

Political Liberalism

Tensions, Tensions, Tensions...

Political Freedom *and* political
equality

How do we know what “theory” is the best?

- Question: What assumptions do you want a theory to be based on?
- Answer: What philosophy do you live by?

“The proof of any philosophy lies in life.”

--Nietzsche

“Don’t you think that actions are more reliable evidence than words?”

--Socrates

Today's menu

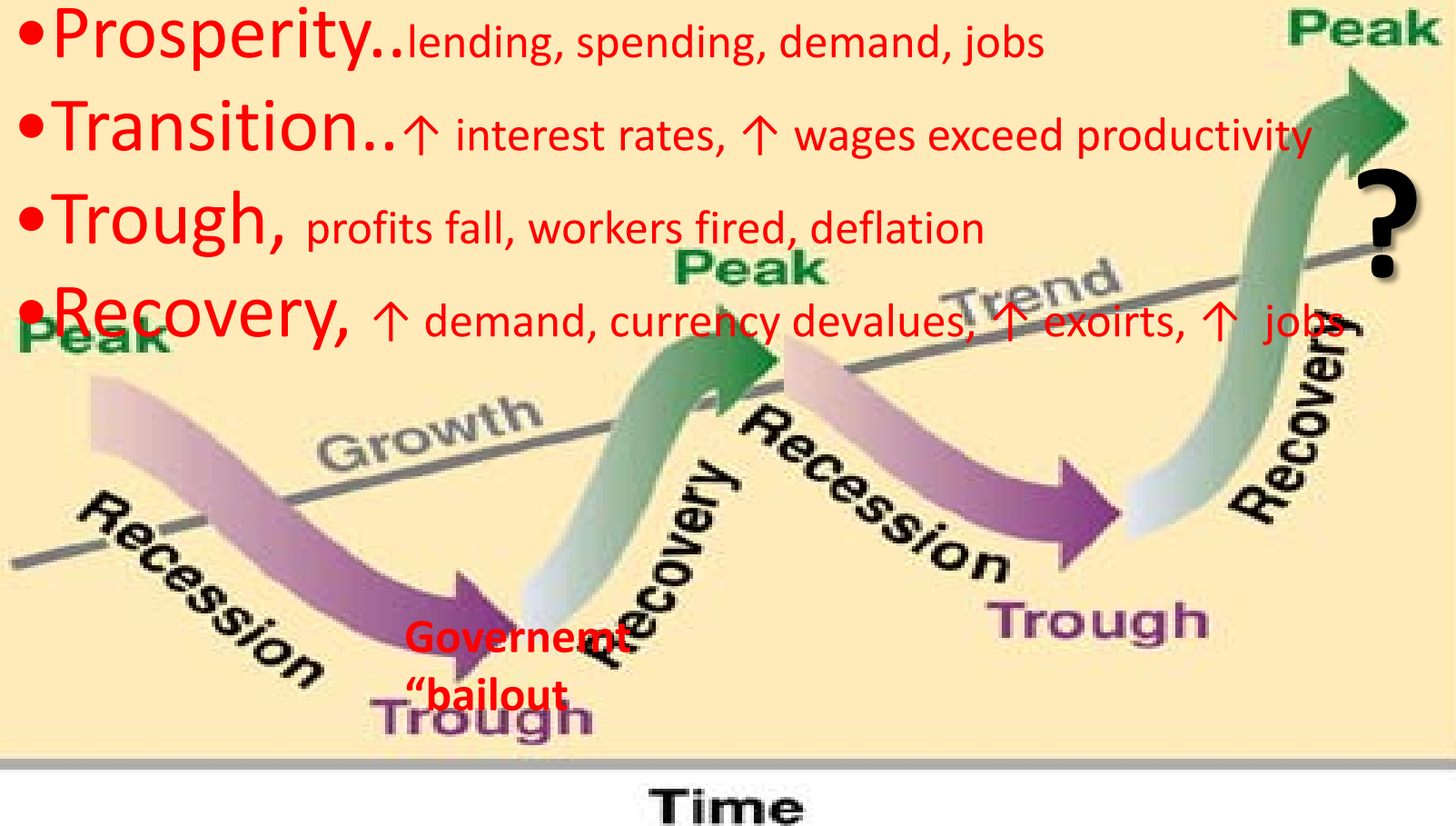
- Review of Economic Liberalism
- The Business Cycle
- The Liberal Political Model

Review

- States
- Markets

Economic Liberalism: The business cycle

- Prosperity..lending, spending, demand, jobs
- Transition..↑ interest rates, ↑ wages exceed productivity
- Trough, profits fall, workers fired, deflation
- Recovery, ↑ demand, currency devalues, ↑ exports, ↑ jobs



Markets, States, and Tension

- Markets and States
 - Social control through exchange vs. through power
 - Decision rule for allocation: Rights vs. efficiency
 - Individual wealth vs. national wealth
- Tension between states and markets
 - Markets don't like boundaries; states need boundaries
 - Markets can destroy state authority, power, sovereignty
 - Markets destabilize, states function to create stability

For Economic Liberals, what is the role of the State?

- What the State should do
- What the State should NOT do
 - Examples: social security, fire protection, redistribution through taxes





You're NOT the Boss of Me!

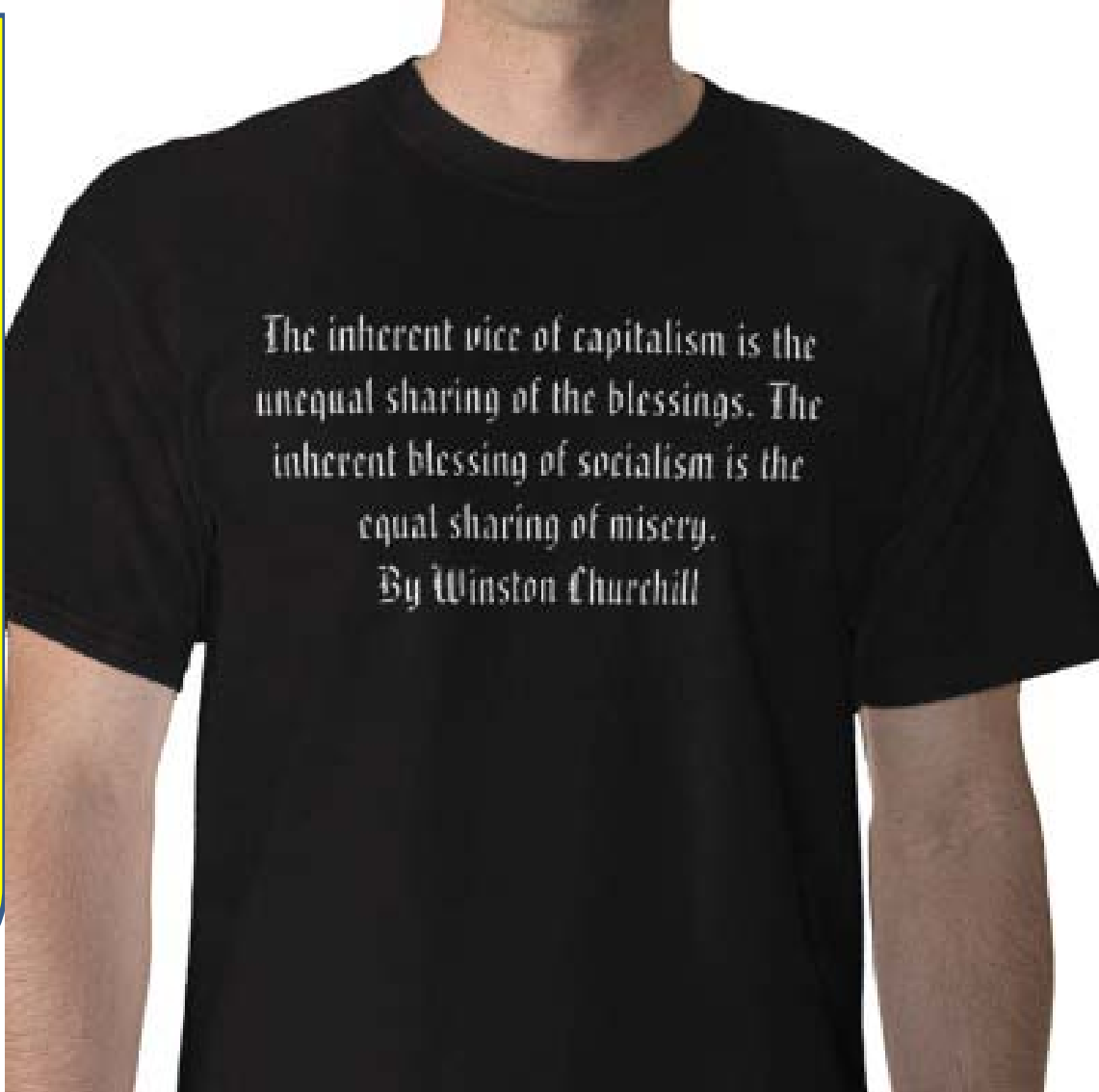
- *“the abolition of the income tax and the IRS are necessary prerequisites to a free society”*

Political Liberalism

- Like for the Economic Liberals, core commitment is Freedom
 - Natural Right
 - Distinction between Liberty and License
 - What Makes a right “natural?”
 - Natural Rights are inalienable. Non-transferable
 - Property rights: perhaps the most important
 - Locke on natural right to Private property "Property in people's own person, and property in our labor--not just the things that we gather and hunt, but also whatever we mix our labor with that is unowned, is our property."
 - No government, even a legit. one has the right to violate an individual's natural rights
 - Toleration of economic inequality

Liberals on econ. inequality

Liberals
Tolerate it.



*The inherent vice of capitalism is the unequal sharing of the blessings. The inherent blessing of socialism is the equal sharing of misery.
By Winston Churchill*

Tension between economic and political liberalism

- What becomes of our rights when we enter society?
- A liberal government will determine what counts as “property”
- The decision rule for what counts: Consent of the governed
- Doesn't it conflict with “natural rights?”
- Where economic and political liberals part ways

What do we have to give up?

- What does it really mean that we are all equal?
- Holmes:

The End

The Liberal Political Model

- Assumptions
 - All are equally entitled to life, liberty, and pursuit of property: A Natural right—right to do anything you want that does not hurt anyone else.
 - Rationality and reason
 - All people are created equal and have the same rights
- History
 - First: Freedom from oppressive government—less government to restrain people
 - Over time: government's role is to protect freedom and equal rights—more government to protect people and guard equal rights
 - The four freedoms
- The Model
 - the state
 - interests
 - rights
 - democracy
 - welfare
- Effects
 - Human fulfillment
 - Preservation of individual freedom and equality of all humans
 - Preservation of individual rights will make everyone better off in the long run (utilitarianism)

Historical evolution of Liberalism

- Core commitment: Freedom
- Historically liberals were activists, fighting for freedom from oppressive governments
- Over time: government's role is to protect freedom and equal rights—more government to protect people and guard equal rights
- Negative and Positive Freedom: The four freedoms that many liberals say government should protect: freedom of speech, freedom of worship, Freedom FROM want, Freedom FROM fear

Liberalism and Democracy

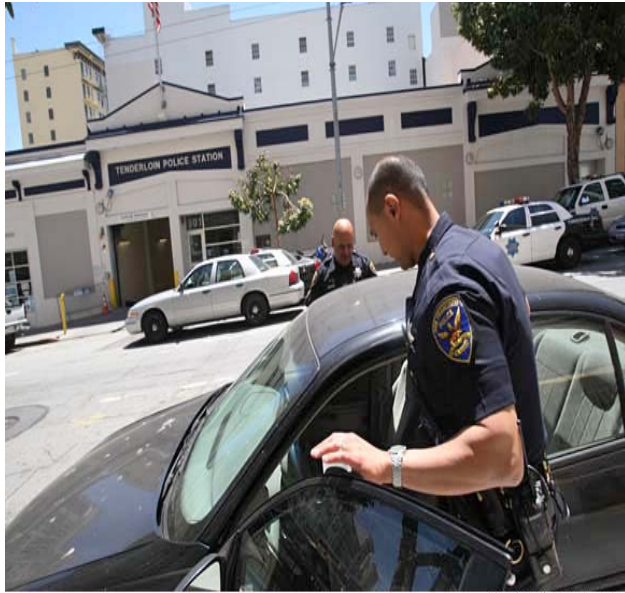
- **Liberals are sometimes distressed by democracy. Democracy can be illiberal!**
- **But Liberalism provides the theoretical basis for democracy:**
 - Freedom to choose governments: Voting
 - Freedom to choose laws that everyone has to live with: representative government
- **But still.....liberals feel that majorities have to be restrained.**
 - minority rights must be protected.....the majority needs their cooperation

Stretching liberalism: Welfare

"the care of the poor is incumbent on the whole of society"



Liberal Discontent



Deregulation and corruption



"Psst! If you have any stock tips to pass on, I can probably lighten your sentence for insider trading."

Some confusions

- Why are liberals opposed to conservatives?
 - Social conservatives – restrict individual freedom...laws to promote the “virtue” of citizens. Example: Laws preventing sexual intimacy between gays and lesbians
 - Social liberals – increase individual freedom. Moral legislation violates the right to liberty (
 - Political conservatives—increase market freedom
 - Economic conservatives—classical economic liberals
- Political Liberals— evolution of the term “liberal”

How does Politics constrain economic choices?



Food Security

Availability, Access, Utilisation, Stability

"Food Security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life."
(FAO World Food Summit 1996)

Food Security

The Four Dimensions:

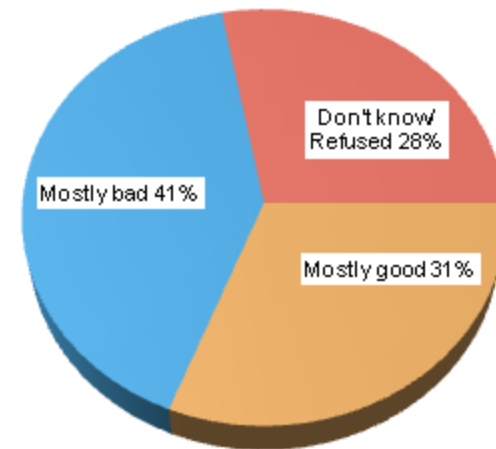
1. The **availability** of food
2. **Access** to food
3. The safe and healthy **utilisation** of food
4. The **stability** of food availability, access and utilisation

The fundamental goal of food security is the improvement of the human condition. At the national level, food security means having sufficient food to meet the food needs of all citizens. Household food security is the application of this concept at the family level. At the individual level, food security relates closely to nutritional status and, consequently, anything that threatens adequate nutrition.

The FAO Project 'Promoting CARICOM/CARIFORUM Food Security' addresses Food Security at the regional and national levels by:

1. Demonstrating and promoting production enhancing technologies in food production
2. Generating information on food security to inform and facilitate policy decision making
3. Building capacity across the Caribbean region in the analysis of trade policy, food security and vulnerability and other policies relevant to food security

Which one of the following statements comes closest to your own view on free trade with other countries? ... Free trade has been mostly good for the U.S. economy and American workers. Free trade has been mostly bad for the U.S. economy and American workers.



Does “Big Oil” successfully lobby to halt development of alternative energy sources?



and how do economic forces (markets, decisions of individual firms) Motivate and constrain political choices.....

- Like voting behavior
- Or what economic policies governments pursue,

What does the Liberal Theory of Political Economy say about the “proper” relationship between economic forces and politics?

According to Liberal Theory Who exercises Power?

- Interest Groups
- Political Parties
- The Government

Interest Groups



Pundits like Thomas Frank deplore the role of interest-group lobbying, but aren't we all part of some interest group or other?

Political Parties



Holmes (7) Political Liberalism and national sovereignty

- Liberals have succeeded in realizing some of their ideals. But they were able to do so only because they willingly compromised with the realities of national sovereignty. Liberal rights are meaningful only within the confines of a liberal state, only where there exists a rights-enforcing power. To the extent that no enforcing power operates between states or across borders, liberal rights are futile.

Holmes: Self-interest and “Interests”

Should Theories of political economy take account of benevolence, love of others, altruism and devotion to the common good ?

Is Self-interest a descriptive claim or a normative recommendation?