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

Governemnt “bailout
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 are devoted to legal equality, and to equality of economic opportunity.
• Liberalism is individualistic. Liberals believe that individuals should be rewarded for achievement and merit.
• Superior talents “deserve” superior rewards.
• They believe that economic competition would create (among other things) enough general prosperity to improve the lives of even the poorest members of the community.
• Inequality of resources is an inevitable side effect of a productive economy.

– Liberals view the insistence of economic equality as an expression of irrational envy.
– Trying to achieve economic equality is an infallible formula for reproducing scarcity and exacerbating dependency.
– As Alexis de Tocqueville said in 1848: “socialism wants equality in poverty and slavery.”

Collective ownership is not only economically inefficient; it also destroys the independent resources on which political opposition is based.

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
Liberals did have doubts and worries about majoritarian politics. Mill, for instance, was naturally distressed at the election of Louis Napoleon to the presidency of the Second French Republic by universal manhood suffrage.

Nevertheless, despite practical reservations, liberals provided a strong theoretical basis for democratic politics as it eventually developed.

"Freedom to choose," liberals argued, includes freedom to choose the laws under which all citizens must jointly live. It is not surprising, therefore, that the two main political institutions of every liberal regime are the suffrage and a representative legislature.

Liberal polities, however, while based on free and periodic elections, have all instituted a variety of restraints on majority rule. How can these limits be reconciled with a commitment to democracy? First, the present majority must not be allowed to deprive future majorities of the right to correct earlier mistakes. Second, the present majority needs the willing cooperation of outvoted minorities, whose personal rights must therefore be protected. Third, without freedom of debate, shielded from majority censorship and bullying, elites will capture power and ensconce themselves beyond criticism, eventually confiscating the majority's own power.

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"

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Liberal Discontent

A liberal cannot ignore the painfully illiberal features of our society. In many places, urban violence makes a mockery of the promise to protect every citizen from physical fear.

The homeless are deprived of the elementary security a liberal regime owes to all.

Decaying schools represent a national betrayal of liberalism's pledge to the next generation.

The steady increase of children living in poverty conflicts rudely with a liberal commitment to equal opportunity.

The rising costs of litigation have thrown into doubt the principle of equal access to the law.

Rising campaign expenditures suggest that economic inequality is being converted directly into political inequality, against all liberal norms.

As the New York Times reports, “Sweeping aside a century-old understanding and overruling two important precedents, a bitterly divided Supreme Court today ruled that the government may not ban political spending by corporations in candidate elections.” Will this accelerate the nation’s turn toward plutocracy? Have the rules been so easily circumvented in the past that this new ruling will have no effect? Our question is as follows:

Money talks: What are the likely impacts of the Supreme Court ruling rolling back limits on corporate and union spending on federal campaigns?

Black Americans still live to an appalling extent as a stigmatized caste. Infant mortality, poverty, unemployment, school and housing segregation, and reduced access to health care all indicate that social resources are being allocated according to skin color, not along individualistic lines.
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
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.

Source: PewInternet / University of Michigan 7/04
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?
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?