

# Liberalism: The Fifteen Best Arguments<sup>1</sup>

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## 1. Introduction: The Stakes and the Method

### *a. What liberalism is*

The key political issue of the modern era is the fate of liberalism. Liberalism is a newcomer to human history, after millennia of tribalism, feudalism, and many types of dictatorship. Liberalism had a few short-lived successes in classical Greece and Rome and more recently in some Renaissance Italian and Baltic states. Only in the past few centuries has liberalism become a prevailing theory and practice, and only in some parts of the world. It is a work in progress and, aside from resistance from traditional forms of politics, it faces formidable practical and theoretical opposition from other political newcomers, such as modern communalism, fascism, updated military dictatorship, and systems that try to mix them in some combination.

Whether liberalism is viable is an open question. By “liberalism” I mean the social system that makes foundational liberty of the individual in all areas of life—artistic, religious, economic, sexual, political, and so on.<sup>2</sup>

The question of the proper role of government within a social system is central to any political theory. A government is a social institution distinguished by two traits: its principles apply to the whole of society and they are enacted by physical force or its threat. Governments claim and practice universality and compulsion.

In these two respects government is distinguished from other social institutions, such as businesses, religious associations, sports teams, and so on, which are particular and voluntary. Not everyone in a society does business with a given company; joins a given church, temple, or mosque; or plays a

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<sup>1</sup> This is the first of a two-part series on this topic, with the first part being an overview of fifteen arguments for liberalism and the second part being an overview of fifteen arguments against it. As I plan to develop this into a larger project, I welcome substantive feedback on either (or both) parts of this series. All feedback can be directed to: [shicks@rockford.edu](mailto:shicks@rockford.edu).

<sup>2</sup> I use “liberal” philosophically and not journalistically to report how it is used in different parts of the world. Language evolves, sometimes for peculiarly local or tendentiously ideological reasons. When a term strays from its cognitive roots, it is important to clarify and re-establish its useful meaning.

given sport. When a member disagrees with or breaks from one of those institutions' rules, the most that the institution can do is dissociate itself from that member.

A government, by contrast, claims and enacts the authority to apply its rules to everyone in a society, and it claims and enacts the authority to use physical force against those who break its rules. It is a universal institution of compulsion.

Consequently, the two key questions to answer when defining the proper, principled role of government are: What principles are so important that everyone in society should respect and live by them? What principles are so important that physical force may be used against those who violate them?

The liberal answer to both of those questions is, of course, liberty. All individuals are entitled to liberty and all individuals should respect each other's freedoms. That is the universality element. Any individual who violates the liberty of another can properly be subject to physical force. That is the compulsion element.

In order to protect freedoms, liberal societies devise a network of institutional elements. They specify religious liberties, property rights, free-speech rights, liberties to engage in commercial activities, and more. They set up police, courts, and prisons to investigate those who violate others' freedoms and to restrain those guilty of doing so. They place limitations on the scope and power of government in order to lessen the risk that government itself will violate liberties. They articulate a commitment to the rule of law by making their general principles explicit in a constitution and devising their particular rules by reference to those general principles.

All of that follows from making liberty the foundational political value. Advocates of other systems disagree, and the debate is engaged. Is liberty really the most important social value? What about security, equality, justice, peace, efficiency, prosperity, or spiritual purity? Is liberty compatible with them, and if so, how? Or if it is in tension with them, why prioritize liberty?

### ***b. Taking up the strongest arguments***

My method starts by taking up the fifteen best arguments for (and, in Part II of this series, against) liberalism. These are not exhaustive lists, but they include the arguments that have had the most staying power in the debates. The reason they have had that staying power is that each identifies and stresses a genuinely important value at stake in politics.

John Stuart Mill, in his *On Liberty*, best expresses the reason for using such a method.<sup>3</sup> No one is educated who knows only one side of an argument. No one should commit to a position without knowing the competition. Especially in complicated matters like politics, where a huge

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<sup>3</sup> John Stuart Mill, *On Liberty* (London: Penguin, 1974 [1859]), chap. 2, "Of the Liberty of Thought and Discussion."

number of facts about the world must be integrated into a theory, a critical test for any theory is how well it compares with other theories. Does it overlook key facts? Does it make leaps of logic? The best way to answer for oneself those questions is to put the contender theories, with reference to their strongest defenders, in explicit competition with each other.

An advocate of liberalism has to know not only the best arguments for liberalism, but also the best arguments against liberalism—and how to respond to them. While I ultimately advocate liberalism, warts and all, my first goal will be to rise to Mill’s challenge. Liberalism has many intelligent, decent, and articulate enemies; their qualms and fears about liberalism must be taken seriously.

We make progress as individuals only when we know the most powerful arguments for and against what we judge to be true, and we can best judge the truth of a position by testing it against its worthy competitors. We often want shortcuts, perhaps out of intellectual laziness, an unwillingness to admit error, or to protect some belief we feel is core to our identity. There are no shortcuts, however, on complicated matters.

We make progress socially only when we are able to articulate our views clearly to others who are trying to understand—and when we ourselves genuinely understand—what others think and why. We tend to talk past each other, and discussion degenerates when one party senses that the other isn’t really listening or is addressing a weaker, easily attackable version of one’s position.

The test of my method will be this: Could a reader tell, if he or she read only my presentation of the arguments for and against liberalism, which side of the debate I am on?

The next step is to compare the two sets of arguments. Where are the sharpest and most persistent disagreements between liberals and their opponents? Some disagreements turn on issues within economics (e.g., Do free markets lead to monopoly?), within politics (e.g., Was the American Revolution ideologically conservative or libertarian?), or about history (e.g., Were the British Acts of Toleration primarily about religion?), and so on.

My claim will be that the most significant differences between liberals and their opponents are driven by disagreements in philosophy. That is, disagreements about values, human nature, metaphysics, and epistemology drive our deepest and most protracted arguments.

Consider this claim, for example: “Free societies may be practically efficient at generating wealth, but they are not moral.” That raises issues of ethics: What conception of morality is at work here, and why is it opposed to the practical? Or consider the opposite claim: “Liberalism is a fine ideal, but it’s unrealistic to expect it actually to work in the real world.” That raises a set of metaphysical concerns: What is the real world, where do ideals come from, and why are fine ideals not realistic?

Or one can challenge my method sketched above: “This arguments-back-and-forth procedure—isn’t that pointless given human psychology? Don’t studies show that people reject or accept empirical data for or against a

policy depending on their prior commitments? So what is the point of reasoning?” This challenge illustrates the importance of epistemology. Political arguments often turn on philosophical assumptions about cognition: Are humans rational or irrational? Or if a mix, what level of rational competency can we expect from them? If we are devising a set of political principles for human beings, then they must be based on an accurate understanding of human nature, which must include an accurate understanding of our cognitive powers. Those with dramatically different epistemologies are almost always led to very different politics, and they advocate them by very different methods.

Historically, philosophy is the mother discipline, giving birth to the specific sciences and nurturing them to maturity. The point about the importance of philosophy, though, is not to assert a professional monopoly on philosophy by professional philosophers. Everyone is philosophical to some extent; we are necessarily philosophical when we think about social theory, whether we do so as professional economists, political scientists, historians, or voting citizens. Philosophy is a practice common to all thinking human beings.

Explicit attention to the philosophical issues embedded within any political theory is necessary for understanding, defending, or attacking that theory competently. The value-added by professional philosophers is part of an overall intellectual division of labor. Economists, political theorists, historians, and others all have specialties that contribute the knowledge necessary to a comprehensive social theory, but labor that has been divided also must be coordinated again. The coordinating work of integrating knowledge from various disciplines is a task that each of us must perform individually. No one can do social theory adequately without being also an economist, a political theorist, a historian—and, especially, a philosopher.

I will initially present arguments for (and against) liberalism in qualitative form only and save relevant quantitative data for later. I will also keep the scholarly apparatus to a minimum by putting in the footnotes relevant quotations from major thinkers who make points supporting or illustrating the argument in question. The footnotes may be useful for those interested in the historically important thinkers who have contributed to the debate. But they can be ignored, however, by those interested primarily in focusing quickly on the arguments’ essential points and putting them in collision with each other.

## **2. Fifteen Arguments for Liberalism**

### ***a. Liberalism increases freedom***

Liberalism dramatically increases the amount of freedom that individuals enjoy relative to any other kind of society that can be devised: monarchy, socialism, fascism, tribalism, and the rest. Under the liberal set of institutions—the specification of individual rights, limited government, rule of law—individuals enjoy more freedom because those institutions expressly make liberty their core purpose.

Most of us like the exercise of freedom. We like to do things our own way, to formulate our own tastes, to dream our dreams, and to be able to put them into practice. Liberals also argue that freedom is not only something that we happen to like. There is a deep need within human nature to be who we are by our own making.<sup>4</sup> To live a fully human life, we each need to decide our own careers, choose our own romantic partners, formulate our own musical tastes, and chart our own courses in the world. We are each unique as individuals in our specific traits and needs, but we are also the same in needing the freedom to discover and create our individuality. Liberty is a fundamental human value.

Therefore, a society that respects and augments the amount of freedom that individuals enjoy is, by that criterion alone, a good society. Human beings are not slaves; they are not even servants. Every human is by nature a free, autonomous individual, and one proper purpose of society is to protect individuals' freedom.

***b. People work harder in liberal systems***

Suppose that we have a society in which the freedom of thought and action, property rights, and so forth are protected. Economists and psychologists argue that in such a liberal system individuals' incentive to work hard changes for the positive.

If I am able to do what I want, choose who I want to be, and make a living the way that I want to—and if I know that I will be able to keep the fruits of my labor—then I am more likely to exert myself to achieve my goals. Most individuals in a liberal society will work hard and, as a result, they will produce a lot of economic value. Consequently, that society will prosper economically.

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<sup>4</sup> Aristotle holds: "It is the mark of a free man not to live at another's beck and call"; see Aristotle, *Rhetoric*, trans. W. Rhys Roberts, in *The Complete Works of Aristotle*, ed. Jonathan Barnes (Princeton, NJ: Princeton University Press, 1984), 1367a31.

John Locke says about freedom of choice: "We naturally, as I said, even from our cradles, love liberty, and have therefore an aversion to many things, for no other reason, but because they are enjoin'd us"; see John Locke, *Some Thoughts concerning Education* (1692), sec. 148, accessed online at: <http://legacy.fordham.edu/halsall/mod/1692locke-education.asp>.

John Stuart Mill says about freedom of movement: "Many a person remains in the same town, street, or house from January to December, without a wish or thought tending towards removal, who, if confined to that same place by the mandate of authority, would find the imprisonment absolutely intolerable"; see John Stuart Mill, *Principles of Political Economy* (Indianapolis, IN: Liberty Fund, 2006), II.i.4, p. 213.

Ayn Rand maintains: "for every individual, a right is the moral sanction of a positive—of his freedom to act on his own judgment, for his own goals, by his own voluntary, uncoerced choice"; see Ayn Rand, "Man's Rights," in Ayn Rand, *The Virtue of Selfishness* (New York: Signet, 1963), p. 93.

Compare liberalism to other political systems. Under tribalism, I am supposed to work primarily for the good of the tribe. If I am raised in that tribe, I will have some incentive, of course, to work for its advancement. Under feudalism, I am required to work for the aristocrats, the clergy, and the other castes; even if I am a serf, I will likely feel some motivation to support the lifestyle of my betters. Another possibility is socialism, where I am supposed to work selflessly for the collective good of society. To the extent that I value those institutions—tribal, feudal, socialist—I will have an incentive to exert myself on their behalf.

However, liberals argue, to the extent that I am able to work for myself and keep the fruits of my own labor, I will consistently work harder. I will become a carpenter or an artist or a scientist because I want to, not because I have been ordered or pressured into that career by social regulation. I will know that the rewards, both material and psychological, for being an excellent carpenter, artist, or scientist will be mine to keep. Liberal societies, therefore, will be more prosperous than other kinds of societies.<sup>5</sup>

***c. People work smarter under liberalism***

A complementary argument is that under liberalism not only do people work harder, they also work smarter. The most important asset in any economy is knowledge, and liberalism makes the best use of the knowledge available in a society. In any society, knowledge is dispersed among the minds of its many individuals—thousands, millions, or billions of individuals know uncountably many things. Liberalism enables those individuals to act on their knowledge, instead of having to follow orders or wait for permission.

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<sup>5</sup> Adam Smith comments on the self-interested profit motive leading to mutually beneficial trade: “It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love”; see Adam Smith, *On the Wealth of Nations* (Chicago, IL: University of Chicago Press, 1976), I.2.2, p.18.

Alexis de Tocqueville, in his 1830s travel through the young United States, contrasted fields and buildings on the Ohio and Kentucky sides of the Ohio River. Ohio was a free state and Kentucky was a slave state. The Ohio fields were better cultivated, and the structures were built more quickly and of higher quality than those on the Kentucky side. For the Ohio farmers and the hired contractors and laborers, self-interested profit-seeking was incentivized. Kentucky’s slaves, by contrast, had no liberty rights, no property rights, and no profit motive. See Alexis de Tocqueville, *Democracy in America* (New York: Alfred A. Knopf, 1972), 1.18.4, p. 362.

Milton Friedman compares the profit motive with compulsion: “Given sufficient knowledge, it might be that compulsion could be substituted for the incentive of reward, though I doubt that it could. One can shuffle inanimate objects around; one can compel individuals to be at certain places at certain times; but one can hardly compel individuals to put forward their best efforts. Put another way, the substitution of compulsion for co-operation changes the amount of resources available”; see Milton Friedman, *Capitalism and Freedom* (Chicago, IL: University of Chicago Press, 1962), p. 166.

Liberalism's free market develops institutions (such as markets with their supply-and-demand price systems) that enable those individuals to mobilize and coordinate their knowledge in a way better than in any other society.

Contrast a monarchy, for example. Suppose that we have a king trying to organize and run a whole economy. The king might be hard-working and he might be very smart. (How many kings possess both of those traits, though?<sup>6</sup>) Nonetheless, there is a limit to how much one person can know, and the king can necessarily make only crude, top-down decisions in a centralized fashion. How much corn should be raised? How many soldiers should be recruited? How many musical concerts organized? What should the price of cloth be? And so on, for thousands of other economic matters. There is a severe limit to how much one king can know about these matters and, consequently, there is a severe limit to how productive a monarchy's economy can be.

Consider a socialist planning board, for another example. The socialist central-planning committee might be made up of ten or twenty well-meaning, intelligent individuals who jointly make decisions for an economy as a whole. Nonetheless, there is a limit to how much even ten or twenty people can know, and there is a limit to the quantity and quality of the decisions they can make for society as a whole. If each major decision is allotted, say, an hour's worth of investigation and thought, then only a dozen or so major decisions can be made in a day. How many other important and semi-important decisions simply will not be made? And how many of the actual decisions will be best, given that they were reached after only an hour's deliberation?

By contrast, liberalism is characterized by decentralized decision-making. Liberalism enables each individual to think and act as he or she judges best. In a society of millions of individuals, there are millions who are free to make their own decisions in their own life. Each of those decision-makers is much more likely to know his or her needs and circumstances better than a king or a central-planning committee does. Thus, free individuals are better positioned to decide what they need to do and to decide what relationships with other people will work best to satisfy their needs.

That is to say, free, decentralized systems better utilize the knowledge available in society. Millions of people know more than a few do, and the local knowledge of each of those millions is usually more accurate. So liberalism's freedom enables individuals to act on their knowledge of what is

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<sup>6</sup> John Stuart Mill observes: "Since European life assumed a settled aspect, anything above mediocrity in a hereditary king has become extremely rare, while the general level has been even below mediocrity, both in talent and in vigour of character"; see John Stuart Mill, "Of the Infirmities and Dangers to which Representative Government is Liable," in *Essays on Politics and Society*, ed. J. M. Robson (Toronto: University of Toronto Press, 1977), p. 437.

necessary for their particular circumstances in a more productive way than any other kind of system.<sup>7</sup>

The better use of knowledge extends to the more impersonal markets that liberalism develops. In stock, commodity, and financial markets, prices capture information about what each individual, from his or her unique situation, is willing to sell or buy for. Those supply-and-demand prices send signals to other individuals around the world, enabling them to decide better how to use the resources available to them. If there is a greater need for iron in Brazil than in Finland, for example, then that will be communicated by Brazilians' willingness to pay more for iron. If there is a greater supply of iron available in Canada than in Japan, then that will be reflected in Canadians' willingness to sell their iron for less. The prevailing prices will lead Canadians and Brazilians to be more likely to buy and sell iron with each other, and that will be the most optimal result. The price system thus efficiently coordinates the decision-making of all participants.<sup>8</sup> Free-market systems thus work smarter and, as a result of working smarter, they become more prosperous.

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<sup>7</sup> Friedrich Hayek says about the epistemic basis of the liberal individualist position: "It merely starts from the indisputable fact that the limits of our powers of imagination make it impossible to include in our scale of values more than a sector of the needs of our whole society, and that, strictly speaking, scales of values can exist only in individual minds, nothing but partial scales of values exist—scales which are inevitably different and often inconsistent with each other. From this the individualist concludes that the individuals should be allowed, within defined limits, to follow their own values and preferences rather than somebody else's; that within these spheres the individual's system of ends should be supreme and not subject to any dictation by others. It is this recognition of the individual as the ultimate judge of his own ends, the belief that as far as possible his own views ought to govern his actions, that forms the essence of the individualist position"; see Friedrich Hayek, *The Road to Serfdom* (Chicago, IL: University of Chicago Press, 1944), p. 59.

<sup>8</sup> An early version of this point is Adam Smith's identifications of the division of labor into specialties and the coordination of that specialized labor by the "invisible hand" of the market: "The greatest improvements in the productive powers of labour, and the greater part of the skill, dexterity, and judgment with which it is any where directed, or applied, seem to have been the effects of the division of labour"; see Smith, *Wealth of Nations*, I.1. The coordinating invisible hand line appears in *ibid.*, IV.2.

Hayek explicates Smith's metaphor of the invisible hand, in part, in terms of the price system as a signaling mechanism enabling market participants to know best how to use resources: "The price system is just one of those formations which man has learned to use (though he is still very far from having learned to make the best use of it) after he had stumbled upon it without understanding it. Through it not only a division of labor but also a coordinated utilization of resources based on an equally divided knowledge has become possible"; see Friedrich Hayek, "The Use of Knowledge in Society," *American Economic Review* 35, no. 4 (1945), pp. 519-30.



***d. Liberalism increases individuality and creativity***

Another complementary argument about the greater economic productivity of liberalism is that, in a liberal society, people have more freedom to live their lives as they want. Liberal societies are therefore characterized by an increased amount of individuality—that is, a greater number of people who do their own thing in their own way. They are free to adopt the lifestyles they want, to think the thoughts that they want, to experiment however they want.

As a result, liberal societies are more creative societies. Creativity is a function of free thinking, experimentalism, a willingness to take risks, and a social system that protects and encourages individuals who do so.<sup>9</sup> As a result of that increased creativity, there will be more innovation in liberal societies compared to other kinds of societies. Other societies, by contrast—if they prize everybody doing the same thing in the same way, or if they prize everybody following orders—will not cultivate the creativity and innovation that happens in liberal societies.

As a result of liberalism’s creativity and innovation, such societies will be dynamic and progressive. They will produce more free-thinking scientists, more experimental engineers, and more creative business professionals trying to satisfy the demands of more customers who want unique goods and services to fit their individual lifestyles. Consequently, liberal societies will be more prosperous.<sup>10</sup>

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<sup>9</sup> Mill states: “[T]he same reasons which show that opinion should be free, prove also that he should be allowed, without molestation, to carry his opinions into practice at his own cost. That mankind are not infallible; that their truths, for the most part, are only half-truths; that unity of opinion, unless resulting from the fullest and freest comparison of opposite opinions, is not desirable, and diversity not an evil, but a good, until mankind are much more capable than at present of recognizing all sides of the truth, are principles applicable to men’s modes of action, not less than to their opinions. As it is useful that while mankind are imperfect there should be different opinions, so is it that there should be different experiments of living; that free scope should be given to varieties of character, short of injury to others; and that the worth of different modes of life should be proved practically, when any one thinks fit to try them”; see Mill, “Of Individuality, as One of the Elements of Well-Being,” in Mill, *On Liberty*, chap. 3, p. 120.

<sup>10</sup> This is Joseph Schumpeter’s thesis of “the perennial gale of creative destruction,” as presented in Joseph Schumpeter, *Capitalism, Democracy, and Socialism* (New York: Harper and Row, 1950), pp. 83-84.

Professors Yuriy Gorodnichenko and Gerard Roland hold: “We construct an endogenous growth model that includes a cultural variable along the dimension of individualism-collectivism. The model predicts that more individualism leads to more innovation because of the social rewards associated with innovation in an individualist culture”; see Yuriy Gorodnichenko and Gerard Roland, “Culture, Institutions and the Wealth of Nations,” NBER Working Paper No. 16368 (September 2010), accessed online at: <http://www.nber.org/papers/w16368>.

To integrate the previous three arguments: Under liberalism—which increases the amount of freedom that people have in that society—people will work harder, smarter, and more creatively. That is why liberal societies produce much more wealth than any other kind of society can.

*e. Liberalism increases the average standard of living*

The next arguments focus not on liberalism’s productive ability or how much wealth it creates, but instead on the distribution of wealth in a society.

One characteristic of liberalism in the modern world, after the Industrial Revolution especially, was the mass production of goods: mass-produced clothing, food, houses, cars, televisions, and more. By dramatically increasing the quantity of goods produced, the cost to consumers of those goods correspondingly declined dramatically. More people became able to enjoy more goods at lower cost. Consequently, the average standard of living increased.

Compare the more free-market societies to monarchies, socialist societies, fascist societies, and tribal societies. All of them have demonstrably lower average standards of living, and the majority of their people live less well than in liberal societies.

A closely related argument is that the quality of goods increased after the Industrial Revolution. Humans get tired, they can be unmotivated and sloppy, and they have physical limits—their visual acuity and their manual dexterity, for example. However, ingenious science and engineering can devise machines that work more precisely and consistently, so the overall quality of goods increases. Machines are often able to operate at a larger or smaller physical scale than humans can, so the quality of very large and very small goods increases.

As a result, in liberal societies, consumers enjoy more goods, better-quality goods, and at lower prices. So, if one’s measure of a good society is increasing the average standard of living or increasing the standard of living enjoyed by the majority of people in the society, then liberalism performs better than any other society.<sup>11</sup>

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<sup>11</sup> Ludwig von Mises says: “The characteristic feature of modern capitalism is mass production of goods destined for consumption by the masses. The result is a tendency towards a continuous improvement in the average standard of living, a progressing enrichment of the many”; see Ludwig von Mises, *The Anti-Capitalist Mentality* (South Holland, IL: Libertarian Press, 1972), p. 1. Mises later notes “the marvelous achievements of the last two hundred years: the unprecedented improvement of the average standard of living for a continually increasing population” (p. 39). In another work, Mises states: “Liberalism has always had in view the good of the whole, not that of any special group. It was this that the English utilitarians meant to express—although, it is true, not very aptly—in their famous formula, ‘the greatest happiness of the greatest number.’ Historically, liberalism was the first political movement that aimed at promoting the welfare of all, not that of special groups”; see Ludwig von Mises, *Liberalism* (Kansas City, MO: Sheed Andrews and McMeel, 1978 [1927]), p. 7.

***f. The poor are better off under liberalism***

Rather than focusing on the middle class, the average, or the majority of people in a society—we can focus on the poorest people in society and consider liberalism’s effects on them. The liberal argument here is that because free-market societies produce a great deal of wealth, those societies are best able to help the least well-off economically.<sup>12</sup> In prosperous societies, a significant amount of the wealth generated will be reinvested in new productive enterprises, and that reinvestment will create more jobs. Additionally, those jobs will typically be better paid as a result of the increase in overall standard of living in that society.

Also, with liberalism, poor individuals have more freedom to become entrepreneurs so as to improve their condition and, hopefully, work their way out of poverty. They are not prevented from doing so by tribal restrictions, by their place in the feudal hierarchy, or by the mandates of a socialist planning committee.

The argument of the previous section also carries over here. As the quantity, cost, and quality of goods in liberal societies improve, the poor—as consumers—also have access to more goods, at lower cost, and of higher quality. Liberalism thus improves the lot of poorer people by encouraging entrepreneurial effort for those who wish to do so, by increasing the number of job opportunities for those who prefer to work for an existing business, and by improving their lot as consumers.

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Schumpeter claims: “Queen Elizabeth owned silk stockings. The capitalist achievement does not typically consist in providing more silk stockings for queens but in bringing them within reach of factory girls in return for steadily decreasing amounts of effort”; see Schumpeter, *Capitalism, Democracy, and Socialism*, p. 67.

Economic historian Lawrence White notes that most debates among economists are “not a clash over whose interests the economy should serve, but over how best to foster the prosperity of the economy’s average participant”; see Lawrence White, *The Clash of Economic Ideas* (Boston, MA: Cambridge University Press, 2012), p. 11. Note the word “average” as indicative that this is the standard of value appealed to by most economists.

<sup>12</sup> Edmund Phelps holds: “I broadly subscribe to the conception of economic justice in the work by John Rawls,” namely, that the moral justification of any system is its effect on the least well-off. He further claims: “So if the increased dynamism created by liberating private entrepreneurs and financiers tends to raise productivity, as I argue—and if that in turn pulls up those bottom wages, or at any rate does not lower them—it is not unjust. Does anyone doubt that the past two centuries of commercial innovations have pulled up wage rates at the low end and everywhere else in the distribution?” See Edmund Phelps, “Dynamic Capitalism: Entrepreneurship is lucrative—and just,” *The Wall Street Journal* (October 10, 2006), accessed online at: [www.wsj.com/articles/sb116043974857287568](http://www.wsj.com/articles/sb116043974857287568). See also John Tomasi, *Free Market Fairness* (Princeton, NJ: Princeton University Press, 2012).

This argument is borne out historically by looking at the number of people living under the poverty line. If we keep the poverty line consistent, the vast majority of people who lived in poverty were lifted out of poverty as liberalism developed, until poverty in the advanced liberal societies became a relatively minor issue.<sup>13</sup> To put the argument pointedly: One would prefer being poor in a liberal society to being poor in any other kind of society.

***g. Liberalism generates more philanthropy***

Another, related argument focuses on the philanthropic sector under liberalism. Liberal societies produce much wealth, and much of that wealth is spent directly on consumer goods or reinvested in new productive enterprises.

Much of that wealth, though, will be directed to philanthropic organizations, including research institutions that are devoted to studying cures for new diseases, charity hospitals, disaster-response organizations, cultural associations, education programs, and agencies that support the handicapped who cannot support themselves. Liberalism, in other words, generates a more robust civil society compared to any other kind of society.

The argument is partly that the material prosperity of liberal societies means that more wealth is available for philanthropy. It is also partly that prosperity increases and extends our natural benevolence. Once one's own material needs are looked after—once life is no longer a desperate matter of day-to-day survival—one is both materially able and psychologically freer to expand the range of one's thinking and action. One can think of individuals in more distant places and one has the resources available to reach them. One can think longer-term about the future and invest in it. Benevolence is more possible and more easily extended to others in prosperous societies.

Furthermore, liberalism encourages a do-it-yourself society. Its cultural ethos emphasizes self-responsibility and expects that individuals will show initiative in solving problems, marshaling the necessary resources, and developing social institutions. It does not, as other systems do, shift that responsibility to aristocrats or government agencies and expect citizens more passively to follow their lead. Consequently, for any type of social goal, including philanthropic goals, under liberalism more initiatives are undertaken in more directions, and the energies of more people are mobilized.<sup>14</sup>

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<sup>13</sup> Mises claims: "It is precisely want and misery that liberalism seems to abolish," and: "In order to appreciate what liberalism and capitalism have accomplished, one should compare conditions as they are at present with those of the Middle Ages or of the first centuries of the modern era"; see Mises, *Liberalism*, pp. 9-10.

<sup>14</sup> Tocqueville contrasts the liberal individualism of early America with the long cultural traditions of aristocratic and government patronage in Europe: "Wherever at the head of some new undertaking you see the government in France, or a man of rank in England, in the United States you will be sure to find an association." He also says: "The citizen of the United States is taught from infancy to rely upon his own exertions in order to resist the evils and the difficulties of life . . . . This habit may be traced even in the schools, where the children in their games are wont to submit to rules which they

Liberal societies, therefore, are more philanthropic and often at a higher rate. To put the argument pointedly: If you're a sick person who has no resources, or if you're a handicapped person and not able to support yourself, then you want to be in a liberal society because that will most increase your chances of getting the resources you need to deal with your difficult situation.

***h. More outstanding individuals flourish under liberalism***

Here is another complementary argument in the area of distribution. Rather than focusing on the average person, the poor person, or the person who is so weak and handicapped that he or she can't support himself, we also consider the effects of liberalism's wealth on the most able people, the most intelligent people, the people who are the creative geniuses in the arts, the outstanding athletes, and the people who are the innovative intellectuals or scientists.

Most of those individuals need huge amounts of resources. The sciences, for example, are wealth-intensive disciplines, given the high cost of educating a scientist to the forefront of his or her area of expertise and the cost of equipping and stocking a research laboratory. Great artists need much leisure time, education, and often travel in order to be able to do what they do. The production of a first-rate movie, for example, requires the talent of hundreds of creative professionals. Symphony orchestras, as another example, are obviously very wealth-intensive; to be able to put together a whole orchestra costs a lot of money. Or even to take a four-member rock-and-roll band on the road requires considerable resources. The best athletes need practice time, coaches, equipment, specialized nutrition and medical care, and often the ability to travel abroad to compete against the world's best.

All such people—those who are the most outstanding in the sciences, the arts, athletics, and so forth—will flourish more in a liberal society. There will be more individuals enabled to reach their highest potential. The rest of us will be able to enjoy more of what they are able to accomplish, precisely because liberalism is able to generate the wealth to empower them to do the awesome things that they do.<sup>15</sup>

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have themselves established, and to punish misdemeanors which they have themselves defined. The same spirit pervades every act of social life. If a stoppage occurs in a thoroughfare and the circulation of vehicles is hindered, the neighbors immediately form themselves into a deliberative body; and this extemporaneous assembly gives rise to an executive power which remedies the inconvenience before anybody has thought of recurring to a pre-existing authority superior to that of the persons immediately concerned. If some public pleasure is concerned, an association is formed to give more splendor and regularity to the entertainment. Societies are formed to resist evils that are exclusively of a moral nature"; see Tocqueville, *Democracy in America*, 1.12, p. 191.

<sup>15</sup> Bertrand de Jouvenel argues that a turn away from liberalism would cause the decline of high standards and quality: "The production of all first-quality goods would cease. The skill they demand would be lost and the taste they shape would be coarsened. The production of artistic and intellectual goods would be affected first and

Such individuals also need the freedom to think and feel independently and to experiment. Any system, by contrast, that encourages conformity or obedience and enforces such traits by fear undercuts human development. By recognizing the need for freedom as fundamental to being human, liberalism establishes the conditions necessary for more individuals to reach their fullest potentials.<sup>16</sup>

***i. Liberalism's individualism increases happiness***

By protecting the amount of freedom that individuals enjoy, liberal societies cultivate and encourage individuality—and that means we will have more happy people in society. Individuals are happiest when they do their own things in their own way. Most of us resent being told what to do, being made to do things that we don't want to do, and not being able to enjoy the fruits of our labor. Those are all affronts to our individuality.

More formally, the argument is that happiness is conditional. That is, individuals must (1) define their own values and goals, (2) show initiative and exert themselves, and, of course, (3) achieve their goals. Life is also complicated; happiness typically requires success in a wide range of life activities—career, friendships, romance, family, leisure activities, self-assessment, and wisdom. And happiness is most fully experienced when an individual is able to say, with the given emphases: I chose that goal. I made it happen. And I succeeded.

Liberals encourage people to define their own major life goals and to develop their own tastes rather than, as other systems do, expect or require them to live as others have decided.<sup>17</sup> Liberal systems do not assign

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foremost. Who could buy paintings? Who even could buy books other than pulp? . . . Can we reconcile ourselves to the loss suffered by civilization if creative intellectual and artistic activities fail to find a market?" See Bertrand de Jouvenal, *The Ethics of Redistribution* (Indianapolis, IN: Liberty Fund, 1990 [1952]), pp. 41-42.

<sup>16</sup> Mill explains: "Persons of genius, it is true, are, and are always likely to be, a small minority; but in order to have them, it is necessary to preserve the soil in which they grow. Genius can only breathe freely in an atmosphere of freedom. Persons of genius are, *ex vi termini*, by definition, more individual than any other people"; see Mill, *On Liberty*, p. 129.

<sup>17</sup> Thomas Jefferson's formulation in the *Declaration of Independence* of 1776 explicitly links life, liberty, and happiness.

Mill states: "Where, not the person's own character, but the traditions of customs of other people are the rule of conduct, there is wanting one of the principal ingredients of human happiness," and: "He who lets the world, or his own portion of it, choose his plan of life for him, has no need of any other faculty than the ape-like one of imitation. He who chooses his plan for himself, employs all his faculties. He must use observation to see, reasoning and judgment to foresee, activity to gather materials for decision, discrimination to decide, and when he has decided, firmness and self-control to hold to his deliberate decision"; see Mill, *On Liberty*, p. 120.

individuals to jobs; they let them choose whatever career they want to go into. Liberals do not select others' marriage partners for them or tell them how many children they may have—or even make them get married. Beyond career and marriage, liberals encourage people to cultivate their own musical likes, develop their own fashion style, and watch whatever movies and read whatever books they want. People can, of course, sometimes find satisfaction in doing work they are ordered to do, in arranged marriages, and in the books chosen for them by others. However, more people will find more pleasures in values they've chosen for themselves.

Furthermore, happiness is earned and not given to anyone.<sup>18</sup> A dollar earned is more satisfying than a dollar received as allowance from one's parents. A student who works hard for a grade feels more happiness than a student who cheats. A recorded win in sports is more rewarding if it results from sweaty effort than if it results from one's opponent having defaulted. A house brings pleasure, but a house you designed or furnished yourself brings more. Liberalism emphasizes individual initiative and the expectation that accomplishment in life is primarily up to each individual. Liberalism thus argues that other social systems undermine happiness by teaching them that life's needs and wants are to be provided for by the tribe; the reciprocal fulfillment of the duties of feudal castes to each other; or the obligatory, collective exertions of society as a whole.

Happiness also requires actual success. It is difficult to be happy when your career is in the toilet, your marriage is failing, you have a serious disease, your children despise you, and/or you are bored by life in general. Any one of those challenges can put one in a depressive state. And certainly, in a liberal society that emphasizes freedom and self-responsibility, there are many risks. Some books make you sad, some romances end in disaster, some careers reach dead-ends, and some family members make us miserable. Liberalism argues, though, that success is more likely in life endeavors that you have chosen yourself and when you believe that success or failure is primarily up to you.

All of this ties into liberalism's argument that liberalism is more productive and so leads to a wealthier society. Money, contrary to cliché, does buy many of the ingredients of happiness. The preconditions of successful action—education, health, resources for starting a business, and so on—can be expensive. Prosperity also makes it easier for parents to encourage their children to define themselves and their own goals. It makes it easier for individuals to embrace riskier choices if they have a financial cushion in case of failure. Prosperity of course provides the material resources for people to try a wider range of happiness-generating activities.

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<sup>18</sup> Rand claims that happiness is self-responsibly earned: "Just as I support my life, neither by robbery nor alms, but by my own effort, so I do not seek to derive my happiness from the injury or the favor of others, but earn it by my own achievement"; see Ayn Rand, *Atlas Shrugged* (New York: Random House, 1957), p. 939.

Liberal societies encourage individuality in all areas of life. It is precisely through being our own person, living our own lives our own way, meeting challenges, and accomplishing our goals that we become happy and fulfilled individuals.<sup>19</sup> By contrast, non-liberal societies—either by ordering people to live a certain way, not allowing them to do what they want, assigning them to jobs, taking the fruits of their labor away from them, or simply not enabling them to reach their economic potential—undercut or actively discourage happiness and increase the amount of misery.

***j. Liberal societies are more interesting***

By encouraging individuality in society, the next argument is that liberal societies are more interesting societies. This is an aesthetic criterion of value.

Consider what makes going to parties interesting, or what makes travelling to new parts of the world interesting. We are interested in people doing things differently, people being unique and authentic in their own way.

What we find in liberal societies, precisely because of their liberality, is more people doing their own thing and pursuing their own life adventures. Liberal societies will have many eccentric people, of course, some charming and some not, but many of those eccentrics will be intriguing in their own right and many will do interesting things in the arts, sciences, philosophy, business, and other walks of life.<sup>20</sup>

Other societies, by contrast, place other values above liberty and thus direct the character of their cultures in different directions. In monarchies, aristocracies, dictatorships, and other sorts of authoritarian societies, the top political value is obedience to those further up the hierarchy. Obedient people are not those who think and act for themselves; they follow the rules. In socialism, communism, fascism, and other collectivistic societies, the top

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<sup>19</sup> Hayek comments on self-responsibility and success: “Free societies have always been societies in which the belief in individual responsibility has been strong. They have allowed individuals to act on their knowledge and beliefs and have treated the results achieved as due to them. The aim was to make it worth while for people to act rationally and reasonably and to persuade them that what they would achieve depended chiefly on them. This last belief is undoubtedly not entirely correct, but it certainly had a wonderful effect in developing both initiative and circumspection”; see Friedrich Hayek, “The Moral Element in Free Enterprise,” *Studies in Philosophy, Politics, and Economics* (London: Routledge and Kegan Paul, 1967), p. 232.

<sup>20</sup> Mill argues this in *On Liberty*, stressing the dangers of conformity and the benefits of cultivating individuality: “It is not by wearing down into uniformity all that is individual in themselves, but by cultivating it and calling it forth, within the limits imposed by the rights and interests of others, that human beings become a noble and beautiful object of contemplation,” and: “[I]t is essential that different persons should be allowed to lead different lives. In proportion as this latitude has been exercised in any age, has that age been noteworthy to posterity” (pp. 127-28).



political value is communalism. Communal people do not think and act independently; rather, they strive for sameness of purpose and action.

Liberalism enables and encourages lifestyle diversity, and such diversity gives all of us more social options. We can choose to live among people who share our tastes and styles, of course, or we can choose to seek out the exotic and unique.

The argument about the greater wealth of liberal societies works with this aesthetic criterion. Liberalism encourages individuality and its consequent diversity, but it also generates the wealth to enable individualized pursuits. A liberal society will be able to support a wider diversity of restaurants catering to different food tastes, more musical types of experimental and traditional music, more museums of art and history, and more travel to exotic places. By increasing mass production, it will enable more people to enjoy more diverse goods and services. By supporting smaller niche markets, it will enable those with specialized tastes to satisfy their preferences.

Liberal societies, then, will have more interesting people and more varied activities, with more individuals pursuing their own unique life adventures, and they will be a lot more fun to live in. This contrasts with many societies that are more conformist or driven by hierarchy or obedience.

***k. Tolerance increases under liberalism***

Liberal societies are tolerant societies. Consider religious intolerance, for example, a social ill that has plagued human beings for as long as there has been religion. It is precisely in societies that have encouraged individual freedom—that is, that believe that individuals should be free to live their lives as they see fit, encourage individuality, emphasize the importance of each individual deciding for himself or herself what he or she thinks is true or important, and what he or she is going to do with respect to religious matters<sup>21</sup>—that we see the rise of religious tolerance.<sup>22</sup>

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<sup>21</sup> Locke says about tolerance's basis in individual freedom: "[N]o man can, if he would, conform his faith to the dictates of another. All the life and power of true religion consist in the inward and full persuasion of the mind; and faith is not faith without believing. Whatever profession we make, to whatever outward worship we conform, if we are not fully satisfied in our own mind that the one is true and the other well pleasing unto God, such profession and such practice, far from being any furtherance, are indeed great obstacles to our salvation"; see John Locke, *A Letter concerning Toleration* (Indianapolis, IN: Hackett, 1983), p. 26.

<sup>22</sup> Those cultures—classical Athens, Renaissance Florence, the Dutch Golden Age, and others—historically that encouraged individuality were at the same time cultures with a wider diversity of religion and relative tolerance. Historic free ports such as Tangier, Beirut, New Orleans, and Hong Kong are further examples of places where individuals from many different nations were at wide liberty to engage in commerce. One significant feature of such ports was the then-rare phenomenon of individuals of different religions trading peacefully with each other, tolerating each other's religious differences, and sometimes even becoming friends.

If you and I both believe, as a matter of principle, that people should be free to live their lives as they see fit, including in their religious practices, then I will respect your liberty to practice religion as you choose, I will jealously guard my right to live my religious life as I choose, and you will do the same. To the extent that we also have liberal political institutions protecting religious freedoms, a more tolerant society will result.

Under liberalism, the principle of toleration of individuals' free choices in religious matters also extends to government actions, meaning that government officers are prohibited from using their political power either to endorse or suppress religion. The principle of the separation of church and state, as it is colloquially called, is more generally a separation of religion from politics.<sup>23</sup> Contrary to the doctrines of theocratic political theories such as Islamism, the state's mandating of particular religious beliefs or practices is not allowed under liberalism. Contrary to the doctrines of atheistic political theories such as Marxism, the state's abolishing of religious belief or practice is not allowed. Consequently, by keeping the state's great power out of religion, liberalism tames one traditionally powerful source of religious intolerance.

#### ***1. Sexism and racism decrease under liberalism***

Liberalism leads to a decrease in racism and sexism. Since the general principles of life, liberty, and property rights are human rights, and

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Voltaire says about the London Stock Exchange: "Go into the London Stock Exchange—a more respectable place than many a court—and you will see representatives from all nations gathered together for the utility of men. Here Jew, Mohammedan and Christian deal with each other as though they were all of the same faith, and only apply the word infidel to people who go bankrupt. Here the Presbyterian trusts the Anabaptist and the Anglican accepts a promise from the Quaker. On leaving these peaceful assemblies some go to the Synagogue and others for a drink, this one goes to be baptized in a great bath in the name of the Father, Son and Holy Ghost, that one has his son's foreskin cut and has some Hebrew words he doesn't understand mumbled over the child, others go to their church and await the inspiration of God with their hats on, and everybody is happy"; see Voltaire, "On Presbyterians," in Voltaire, *Letters from England* (London: Penguin Books, 1980), p. 41.

<sup>23</sup> Locke holds: "This only I say, that, whencesoever their authority be sprung, since it is ecclesiastical, it ought to be confined within the bounds of the Church, nor can it in any manner be extended to civil affairs, because the Church itself is a thing absolutely separate and distinct from the commonwealth. The boundaries on both sides are fixed and immovable. He jumbles heaven and earth together, the things most remote and opposite, who mixes these two societies, which are in their original, end, business, and in everything perfectly distinct and infinitely different from each other"; see Locke, *A Letter concerning Toleration*, p. 33.

The first clause of the First Amendment to the U.S. Constitution states: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof" (1791).

individuals of both sexes and all races are human beings, liberalism argues that traditional sexism and racism are affronts to liberal individualism.

Racism and sexism have been prominent features of cultures all over the world for millennia. It is not coincidental, liberals argue, that for the first time in history racism and sexism were challenged and put on the defensive precisely in those societies that took individuality and liberty seriously. Liberal societies were and will be at the forefront of eliminating traditional racism and sexism.<sup>24</sup>

Liberalism's free market provides further incentives against sexism and racism. We can see this with respect to profit motive, for example, which is a prominent feature of a free-market economy. Suppose that I am in business and I want to make a lot of money. That is the profit motive. Suppose also, though, that I am a traditional sexist, and I am hiring. I have two candidates available. One is a young woman, who just graduated from university with A grades; the other is a young man who just graduated from university with C grades.

Whom will I hire? The sexist in me will say: "I want to hire the male, not the female." But the profit-seeking liberal in me will say, "Definitely, I will hire the female, because she is smarter and works harder, and she is the one who is going to enable me to make more money."

So, this argument concludes, liberalism's encouragement of the profit motive will lead people to be more likely to set aside traditional sexist attitudes. As a result, more men and women will work with each other and the sexist attitudes will decline.

The same pattern holds for racism. Suppose that I am a profit-seeker in a free market, but I am also a traditional racist. I am, say, a white person who does not like to work with brown people. But suppose that I have a brown customer who comes to me and says that he wants to buy \$100,000 worth of goods from me. The profit-seeker in me will say, "I want that \$100,000 in sales." The traditional racist in me will say, "I don't like dealing with brown people." Which desire will override? How high a price am I willing to pay for my racism?

The argument is that the profit motive gives everyone an incentive to set aside racial differences and to deal peacefully in a win-win fashion with people of other races. Once people start to do that, traditional racial attitudes

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<sup>24</sup> The first anti-slavery societies were in the liberal Enlightenment nations: the American Society for Abolition of Slavery (1784), the British Society for Abolition of Slave Trade (1787), and the French Soci t  des Amis des Noirs (1788). The first feminist manifestos were Condorcet's essay, "On the Admission of Women to the Rights of Citizenship" (1790), which argued for full equality of rights of women with men; Olympe de Gouges's *The Declaration of the Rights of Woman* (1791); and Mary Wollstonecraft's *A Vindication of the Rights of Women* (1792). All explicitly apply the ideals of the Enlightenment in general and the life, liberty, and pursuit of happiness principles articulated in the U.S. *Declaration of Independence*.

decline.<sup>25</sup> The same pattern of argument applies to ethnic differences. Liberals argue that traditional national or cultural enemies will come to at least tolerate each other as the principles of respect for individual liberty and the prospects for win-win trade become prevalent.

***m. Liberalism leads to international peace***

Liberalism makes fundamental respect for other individuals' freedoms and their property rights. Many wars in history have been motivated, though, by the desire to control others' lives or to confiscate their wealth. Liberalism argues that those two motives are illegitimate, and so it offers a principled opposition to them as reasons for war.

Beyond that, the profit motive also powerfully incentivizes peace. Liberalism leads to much trade, including free trade across regional and international borders. Globalization is one of the major trends of the liberal era. If I am dealing with people in other countries, they are my suppliers and my customers, so I do not want to go to war with them. If foreigners are buying millions of dollars' worth of my goods each year, then I do not want them killed. I do not want disrupted the trade networks that are putting money in my pocket.

The same reasoning holds if my suppliers are from another country. I want them to continue to send the raw materials that I need to make whatever I am producing. I do not want my country to go to war with their country, because I do not want my suppliers killed or have their factories bombed or have them forbidden to trade with me. Doing so would undermine my ability to make money.<sup>26</sup> Liberalism fosters trading relationships among nations, and

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<sup>25</sup> Milton Friedman states: "The great virtue of a free market system is that it does not care what color people are; it does not care what their religion is; it only cares whether they can produce something you want to buy. It is the most effective system we have discovered to enable people who hate one another to deal with one another and help one another"; see Milton Friedman, "Why Government Is the Problem," *Essays in Public Policy*, no. 39 (1993), p. 19, accessed online at: <http://www.hoover.org/sites/default/files/uploads/documents/friedman-government-problem-1993.pdf>.

<sup>26</sup> Hugh of Saint Victor says: "The pursuit of commerce reconciles nations, calms wars, strengthens peace, and commutes the private good of individuals into the common benefit of all"; accessed online at: [www.acton.org/pub/religion-liberty/volume-2-number-1/hugh-st-victor](http://www.acton.org/pub/religion-liberty/volume-2-number-1/hugh-st-victor). Gustave de Molinari holds: "Just as war is the natural consequence of monopoly, peace is the natural consequence of freedom"; see "The Production of Security," accessed online at: [www.praxeology.net/gm-ps.htm](http://www.praxeology.net/gm-ps.htm). Mill claims: "It is commerce which is rapidly rendering war obsolete, by strengthening and multiplying the personal interests which are in natural opposition to it"; see Mill, *Principles of Political Economy*, p. 594. Steven Pinker states: "The theory of the Liberal Peace embraces as well the doctrine of gentle commerce, according to which trade is a form of reciprocal altruism which offers positive-sum benefits for both parties and gives each a selfish stake in the well-being of the other"; see Steven Pinker, *The Better Angels of Our Nature* (London: Penguin Books, 2011), p. 211. The Liberal

those trading relationships give people an incentive to remain at peace with each other.

*n. Liberalism is the most just system*

Justice is the application of a moral standard to our individual practices and social institutions and their outcomes.<sup>27</sup> The claim of liberalism as a political system is based on a unique and prior moral claim about what individuals deserve. That prior claim is that, fundamentally, individuals make or break their own lives. The good things in life—the material means of survival, a satisfying career, a rewarding inner life, meaningful friendships—must be achieved. Value, in other words, has to be created, and those who create value should be rewarded in proportion to the value they create.

In yet more abstract words, justice is the principle of cause and effect applied to human action. If by my actions I cause good, then the consequential effect should be that I am rewarded. If I produce something of economic value (e.g., knitting a hat or building a house), then I deserve the use of it. If by trade I bring value to others (e.g., by bringing wheat or software to market), then I deserve the wealth that I receive from my customers. If I develop my intellect and emotions, then I deserve the rewards of a cultivated psychological life. If by my personality and character I add richness to others' lives, then I deserve the rewards of friendship and love.<sup>28</sup>

The negatives of cause and effect also hold. If I simply fail to produce or trade or develop myself, then it is sadly appropriate that I will be poor, lonely, and not even like my own company. And if I actively cause destruction in my life or in others', then I deserve to bear the costs—the self-loathing and the active dislike and punishment that others will inflict upon me.

Injustice is the opposite—the severing of cause and effect in human action. If you bake bread and I throw it in the trash, if you write an essay and I plagiarize it, or if you commit a good deed and I withhold praise, then all of those are acts of injustice. In each case I sever the enjoyment of the effect from its enabling cause. If you steal from others, assault them, or spread malicious gossip about them—and I praise you for doing so—then I commit injustice by failing to judge you negatively for your destructive actions.

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or Capitalist Peace thesis is sometimes casually called the “no two countries with a McDonald’s have ever gone to war” theory.

<sup>27</sup> Mises states: “The notion of justice makes sense only when referring to a definite system of norms which in itself is assumed to be uncontested and safe against any criticism”; see Ludwig von Mises, *Human Action* (New Haven, CT: Yale University Press, 1949), p. 720.

<sup>28</sup> Rand claims: “one must never seek or grant the unearned and undeserved, neither in matter nor in spirit (which is the virtue of Justice)”; see Ayn Rand, “The Objectivist Ethics,” in Rand, *The Virtue of Selfishness*, p. 28.

Individuals and institutions are just to the extent that they evaluate themselves and others according to what they deserve and act on those evaluations. Liberals then argue that liberal institutions are most just in four respects.

(1) In a society based on self-responsibility and freedom, more individuals will end up in life circumstances that are the result of their own choices and efforts. Most people will get what they deserve.

(2) Socially, individuals in a liberal society are taught to evaluate themselves and others according to their character and accomplishments as individuals. Liberal culture, therefore, is more respectful and admiring of achievement and, correspondingly, more disrespectful of laziness and destruction.

(3) Economically, the wealth that individuals acquire will only be from production and voluntary trade or gifts from others. In a system of property rights, individuals get to keep the fruits of their labor and of their trade with others. In a free market, trade occurs according to the value that each participant thinks others are providing to them. In any trade, the individuals involved are the best judges of the value that each is offering the other. Thus, the amount of wealth that individuals acquire as a result of free actions is the best estimate possible of the value they have added to their own lives and the lives of others.

(4) Legally, a liberal system is committed to making laws that protect individual freedoms. It creates the largest social space possible for its citizens to make their own choices and to live with the consequences. A liberal legal system also dedicates itself to handling those who do not respect others' freedoms. It exerts itself to prevent injustices, and, when injustices occur, it attempts to measure accurately the degree of destructiveness they caused and the appropriate amount of compensation owed.<sup>29</sup> It does so by explicit, constitutionally specified procedures that limit the power of government to prevent government itself from becoming a source of injustice.<sup>30</sup>

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<sup>29</sup> Smith maintains: "The most sacred laws of justice, therefore, those whose violation seems to call loudest for vengeance and punishment, are the laws which guard the life and person of our neighbour; the next are those which guard his property and possessions; and last of all come those which guard what are called his personal rights, or what is due to him from the promises of others"; see Adam Smith, *Theory of Moral Sentiments* (Indianapolis, IN: Liberty Fund, 1969), II.ii.2.3.

<sup>30</sup> Locke states: "The legislative, or supreme authority, cannot assume to its self a power to rule by extemporary arbitrary decrees, but is bound to dispense justice, and

Other political systems, by contrast, undercut justice by wanting causes without effects and effects without causes. In feudal institutions, for example, individuals do not earn their social status by their own productive efforts. Rather, their place in the hierarchy is acquired by irrelevant-to-justice considerations such as conquest or accident of birth. Once the hierarchy is established, individuals within it receive goods out of proportion to the value they add. The peasants, for example, receive a fraction of the economic value of the goods they produce, while the aristocrats receive far more. Thus, feudalism institutionalizes unjust initial status and unjust consequent distribution.

The same is true of socialism. Socialist governments assert ownership over all of their citizens and require them to work on government-approved projects. Individuals have their uniqueness and energy taken from them by an irrelevant-to-justice consideration—the desire of some people to control the lives of others. According to socialism’s principle of equality-of-outcome, goods are to be distributed equally among the citizens. Those who are more productive will receive the same amount as those who are less productive. Thus, socialism also institutionalizes unjust initial status and unjust consequent distribution.

***o. Liberalism is more moral in its political practice***

Under liberalism, political power is granted only for the purpose of protecting individuals’ rights to live their own lives freely, make their own livings, interact with others voluntarily, and to keep the rewards of their efforts.

Other political systems, by contrast, increase the scope of government power. Some want the government to regulate the economy, people’s diets, sex lives, religious practices, or artistic pursuits. All such systems, accordingly, increase the potential for the corrupt use of political power. If the government regulates business practice, then that puts large amounts of money under government control, which increases incentives and opportunities for bribery, nepotism, kickbacks, and other forms of financial corruption. If government has power over legitimate artistic, sexual, or religious activities, then all of those powers are political weapons that can be used against some and in favor of others. Also, more individuals are attracted to government offices who want to have power over others and who are willing to use that power for the corrupt opportunities it makes possible.

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decide the rights of the subject by promulgated standing laws, and known authorized judges: for the law of nature being unwritten, and so no where to be found but in the minds of men, they who through passion or interest shall miscite, or misapply it”; see John Locke, *Second Treatise of Government* (Indianapolis, IN: Hackett, 1980), sec. 136.

Liberals argue, by contrast, that the responsibility for our economic, sex, dietary, religious, and artistic affairs lies with each individual, so it does not grant government officials power over them. It therefore advocates a series of principled separations—the separation of state from religion, the economy, sex lives, artistic pursuits, and so on. Such limitations on the proper scope of political power thus lessen the scope of political corruption. The political power that government officials have under liberalism will of course sometimes be abused, but abuse is less possible than in other systems.

Governments have more power than any other social institution, because they have the power of the police and the military at their direct disposal and the authority to apply that power to every member of society. Consequently, the worst abuses in history—wars, democide,<sup>31</sup> the legalizing and enforcing of slavery, the confiscation of property, and more—have been caused by governments. Private individuals and organizations can of course kill, kidnap, and steal from each other, but their power to do so is much less than that of a government. So a political system that places explicit limits on the power of government and enforces those limits vigilantly, as liberalism strives to do, is in practice a more moral system.

### 3. Conclusion

Liberalism is the best system because it enables, encourages, and/or achieves fifteen major values:

- Freedom
- Hard work
- Smart work
- Creative work
- Improving the average standard of living
- Improving the lot of the poor
- Improving the prospects of the outstanding
- More philanthropy
- More social diversity and interestingness

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<sup>31</sup> Democide is the killing of citizens by their own government. For the twentieth-century death count, see R. J. Rummel, *Death by Government* (Piscataway, NJ: Transaction Publishing, 1993).



- Happiness
- More religious tolerance
- The decline of sexism and racism
- Peace
- Justice
- The decline of government corruption

In this first part of a two-part series, I have presented arguments for liberalism based on a wide variety of premises—economic, psychological, historical, moral, and political. While the arguments can be assessed independently on their own merits, it is also instructive to compare them to arguments that are based on very different premises and reach opposed conclusions. To that end, in Part II, I will turn to fifteen influential arguments against liberalism.

