

Analyse the similarities and differences between Classical and Modern Liberalism

Typically Liberalism can be categorised into two different strands, Classical and Modern (yet some thinkers advocate a third strand that is referred to as Neo-Liberalism), each characterised by their differing and to some extent unavoidably overlapping attitudes regarding the theory behind the ideology and how it should be put into practice. Prior to examining how these relate to one another and before making any comparisons, it is important to give a definition, as best as possible, of Liberalism as a concept.

Liberalism is an ideology and due to the changing views of historical persons, who have each viewed themselves to be Liberals, is difficult to define precisely. There are five agreed defining tenants of Liberalism. The most important of these, percolating through the ideology, is the 'Importance of the Individual', and closely interlinked with this is 'Freedom', which leads on to the concept of 'Individual Freedom or liberty'. Liberals believe that humankind is a rational species, and thus 'Reason' is a third tenant. Furthermore Liberalism advocates that the principle of 'Justice' and 'Toleration' are fundamental in the well being of society and each of these aspects relates directly back to the quintessential first tenant. Liberalism, according to Habermas "emphasises individual freedom from restraint and is usually based on free competition, the self-regulating market, and the gold standard; c: a political philosophy based on belief in progress, the essential goodness of the human race, and the autonomy of the individual and standing for the protection of political and civil liberties." As an individualist, rather than a collectivist ideology the individual is placed as the building block of society. J. S. Mill says behind this lies the belief that we are all different and this diversity should be seen as a strength, not a danger or weakness. Liberalism emphasises the importance of Rights in society, and that society's role is to protect these rights and put them first.

Modern and Classical liberalism can be distinguished historically. Indeed when most people attempt to distinguish the two, placing the strands into time periods is perhaps the most obvious and easiest distinctions to make. The period in between the late 18th century and the mid 19th is that magnanimous with Classical liberalism. It was the earliest liberal tradition, and reached its high point during the early industrialisation of the 19th century and is therefore sometimes referred to as '19th century liberalism'. Politicians and thinkers associated with it are Smith, Ricardo and Locke. Modern liberal ideas were related to the further development of industrialisation and thus people associate it with the period between the mid-19th century and the mid-20th century and with figures such as J. S. Mill, Green and Lloyd-George. Indeed the historical development of society led to a parallel evolution of liberalism, with the character of liberalism changing as the 'rising middle classes' succeeded in establishing their economic and political dominance. Liberalism was no longer radical or revolutionary, but had become increasingly conservative and concerned itself less with change and reform, but instead with the maintenance of the status quo. This led to liberals in the late 19th century beginning to question the ideas of early liberalism, particularly regarding the extent to which government should interfere with the lives of its citizens, and thus some commentators believe that the main incoherence between the two strands is the role of the state. While this is important, there are also inherent differences in opinion regarding the five tenants of liberalism.

Both classical and modern liberals believe that the individual is a building block of society and that each person is different and thus had different strengths and weaknesses. J. S. Mill implied the nature of humankind as a diverse species should be viewed as a strength. The idea of Freedom and protection of individual rights is also common of both strands. These beliefs stem from the Enlightenment theory that individuals are distinct and valuable, with John Locke defines our (God-given) natural rights as “Life, liberty and property”. Immanuel Kant views humans as “ends in themselves”, implying that and he makes two implications; that individuals are unique, and that they share the same equal status. Nevertheless, there are two historically differing views, with classical being the earlier and modern the later. Classical liberals hold the view that individuals are ‘isolated atoms’, who are egotistical and self-seeking in nature; Macpherson refers to this as ‘possessive liberalism.’ Modern liberalism advocates a more optimistic view; that individuals have a social responsibility for one another and the helpless and weaker amongst them. These differing views are reflected in practice by the economic policies of each strand, and their attitude towards the role of the state.

The general liberal view is that people should have the freedom to do what they want; to live and work and say what they wish. This is not absolute and Mill says in his essay ‘On Liberty’ that the “only purpose for which power can be rightfully exercised over any member of civilised community against his will, is to prevent harm to others.” This view only accepted minimal restrictions to prevent this and thus did not accept self-harm preventing restrictions that are apparent today such as cycle helmet or seatbelt laws. Isaiah Berlin explains that there are two “different concepts of Liberty”: ‘negative’, which typically reflects an earlier time period and bases its principles purely on the absence of external restrictions and constraints, and ‘positive’, which focuses on the autonomous nature of the individual and follows Mill’s argument that liberty is more than just freedom from restrictions, but also man’s capacity to develop and achieve self-realisation and gain fulfilment. It is difficult however, to place such opposing views clearly in the Classical or modern liberal strand (perhaps it is best to say that earlier views correspond with classical, whilst Modern logically corresponds with later views), but certainly the rival concepts led to differing views about the desirable relationship between the individual and the state, which are reflected by the different strands.

The tenant of ‘Justice’ is based on the liberal belief in equality and implies that people are given what they are ‘due’. The principle of equality relies on the belief that people are ‘born equal’ and thus liberals theoretically disagree with favouring, i.e. in the form of benefits people on the basis of race, colour, gender or religion. They therefore have both legal and political equality resulting in equality before the law; “one person, one vote; one vote, one values.” Liberals claim that people should have ‘equality of opportunity’ as thus have the same chance to rise or fall in society. This is different from social equality, which liberals view as undesirable as people are different and have varying talents and skills, and should be rewarded for merit with the incentive of reaching one’s ‘full potential’. The result is a meritocracy based on both people’s ability and luck; people are judged on “the content of their character” (Martin Luther King).

Taking the common beliefs about justice into account, there is however a controversial argument between Modern and Classical liberals as to how these

principles should be applied. Classical liberals believe in a strict meritocracy on both economic and moral grounds. They claim that social inequality provides incentive for people to improve and see justice as the demand of respect for individual rights. This view echoes the replacement of feudalism with market or capitalist society and argues that this is the best way to create prosperous social conditions. Modern Liberal's on the other hand argue for some measure of social equality. John Rawls argued in 1970; "economic equality is only justified if it works to the benefit of the poorest in society". Social liberals, who are the equivalent of Modern liberals, conclude that a just society is one where wealth is redistributed through some form of welfare system to benefit those less rich and less able. Modern liberals claim that they have hindsight enough to know that unrestrained capitalism led to new forms of social injustice.

Having frequently referred to the rival concepts of the 'role of the state' evident of Classical and Modern liberalism, and implied that the differing theoretical views about the nature of the ideology are responsible for these, a comparison has not as of yet been provided. The differing views on social justice echo the underlying disagreement within liberalism about the conditions required to best achieve a 'just society.' Essentially, argue Classical liberals Smith and Ricardo, the economy works best on its own, because of the natural forces of the market (the market is self regulating) and thus there should be a removal of all government restriction on the economy. People should have free choice in economic activity, as they are rational and that for example if unemployment was rising wages would naturally fall to prevent this. This theory of 'laissez-faire' economics was revived later by the Neo-liberals such as Thatcher and Reagan, who reversed the trends of 'big' government intervention and claim the market was morally and practically superior to the government.

Modern liberals take a different view on economic management, particularly reflected by the period post Second World War until 1975, which is associated with the application of 'Keynesian economics.' They disagree with the classical view that wages would drop to prohibit unemployment because of Trade Unions, and claim that according this view unemployment would enter a vicious spiral. The implications of this are that Modern liberal economics advocates the state managing the economy and that logically the state has a role to play in helping people achieve the self-fulfilment, that liberalism works towards. This is consistent with the Modern liberal view of freedom effectively as an 'enabling process'.

The Modern and Classical strands of liberalism share similar principles – indeed if they did not, it would be wrong to classify them as two strands of the same ideology. It seems the fundamental differences between them rely on the 'negative' and 'positive' views, which define them and which lead on to the fundamental opposition inherent in liberalism: the role of the state.