

"Liberalism is that principle of political rights, according to which the public authority, in spite of being all-powerful, limits itself and attempts, even at its own expense, to leave room in the state over which it rules for those to live who neither think nor feel as it does, that is to say as do the stronger, the majority."

José Ortega y Gasset (1930)

the Second World War that the western world experienced something of a liberal renaissance that ensured wealth and peace. The collapse of Soviet communism in 1989 has revived the hope that liberalism will once again become the strongest political movement. However, liberals will always be challenged by the everpresent danger of liberty being insidiously eroded.



Further Reading

- Ludwig von Mises, *Liberalismus*, (1927)
2nd edition, Sankt Augustin, 2001
English translation: *Liberalism in the Classical Tradition*, Irvington, 1985 (Foundation for Economic Education)

In the years between the world wars when antiliberal movements were flourishing, Ludwig von Mises, the Austrian economist, wrote this comprehensive book with its still refreshingly radical portrayal of liberal principles and policies.

- J. G Merquior, *Liberalism: Old and New*, Boston, 1991 (Twayne)
Short intellectual history of liberalism written by a Brazilian diplomat. A fair portrayal of various liberal streams of thought.
- Detmar Doering, (ed.), *Kleines Lesebuch über den Liberalismus*, 4th edition, St. Augustin 1999
English translation (2nd edition): *Readings in Liberalism*, St. Augustin, 1998 (Comdok)
A short collection of classical texts on liberalism from Locke to Bastiat and Popper.
- David Boaz, (ed.), *The Libertarian Reader. Classic and Contemporary Readings from Lao-Tsu to Milton Friedman*, New York, London, Toronto, 1997 (Cato Institute)
A comprehensive collection of wellknown and unknown classical texts on liberalism.

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Liberalism

Liberals see liberty as a goal in itself. People cannot live without freedom, nor can society function without it. As a consequence, the idea of freedom has played a role in all places at all times. Even in ancient and medieval times, the traditions of natural law, while insisting on the primacy of the community, demanded spheres of freedom that had to be safeguarded from infringement.

Minimal State, Free Market, Peace

The freedom of the individual became the basic axiom of a social doctrine that legitimized the authority of a legal order only during the Enlightenment. In his *Two Treatises on Government* (1690), John Locke was the first to formulate the

theory that all human beings belong to themselves. He claimed that the state was based on a treaty signed by people to protect their rights to freedom, life and property.

"... the liberal principle demands that the limitations to the freedom of each which are made necessary by social life should be minimized ... as much as possible."

Karl Popper (1956)

In the course of time, these ideas that still form the actual core of liberal thought, matured into a political theory made up of the following components:

Firstly: Minimal state. The activities and authority of the state should strictly adhere to safeguarding the freedom of rights. Rule of law is the trademark of political liberalism. Locke's ideas were further developed by Montesquieu, Immanuel Kant, Wilhelm von Humboldt, Thomas Jefferson, John Stuart Mill and many others.

Secondly: The free market. All the great liberal economists from Adam Smith to Ludwig von Mises and Friedrich A. von Hayek realised that economic freedom was the best route to mass wealth and they systematically justified this argument their work.

Thirdly: Peace. Liberal thought stresses the importance of internal and external peace.

In 1795, Kant erected a literary monument to this ideal with his work "On Eternal Peace". War is the worst possible breach of freedom; freedom itself is the best medicine against war. Liberals demand free movement, open borders and free trade.

The Success Story

These liberal ideas soon had an enormous impact. After the American and French revolutions in 1776 and 1789 respectively, the 19th century saw liberalism develop into a worldwide political movement. Rule of law was implemented and freedom of expression ensured. Even where liberalism had ostensibly failed, e.g. the revolution of 1848, it had now become virtually impossible to prevent a growing liberal trend in politics.

"The prosperity that liberalism had created reduced considerably infant mortality, which had been the pitiless scourge of earlier ages, and, as a result of the improvement in living conditions, lengthened the average span of life. Nor did this prosperity flow only to a select class of privileged persons."

Ludwig von Mises (1927)

In economic terms, liberalism and the free market had created mass wealth. For the first time, Europe at least had conquered the brutal reality of recurring famine thanks to the industrial revolution. After 1847, famine in peacetime was unknown in Europe. Perhaps because these economic

achievements proved to be the liberal's great success story, they came under repeated propagandist fire. The critics were from the reactionary camp, like Charles Dickens (although an advocate of slavery, his reputation as a humanist remained surprisingly intact), or claimed to be 'progressive', like Karl Marx. However, all these prophets of doom were proved wrong.

Nowhere has wealth been created without a liberal free market. It is the only functioning path to economic development.

Fall and Rise

Towards the end of the 19th century, conservatives and socialists began to elbow the liberals aside. They had learned the methods of democratic mass mobilisation from the liberals and combined these with appeals to protectionist instincts and special interests.

Liberalism often tried to adapt (e.g. 'social liberalism') in order to save itself from these statist 'enticements' but its fall was inevitable. Europe's rejection of liberal free trade principles was not only one of the causes of the First World War, but it also left the liberals increasingly marginalised. Liberalism was often defenceless against totalitarianism during the first half of the 20th century. It was only after