make their own choices about what constitutes good living.

Yet determining the proper sphere of that freedom has been the great challenge all along. One lodestar is the harm principle. Governments should interfere with choices only to prevent harm to others. But this is hardly a sufficient rule with which to exercise power, because there are plenty of harms that liberals typically do permit. An entrepreneur might harm an incumbent businessman by bankrupting him, for example. The most significant attempt of the 20th century to find a stronger boundary between the state and the individual was made by the Harvard philosopher John Rawls in 1971.

Rawls’s “A Theory of Justice” sold over half a million copies, reinvigorated political philosophy and anchored debates between liberals for decades to follow. It posited a thought experiment: the veil of ignorance. Behind the veil, people do not know their talents, class, gender, or even which generation in history they belong to. By thinking about what people would agree to behind the veil, Rawls thought, it is possible to ascertain what is just.

To begin with, Rawls argued, they would enshrine the most extensive scheme of inalienable “basic liberties” that could be offered on equal terms to all. Basic liberties are those ▶▶

► rights that are essential for humans to exercise their unique power of moral reasoning. Much as Berlin thought the power to choose between conflicting ideals was fundamental to human existence, so Rawls argued that the capacity to reason gives humanity its worth. Basic liberties thus include those of thought, association and occupation, plus a limited right to hold personal property.

But extensive property rights, allowing unlimited accumulation of wealth, do not feature. Instead, Rawls thought the veil of ignorance yields two principles to regulate markets. First, there must be equality of opportunity for positions of status and wealth. Second, inequalities can be permitted only if they benefit the least well-off—a rule dubbed the “difference principle”. Wealth, if it is to be generated, must trickle all the way down. Only such a rule, Rawls thought, could maintain society as a co-operative venture between willing participants. Even the poorest would know that they were being helped, not hindered, by the success of others. “In justice as fairness”—Rawls’s name for his philosophy—“men agree to share one another’s fate.”

Rawls attributed his book’s success with the public to how it chimed with the political and academic culture, including the civil-rights movement and opposition to the Vietnam war. It demonstrated that left-wing liberalism was not dreamed up by hippies in a cloud of marijuana smoke, but could be rooted in serious philosophy. Today, the veil of ignorance is commonly used to argue for more redistribution.

Ironically, since 1971 the rich world has mostly gone in the opposite direction. Having already built welfare states, governments deregulated markets. Tax rates for the highest earners have fallen, welfare benefits have been squeezed and inequality has risen. True, the poorest may have benefited from the associated growth. But the reformers of the 1980s, most notably Margaret Thatcher and Ronald Reagan, were no Rawlsians. They would have found more inspiration in Rawls’s Harvard contemporary: Robert Nozick.

Nozick’s book “Anarchy, State and Utopia”, published in 1974, was an assault on Rawls’s idea of redistributive justice. Whereas Rawls’s liberalism relegates property rights, Nozick’s elevates them. Other forms of liberty, he argued, are excuses for the immoral coercion of individuals. People own their talents. They cannot be compelled to share their fruits.

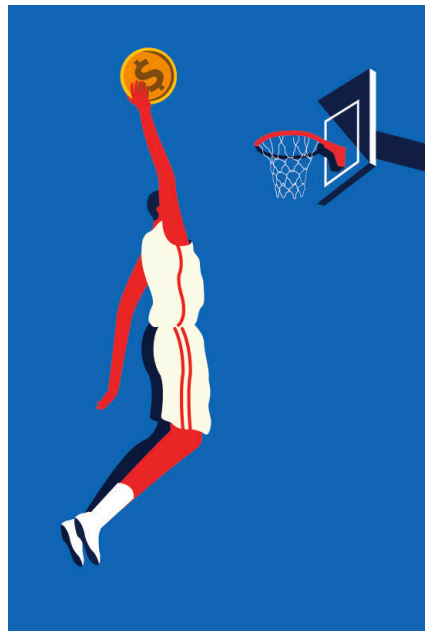
Nozick questioned whether distributive justice is even coherent. Imagine some distribution of wealth that is deemed to be just. Next suppose that a large number of people each pay 25 cents to watch Wilt Chamberlain, then the top player in the NBA, play basketball. A new distribution would emerge, containing a very rich Mr Chamberlain. In this transition, people would have engaged in purely voluntary exchanges with resources that are properly theirs, if the initial distribution really is just. So what could be the problem with the

later one? Liberty, Nozick said, disrupts patterns. Justice cannot demand some preferred distribution of wealth.

His work contributed to a philosophy in favour of small government that was blooming at the time. In 1974 Friedrich Hayek—Thatcher’s favourite thinker—won the Nobel prize in economics. Two years later it went to Milton Friedman. But although the world moved rightward, it did not shift far enough to become Nozickian. “Anarchy, State and Utopia” called for only a minimal, “night-watchman” state to protect property rights. But vast government spending, taxation and regulation endure. Even America, despite its inequality, probably remains more Rawlsian.

Too much Utopia

Some of Rawls’s fiercest critics have been to his left. Those concerned with racial and gender inequality have often seen his work as a highfalutin irrelevance. Both Rawls and Nozick practised “ideal theory”—hypothesising



about what a perfect society looks like, rather than deciding how to fix existing injustices. It is not clear, for example, whether Rawls’s principle of equality of opportunity would permit affirmative action, or any other form of positive discrimination. Rawls wrote in 2001 that the “serious problems arising from existing discrimination and distinctions are not on [justice as fairness’s] agenda.” Nozick acknowledged that his views on property rights would apply only if there had been no injustice in how property had been acquired (such as the use of slaves, or the forced seizure of land).

Rawls was also more concerned with institutions than with day-to-day politics. As a result, on today’s issues his philosophy can fire blanks. For example, feminists often say he did too little to flesh out his views on the fam-

ily. His main prescription is that interactions between men and women should be voluntary. That is not much help to a movement that is increasingly concerned with social norms that are said to condition individual choices.

Rawlsianism certainly provides little to support identity politics. Today’s left increasingly sees speech as an exercise in power, in which arguments cannot be divorced from the identity of the speaker. On some university campuses conservative speakers who cast doubt on the concepts of patriarchy and white privilege, or who claim that gender norms are not arbitrary, are treated as aggressors whose speech should be prevented. The definition of “mansplaining” is evolving to encompass men expressing any opinion at length, even in writing that nobody is compelled to read. Arguments, it is said, should be rooted in “lived experience”.

This is not how a Rawlsian liberal society is supposed to work. Rawls relied on the notion that humans have a shared, disinterested rationality, which is accessible by thinking about the veil of ignorance, and is strengthened by freedom of speech. If arguments cannot be divorced from identity, and if speech is in fact a battleground on which groups struggle for power, the project is doomed from the outset.

Rawls thought that the stability of the ideal society rests on an “overlapping consensus”. Everyone must be sufficiently committed to pluralism to remain invested in the democratic project, even when their opponents are in power. The polarised politics of America, Britain and elsewhere, in which neither side can tolerate the other’s views, pushes against that ideal.

The more that group identity is elevated above universal values, the greater the threat. In America some on the left describe those who have adopted their views as “woke”. Some fans of Donald Trump—who has taken the Republican party a long way from Nozickian libertarianism—say they have been “red pill’d” (a reference to the film “The Matrix”, in which a red pill lets characters realise the true nature of reality). In both cases, the language suggests some hidden wisdom that only the enlightened have discovered. It is not far from there to saying that such a revelation is necessary to be truly free—an argument that Berlin warned is an early step on the path to tyranny.

The good news is that pluralism and truly liberal values remain popular. Many people want to be treated as individuals, not as part of a group; they attend to what is being said, not just to who is saying it. Much hand-wringing about public life reflects the climate on social media and campuses, not society at large. Most students do not subscribe to radical campus leftism. Still, backers of liberal democracy would do well to remember that the great post-war liberals, in one way or another, all emphasised how individuals must be free to resist the oppression of large groups. That, surely, is where liberal thought begins. ■



Rousseau, Marx and Nietzsche

The prophets of illiberal progress

Terrible things have been done in their name

LIBERALISM IS a broad church. In this series we have ranged from libertarians such as Robert Nozick to interventionists such as John Maynard Keynes. Small-government fundamentalists like Friedrich Hayek have rubbed shoulders with pragmatists such as John Stuart Mill.

But there are limits. Our last brief seeks to sharpen the definition of liberalism by setting it in opposition to a particular aspect of the thought of three anti-liberals: Jean-Jacques Rousseau, a superstar of the French Enlightenment; Karl Marx, a 19th-century German revolutionary communist; and Friedrich Nietzsche, 30 years Marx's junior and one of philosophy's great dissidents. Each has a vast and distinct universe of ideas. But all of them dismiss the liberal view of progress.

Liberals believe that things tend to get better. Wealth grows, science deepens understanding, wisdom spreads and society improves. But liberals are not Pollyannas.

They saw how the Enlightenment led to the upheaval of the French revolution and the murderous Terror that consumed it. Progress is always under threat.

And so liberals set out to define the conditions for progress to come about. They believe that argument and free speech establish good ideas and propagate them. They reject concentrations of power because dominant groups tend to abuse their privileges, oppressing others and subverting the common good. And they affirm individual dignity, which means that nobody, however certain they are, can force others to give up their beliefs.

In their different ways Rousseau, Marx and Nietzsche rejected all these ideas. Rousseau doubted that progress takes place at all. Marx thought progress is ordained, but that it is generated by class struggle and revolution. Nietzsche feared that society was descending into nihilism, but appealed to the heroic übermensch in each person as its saviour. Those

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coming after them did terrible things in their name.

Rousseau (1712-78) was the most straightforwardly pessimistic. David Hume, Voltaire, Denis Diderot and Rousseau's other contemporaries believed the Enlightenment could begin to put right society's many wrongs. Rousseau, who in time became their bitter foe, thought the source of those wrongs was society itself.

In "A Discourse on Inequality" he explains that mankind is truly free only in the state of nature. There the notion of inequality is meaningless because the primitive human being is solitary and has nobody to look up to or down upon. The rot set in when a person first fenced off some land and declared: "This is mine". "Equality disappeared, property was introduced, labour became necessary, and the vast forests changed to smiling fields that had to be watered with the sweat of men, where slavery and poverty were soon seen to germinate and grow along with the crops."

Rousseau's political philosophy is an attempt to cope with society's regression from the pristine state of nature. He opens "The Social Contract" with a thundering declamation: "Man is born free, and everywhere he is in chains." Mankind is naturally good, but political society corrupts him. Social order does not come from nature, it is founded on conventions. The social contract sets out to limit the harm.

Sovereignty, he says, wells up from the people—as individuals. Government is the servant of the sovereign people and its mandate needs to be renewed periodically. If the government fails the people, they can replace it. Today that may seem like common sense. In a society founded on monarchy and aristocracy, it was revolutionary.

But society makes people selfish. "The laws are always useful to those with possessions and harmful to those who have nothing." Religion adds to its ills. "True Christians are made to be slaves."

Equality, though not an end in itself, thus needs to be enforced as a way to counteract the selfish desires and subservience that society breeds in individuals. "For the social compact not to be an empty formula... whoever refuses to obey the general will shall be constrained to do so by the entire body: which means nothing other than that he shall be forced to be free."

Revolutionaries have seized on that for- ▶▶

mula as justification for the tyrannical use of violence in pursuit of a Utopia. Scholars generally dispute this reading. Leo Damrosch, in his biography, couches the notion of the general will in terms of Rousseau's pessimism. People are so removed from the state of nature that they need help to be free. Anthony Gottlieb, in his history of the Enlightenment, quotes Rousseau as having "the greatest aversion to revolutions".

Yet that unbroken train of thought from regression to coercion, even in its milder form, rubs up against liberalism. Whenever a person in a position of power compels someone else to act against their free, unimpeded will for their own good, they are invoking the ghost of Rousseau.

Marx (1818-83) believed that progress was produced not by inquiry and debate, but by class struggle acting across history. Like Rousseau, he thought that society—in particular, its economic underpinnings—was the source of oppression. In 1847, shortly before a wave of unrest swept across Europe, he wrote: "The very moment civilisation begins, production begins to be founded on the antagonism of orders, estates, classes and finally on the antagonism of accumulated labour and immediate labour. No antagonism, no progress. This is the law that civilisation has followed up to our days."

The surplus created by labour is seized by capitalists, who own the factories and machinery. Capitalism thus turns workers into commodities and denies their humanity. While the bourgeois sate their appetite for sex and food, the workers must endure the treadmill and rotten potatoes.

For this reason, capitalism contains the seeds of its own downfall. Competition compels it to spread: "It must nestle everywhere, settle everywhere, establish connections everywhere." As it does so, it creates and organises an ever-larger proletariat that it goes on to immiserate. Capitalists will never willingly surrender their privileges. Eventually, therefore, the workers will rise up to sweep away both the bourgeoisie and the proletariat and create a new—better—order.

This revolutionary job does not fall to a heroic leader, but to the workers as a class. "It is not a question of what this or that proletarian, or even the whole proletariat, at the moment regards as its aim," Marx wrote with Friedrich Engels, his collaborator, in 1844. "It is a question of what the proletariat is, and what, in accordance with this being, it will be historically compelled to do." Four years later, in the opening of "The Communist Manifesto" they predicted revolution: "A spectre is haunting Europe—the spectre of communism."

Liberals believe that all individuals share the same fundamental needs, so reason and compassion can bring about a better world. Marx thought that view was at best delusional and at worst a vicious ploy to pacify the workers.

He scorned the Declaration of the Rights

of Man, a manifesto for the French revolution, as a charter for private property and bourgeois individualism. Ideologies like religion and nationalism are nothing more than self-deception. Attempts to bring about gradual change are traps set by the ruling class. The philosopher Isaiah Berlin summed it up in his book on Marx: "Socialism does not appeal, it demands."

Yet Marx underestimated the staying power of capitalism. It avoided revolution by bringing about change through debate and compromise; it reformed itself by breaking up monopolies and regulating excesses; and it turned workers into customers by supplying them with things that in his day would have been fit for a king. Indeed, in his later years, as Gareth Stedman Jones, a recent biographer, explains, Marx was defeated by the effort to show why the economic relations between capitalist and worker necessarily had to end in violence.



Marx nevertheless stands as a warning against liberal complacency. Today outrage is replacing debate. Entrenched corporate interests are capturing politics and generating inequality. If those forces block the liberal conditions for general progress, pressure will once again begin to rise.

Whereas Marx looked to class struggle as the engine of progress, Nietzsche (1844-1900) peered inward, down dark passages into the forgotten corners of individual consciousness. He saw a society teetering on the brink of moral collapse.

The will to power

Nietzsche sets out his view of progress in "On the Genealogy of Morality", written in 1887, two years before he was struck down by insanity. In writing of extraordinary vitality, he describes how there was a time in human history when noble and powerful values, such as courage, pride and honour, had prevailed. But they had been supplanted during a "slave

revolt in morality", begun by the Jews and inherited by the Christians under the yoke of the Babylonians and later the Romans. Naturally, the slaves elevated everything low in themselves that contrasted with their masters' nobility: "The miserable alone are the good...the suffering, deprived, sick, ugly are also the only pious, the only blessed..."

The search for truth remained. But this has led ineluctably to atheism, "the awe-inspiring catastrophe of a 2,000-year discipline in truth, which in the end forbids itself the lie involved in belief in God." "God is dead..." Nietzsche had written earlier. "And we have killed him."

It takes courage to stare into the abyss but, in a life of pain and loneliness, courage was something Nietzsche never lacked. Sue Prideaux, in a new biography, explains how he tried desperately to warn the rationalists who had embraced atheism that the world could not sustain the Christian slave morality without its theology. Unable to comprehend suffering in terms of religious virtue or the carapace of virtue vacated by religion, humanity was doomed to sink into nihilism, in a bleak and meaningless existence.

Nietzsche's solution is deeply subjective. Individuals must look within themselves to rediscover noble morality by becoming the übermensch prophesied in "Thus Spake Zarathustra", Nietzsche's most famous work. Characteristically, he is vague about who exactly an übermensch is. Napoleon counted as one; so did Johann Wolfgang von Goethe, the German writer and statesman. In his lucid survey of Nietzsche's thought, Michael Tanner writes that the übermensch is the heroic soul eager to say Yes to anything, joy and sorrow alike.

Nietzsche is not susceptible to conventional criticism—because ideas pour out of him in a torrent of constantly evolving thought. But both left and right have found inspiration in his subjectivity; in linguistic game-playing as a philosophical method; and in how he merges truth, power and morality so that might is right and speech is itself an assertion of strength. He is father to the notion that you cannot divorce what is being said from who is saying it.

The illiberal view of progress has a terrible record. Maximilien Robespierre, architect of the Terror, invoked Rousseau; Joseph Stalin and Mao Zedong invoked Marx; and Adolf Hitler invoked Nietzsche.

The path from illiberal progress to terror is easy to plot. Debate about how to improve the world loses its purpose—because of Marx's certitude about progress, Rousseau's pessimism or Nietzsche's subjectivity. Power accretes—explicitly to economic classes in the thought of Marx and the übermensch in Nietzsche, and through the subversive manipulation of the general will in Rousseau. And accreted power tramples over the dignity of the individual—because that is what power does.

Liberalism, by contrast, does not believe it has all the answers. That is possibly its greatest strength. ■



The literature of liberalism

Our project to build a reading list of great liberal thinkers

THE DEFINITION of liberalism has long been the source of disagreement. The tension between its various strands—such as American progressivism, libertarianism and the classical tradition in which *The Economist* was founded—can seem irreconcilable. So for Open Future, an initiative aimed at sparking debate around liberal values, we aimed to build a bibliography of liberalism in its many forms.

In August, we published an initial list of 11 liberal thinkers and their works, and asked our readers for help in identifying others. The reaction was overwhelming. In six weeks, we received nearly 900 responses, suggesting over 300 different thinkers, from readers all around the world commenting via email, Facebook, Twitter, LinkedIn, Medium and on the article itself. The most popular names ranged from philosophers and politicians, to columnists and poets.

Our aim was not necessarily to create a comprehensive list of familiar names, but to showcase the ways in which liberalism is, and has always been, a broad church spanning country, party and political affiliation. We also sought to provide a foundation for an illuminating discussion, rather than a merely rancorous one.

From our readers' submissions, we were able to highlight truly original, and often overlooked, liberal giants. Jane Addams, a mainstay of American schoolbooks and a radical social reformer who remains conspicuously absent from the pantheon of liberalism's most recognisable thinkers; Salvador de Madariaga, a leading post-war architect of the European project; and Ibn Khaldun, who wrote of the importance of the specialisation of labour fully 400 years before Adam Smith. It also prompted us to re-examine the ideas of some of our favourites, such as Friedrich Hayek and John Rawls.

Putting Ayn Rand, William Beveridge and Immanuel Kant into conversation with one another has led us to consider what such divergent writers have in common. In other words, what makes them liberal? A few themes emerge: a commitment to individual rights, an aversion to the status quo and a faith in progress. Liberalism has evolved, and will continue to do so. That ability to adapt and encompass a range of beliefs is a great strength. But only because it exists alongside a second critical component: an insistence on open debate and self-examination. It is this second feature that enables liberalism's bad ideas to be pruned and the good to be cultivated.

Reading list

Thomas Hobbes 1588-1679

Main work: “Leviathan”, 1651

Known for: Among the earliest of a handful of writers to set out principles for liberalism. Because the natural state of man is “solitary, poor, nasty, brutish and short,” liberty for an individual is tied to the power of a sovereign, administering through laws, within a commonwealth. His detailed construction became the foundation for numerous other works examining the proper role and structure of government.

Influenced: Everyone

John Locke 1632-1704

Main work: “A Letter Concerning Toleration”, 1689, and “The Second Treatise of Government”, 1689

Known for: Expanded on Hobbes to provide the architecture for a modern liberal state. In “A Letter” Locke argues, contrary to Hobbes, for the state to tolerate different religious beliefs. In his “Second Treatise”, he echoes Hobbes’s view of the need for strong government, writing: “where there is no law, there is no freedom”. But, rather than endorse Hobbes’s all-powerful Leviathan, Locke thought that the system should separate those who make laws from those who execute them.

Influenced: Everyone

Charles de Secondat, Baron de Montesquieu 1689-1755

Main work: “The Spirit of the Laws”, 1748

Known for: Montesquieu devised the tripartite structure of government adopted by America. His monumental work provides guidance on how governments should be structured “by fallible human beings” to serve “the people for whom they are framed” with the most liberty that would be feasible. To accomplish this requires limits: “Liberty is a right of doing whatever the laws permit, and if a citizen could do what they forbid he would no longer be possessed of liberty.”

Influenced: Many citations in the Federalist Papers in essays by James Madison and Alexander Hamilton

Thomas Paine 1737-1809

Main work: “Common Sense”, 1776

Known for: In just a few dozen pages of argument, Paine creates the intellectual catalyst for the American Revolution. The work received immediate, widespread circulation in America and then in other

countries. “Government,” Paine argues, “is a necessary evil”, inevitably restricting liberty. He attacked both hereditary rule and monarchy, proposing instead a government of elected representatives and a limited, rotating presidency.

Influenced: Revolutionaries in America and elsewhere—until they become the government themselves

Adam Smith 1723-1790

Main work: “The Wealth of Nations”, 1776

Known for: Smith laid the intellectual foundation of modern economics, markets and free trade. His assertion that an “invisible hand” is at the heart of the market is among the most cited phrases in economics. But he also explored the division of labour, the benefits of trade, the mobility of capital, the rigging of markets by businesses and government, and public goods (notably universal education).

Influenced: If economics had a bible...

Olympe de Gouges (Marie Gouze) 1748-1793

Main work: “Declaration of the Rights of Woman and the Female Citizen”, 1791

Known for: Gouges is often heralded as a founder of modern feminism. Her “Declaration” is a response to “The Declaration of the Rights of Man and of the Citizen”, drafted by the Marquis de Lafayette, Thomas Jefferson, and Honoré Mirabeau, which did not extend the natural rights of the citizen to women as well as men. Gouges was a prolific defender of free speech, women’s rights and political dialogue, as well as an abolitionist and pacifist. She was executed by guillotine for her support of constitutional monarchy at the beginning of Maximilien Robespierre’s “reign of terror” in 1793.

Influenced: Mary Wollstonecraft, Sophie and Nicolas de Condorcet and the Girondins, a group of French republicans during and after the revolution

Mary Wollstonecraft 1759-1797

Main work: “A Vindication of the Rights of Woman”, 1792

Known for: Wollstonecraft’s treatise is considered by many to be the first feminist manifesto. Others grapple over whether her writings, which critique excessive emotion and female sexuality, are indeed feminist. “A Vindication” contains endless references to the paragon of rational thought, and a vehement defence of the importance of equal educational opportunities for men and women.

Influenced: Thomas Paine, Elizabeth Cady Stanton, Susan B. Anthony, Virginia Woolf

John Stuart Mill 1806-1873

Main work: “On Liberty”, 1859

Known for: Mill has become a reference point for liberalism. “On Liberty” is a defence of individual freedom with a caveat: “The only purpose for which power can be rightfully exercised over any member of a civilized community, against his will, is to prevent harm to others.” Mill views even a society under representative government to threaten liberty, notably, in a term he popularised, the “tyranny of the majority”.

Influenced: An inevitable citation in debates about liberalism

The Economist and liberalism

Walter Bagehot’s fame dominates the origins of The Economist, but as Scott Gordon, then a professor at Carleton College, wrote in December, 1955, in The Journal of Political Economy, “If one set out...to name the leading proponents of the doctrine of individualism in the 19th century, one could scarcely do better” than the group that assembled in its early years. Three were especially important:

James Wilson 1805-1860

Main work: Founding *The Economist*

Known for: Our name originally included the phrase: “Free Trade Journal”. *The Economist* was an impassioned defender of laissez-faire while Wilson was editor, from 1843-59. In 1849 we wrote: “all the great branches of human industry are found replete with order, which, growing from the selfish exertions of individuals, pervades the whole. Experience has proved that this order is invariably deranged when it is forcibly interfered with by the state.”

Influenced: *The Economist*

Thomas Hodgskin 1787-1869

Main work: “Labour Defended against the Claims of Capital”, 1825

Known for: One of Wilson’s deputies, Hodgskin had a far-ranging suspicion of intervention. “All law making,” he wrote, “except gradually and quietly to repeal all existing laws, is arrant humbug.” He argued that property rights are antithetical to individual liberty. Writing about capital, he said, “the weight of its chains are felt, though the hand may not yet be clearly seen which imposes them.” The book was praised as “admirable” by none other than Karl Marx—who used the chains metaphor rather more memorably in the “Communist Manifesto”. ▶▶

► **Influenced:** Herbert Spencer, a giant in libertarian thought, as well as Marx. Reflecting how he perceived himself, Hodgskin signed articles written in 1869 for a newspaper as "A LIBERAL"

Herbert Spencer 1820-1903

Main work: "The Man versus the State", 1884
Known for: A lowly editor in the early years of *The Economist*, Spencer went on to become an intellectual rival of Marx. He is perhaps best known for coining the phrase "survival of the fittest." An influential thinker in many fields, Spencer writes: "The degree of [man's] slavery varies according to the ratio between that which he is forced to yield up and that which he is allowed to retain; and it matters not whether his master is a single person or society."

Influenced: Libertarians

Readers' suggestions

Baruch (Benedict) de Spinoza 1632-1677

Main political work: "Theological-Political Treatise", 1670

Known for: A polymath beloved today but often reviled in his own time, Spinoza earned his living grinding lenses and his fame by changing how people saw the world. While accepting the existence of an absolute sovereign, he argued that freedom of thought, speech and academic inquiry should not only be permitted by the state, but were essential for its survival.

Influenced: Jean-Jacques Rousseau, Friedrich Nietzsche

Alexis de Tocqueville 1805-1859

Main work: "Democracy in America", 1835
Known for: His study of America remains at the heart of ongoing debates over questions with vast importance, including how to ensure democracy and individual liberty co-exist. His conclusion was that America's success stemmed from devolving responsibility to the most local of all organisations, often voluntary, an approach now threatened by the centralisation of resources and authority in Washington, DC.

Influenced: John Stuart Mill, Friedrich Hayek

Frédéric Bastiat 1801-1850

Main work: "The Law", 1850
Known for: "Everyone wants to live at the expense of the state," Bastiat wrote. "They forget that the state lives at the expense of everyone." He was an incisive debunker of flawed reasoning in support of government policies that come at the cost of individual freedom. His definition of "legal plunder" (if the law takes from one to give to another) remains a living sentiment for those who resist state expansion, as does his definition of what comprises good economic policy: it must be judged on not only what would be produced but what would be lost—the innovations and activities that do not occur.

Influenced: Gustave de Molinari, Ludwig von Mises, Libertarians

Harriet Taylor Mill 1807-1858

Main work: "The Enfranchisement of Women", 1851

Known for: Though little was published under Taylor Mill's own name, her second husband, John Stuart Mill, readily admitted the influence she had on him and his work. They were an intellectual duo to be reckoned with. Taylor Mill wrote anonymously or under a pseudonym on the nature of marriage, sex and domestic violence. She was a fierce advocate of women's suffrage, writing along with her husband, "It is neither necessary nor just to make imperative on women, that they shall be either mothers or nothing."

Influenced: John Stuart Mill, suffragists

Jane Addams 1860-1935

Main work: "Democracy and Social Ethics", 1902

Known for: An important voice during the progressive era and a radical for her time, Addams would probably feel at home among American liberals today. She argued that democratic processes should not belong to a separate, elite political sphere, and that democracy is, at its core, local, accessible and integral to everyday life. Addams wanted to scale up the idea of liberty so that it encompassed entire societies. "Surely the demand of an individual for decency and comfort", she wrote, "may be widened until it gradually embraces all the members of the community."

Influenced: John Dewey, George Herbert Mead and "pragmatic liberalism"

Salvador de Madariaga y Rojo 1886-1978

Main work: A principal author of the Oxford Manifesto, 1947

Known for: Madariaga led a group of representatives from 19 countries in drawing up a charter laying out the fundamental principles of liberalism, as they defined it: a commitment to individual liberty, economic freedom, the free exchange of ideas and international coalition-building. Madariaga and his contemporaries worried that the death and destruction of the world wars were caused largely by the abandonment of these ideals. But he believed equality and liberty did not necessarily go hand in hand, writing in 1937 that "inequality is the inevitable consequence of liberty," which may explain why "security" and "opportunity" were written into the manifesto as "fundamental rights".

Influenced: The founders of the European Union

Immanuel Kant 1724-1804

Main works: "Critique of Pure Reason", 1781; "Perpetual Peace: A Philosophical Sketch", 1795

Known for: Kant favoured republican governments over majoritarian ones. He worried that rule by majority could undermine the freedom of individuals, and called direct democracy a kind of "despotism" of the masses. He argued that lasting international peace could only be realised through a "political community" of countries committed to what came to be known as "Rechtsstaat", or the constitutional state. Kant's faith in the supremacy of law and the social contract seems to be derived from his thinking on moral philosophy. Kant says that free will requires individuals to "self-legislate", or police themselves, so that they act morally. If we scale up that idea, then having political freedom means entire societies must do the same, preferably—if it were up to Kant—with a constitution.

Influenced: Karl Leonhard Reinhold, G.F.W. Hegel, Michel Foucault, Jürgen Habermas, John Rawls and too many others to list

José María Luis Mora 1794-1850

Main work: "Political Catechism of the Mexican Federation", 1831

Known for: A priest, journalist and politician in newly independent Mexico, the "father of Mexican liberalism" advocated for religious freedom and secular education. He believed individual liberties needed protecting from the state—and from the people. Perhaps most importantly, his ideas helped spark La Reforma, a sweeping reform movement that began in the 1850s with the princi-

ple aims of reducing the privileges enjoyed by the church and the army, and transforming Mexico into a modern “representative republic”.

Influenced: 19th-century Mexican liberals

Harriet Martineau 1802-1876

Main works: “Illustrations of Political Economy”, 1832-1834; “Society in America”, 1837

Known for: Half-way between a novel and a political treatise, Martineau’s “Illustrations” argued that economics was the least understood science and the one most integral to the wellbeing of society. Initially a non-interventionist, Martineau came to believe that governments should intervene in the interest of curbing inequality—unsurprising conclusions if one considers her reputation as a feminist and abolitionist. Like Tocqueville, she made one of the first sociological studies of America.

Influenced: John Stuart Mill, Harriet Taylor Mill, Émile Durkheim, James Madison

John Maynard Keynes 1883 - 1946

Main political work: “The General Theory of Employment, Interest and Money”, 1936

Known for: The father of the economic theory that bears his name, Keynes belonged to a new breed of 20th-century liberal that believed in accomplishing collectively what could not be achieved individually. In his “General Theory”, Keynes lays the case for heavily guided capitalism and comprehensive economic planning by government. In a turn away from laissez-faire liberalism, Keynesianism became a central organising principle of developed economies following the Great Depression.

Influenced: Economic planning after the Great Depression, and everything from the New Deal to post-2008 stimulus packages

William Beveridge 1879-1963

Main Work: The Beveridge Report, 1942

Known for: Beveridge’s report provides the initial outline of Britain’s National Health Service, intended, he said, to provide each person with care to the limits of what science could provide. With the support of the state, he believed people would be free to have full lives and contribute in greater ways—a true liberty and benefit for society. His commitment to the welfare state, and background in the Liberal Party, made Beveridge the archetype of the benign interventionist. Others saw his work as mere socialism. Adding to the debate was his nuanced view of the ownership—or non-ownership—of private property. Beveridge justified private control of productive assets not on principle, but because that had been

effective in the past. He noted that the value of private property can be overstated, and in his productive career, the only private property he found to be necessary was a fountain pen.

Influenced: Britain’s Liberal Party, European social democracy

Ayn Rand 1905-1982

Main works: “The Fountainhead”, 1943; “Atlas Shrugged”, 1957

Known for: Rand launched a brutal attack on the morality of a Western liberalism that criticises self-interest. “Atlas Shrugged”, a political screed presented as a romance, remains a staple of best-seller lists and perhaps the single most influential clarion call for anti-state individualism. Her uncharitable view of human frailty and the trials imposed by the unfairness of life makes her an incendiary figure on the left. But echoes of her writing are heard in the endless political obfuscation about causes and solutions. Her thesis, that a cynical pursuit of altruism undermines self-esteem, innovation, evolution and broad prosperity, resonates as—or perhaps because—public support for socialism grows.

Influenced: American conservatives and libertarians

Friedrich Hayek 1899-1992

Main works: “The Road to Serfdom”, 1944; “The Fatal Conceit: The Errors of Socialism”, 1988; “The Constitution of Liberty”, 1960

Known for: Hayek was the person most cited by readers after the publication of our initial bibliography. This reflects how powerfully he continues to resonate in the political debate about government. Hayek was not an absolute libertarian, and he allowed for government to provide some assistance, but he remains a controversial figure on the left because of how marginal those concessions were. He argued that the expanded presence of the state created a corrosive force that ended in the loss of individual freedom and prosperity. The strongest antipathy to his views, however, may be found among his fellow economists, because he argued that information was too scattered for either a state or an individual to make realistic assumptions or centralised plans.

Influenced: John Maynard Keynes, Thatcherism

Ibn Khaldun 1332-1406

Main work: The Muqaddimah, 1377

Known for: In his magnum opus, Khaldun made a careful study of sociology, politics, urban life, economics and knowledge. His career spans cities (Tunis, Seville, Gra-

nada, Fez, Cairo, Damascus) empires and disciplines. He is widely credited for his theory on the cyclical nature of empires in which “asabiyyah”, social cohesion or tribalism, plays a role in bringing groups to power and then tearing them apart—a phenomenon that was true in the 14th century and remains true in modern party politics. Some 400 years before Adam Smith, Khaldun warned that excessive bureaucracy could hamper labour specialisation. His early influence and writings on the political economy have caused some academics to call Khaldun the “father of economics” in Smith’s stead.

Influenced: Ottoman historians, Enlightenment thinkers, Joseph Schumpeter

Anders Chydenius 1729-1803

Main political work: The National Gain, 1765

Known for: A priest and philosopher, Chydenius’s work included pamphlets and reports on freedom of speech, freedom of religion and free trade. In “The National Gain” he outlined a comprehensive case for free markets—eleven years before Adam Smith’s “The Wealth of Nations”. Society functioned at its best when it was allowed to operate freely, Chydenius reasoned. This philosophy also gave rise to one of the world’s first laws ensuring freedom of the press, which, as a member of Sweden’s parliament, Chydenius helped introduce in 1776.

Influenced: Nordic liberalism

Hannah Arendt 1906-1975

Main work: The Origins of Totalitarianism, 1951

Known for: In a chapter of Arendt’s “Origins”, she lays out a paradox that divides liberals of all stripes even today. Especially today. “The Decline of the Nation-State and the End of the Rights of Man”, explores the tensions between “natural rights”, or human rights which are supposedly inalienable, and “civil rights”, which depend on citizenship. To Arendt, the gap between the two is obvious when examining the plight of refugees. Stateless people, she argues, must rely on others’ respect for human rights to secure their safety. But the maltreatment of refugees beginning after the first world war, in Arendt’s telling, would suggest that these natural rights are meaningless when pitted against the sovereignty of the states that would host them. In short, borders matter.

Influenced: Jürgen Habermas, 20th-century political philosophy

Isaiah Berlin 1909-1997

Main political work: *Two Concepts of Liberty*, 1958

Known for: Berlin defined a crucial faultline in liberal thinking when it came to individual freedom. He recognised that the gulf between “positive” and “negative” liberty would lead to divergent definitions of liberalism—and indeed it has. Negative liberty is best defined as freedom not to be interfered with. Positive liberty empowers individuals to live fulfilling lives, even if that requires interference from government; for example, in the form of education provided by the state. But positive liberty is ripe for exploitation, Berlin reasoned, and may allow government to force its goals upon citizens in the name of freedom—enabling totalitarianism.

Influenced: John Rawls, Judith Shklar

John Rawls 1921-2002

Main work: *A Theory of Justice*, 1971

Known for: One of the most influential political philosophers of the 20th century, Rawls used a thought experiment, “the veil of ignorance”, to make the case for a philosophy he dubbed “justice as fairness”. If you were dreaming up an ideal society, Rawls argued, but didn’t know what lot you would be dealt, it would be in everyone’s self-interest to ensure equality of opportunity and shared wealth. Today, the veil of ignorance is commonly used to argue for more redistribution, but Rawls noted an important caveat: that inequality in distribution was permissible if it benefited the least well off in society. That sentiment would be shared by many who resist the growth of redistributive policies that undermine economic vitality, and hence the opportunities of the most vulnerable.

Influenced: Judith Shklar, Robert Nozick, big-government American liberalism

Robert Nozick 1938-2002

Main work: “Anarchy, State and Utopia”, 1974

Known for: Though they are both considered liberals, Nozick was the anti-Rawls. He found much to dislike in Rawls’s theory of redistributive justice, arguing that people owned their talents. Successes belonged only to the individuals to whom they were attributed, not to society writ large. Nozick’s small-government liberalism was echoed in the policies of Margaret Thatcher and Ronald Reagan in the 1980s. Liberty, Nozick said, disrupts patterns. Justice cannot demand some preferred distribution of wealth.

Influenced: Modern small-government conservatives

Judith Shklar 1928-1992

Main work: *The Liberalism of Fear*, 1989

Known for: Shklar viewed limited, democratic government as a necessary defence that shields people, especially the poor and weak, from the abuses of the state and its agents—such as the armed forces and the police. She saw freedom from cruelty and the division of powers as the twin pillars of her “liberalism of fear”. In her attempts to define this slippery ideology, she argued that a “liberal era” that truly upheld the notion of equal rights did not really exist in America until after the civil war. Liberalism, Shklar wrote, “was powerful in the United States only if black people are not counted as members of its society.” As a rebuke to critics who called her theory reductionist, Shklar asked why, in discussions of political philosophy, emotions must always play second fiddle to “causes”.

Influenced: John Rawls (her colleague at Harvard), Amy Gutmann, Patrick T. Riley

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