

# **FACULTY OF JURIDICAL SCIENCES**

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# Lecture-37



## **Characteristics of Hayek's Liberalism:**

**If we go through the major portions we shall find some characteristics of liberalism:**

(1) Liberalism occupies a middle position between socialism and conservatism. The aim of socialism is to reconstruct society in the line of ideology and schemes framed by the socialist. Hayek calls it "crude rationalism" based on the reason of an individual. But liberalism does not think of changing the social structure radically.

It envisages but those changes must be approved by the majority if not all persons. Conservatism has a strong attachment with the mysticism. It very frequently resorts to mysticism. Hayek claims that liberalism has no relationship with mysticism.

(2) Liberalism is never averse to evolution and change. Hayek observes that liberalism has never said that liberal ideas have been fully realised and nothing remains to be done. New ideas and views are enriching liberalism and it cordially accepts them. Liberalism also makes sincere efforts to translate them into reality and in this way this doctrine is advancing. From this point of view liberalism differs from the conservatism. The fundamental feature of conservatism is it is afraid of change but liberalism is never afraid of any type of change. Liberalism is eager to welcome change.

(3) Hayek has drawn an interesting difference between democratic way and liberal way. He is of opinion that a democrat always insists upon the principle of majority. Majority principle is no doubt a working principle because without this it is impossible to take any decision. The democrat further goes ahead when he says that a decision accepted by the majority is good. But the liberalism of Hayek does not agree with it Majority principle is not a sufficient ground for being good Hence the basic difference is liberalism emphasises on the character of ought to be and this ought to be is not satisfied by the majority principle.

(4) He points out a difference between democracy and liberalism, democracy is a political method to arrive at certain political, administrative and legislative decisions it is also the best method. But it is never an end in itself. Hayek's theory of liberalism proposes that liberalism is the end.

The end is the agreement on common general principles of long term in nature. Agreement on these long term common general principles is the sole objective of liberalism. "The dogmatic democrat feels that any current majority ought to have the right to decide what powers it has and how to exercise them, while the liberal regards it as important that the powers of any temporary majority be limited by long term principles".

## **Types of Liberalism**

There are two major currents of thought within Liberalism, Classical Liberalism and Social Liberalism:

- Classical Liberalism holds that the only real freedom is freedom from coercion, and that state intervention in the economy is a coercive power that restricts the economic freedom of individuals, and so should be avoided as far as possible. It favors laissez-faire economic policy (minimal economic intervention and taxation by the state beyond what is necessary to maintain individual liberty, peace, security and property rights), and opposes the welfare state (the provision of welfare services by the state, and the assumption by the state of primary responsibility for the welfare of its citizens).
- Social Liberalism argues that governments must take an active role in promoting the freedom of citizens, and that real freedom can only exist when citizens are healthy, educated and free from dire poverty. Social Liberals believe that this freedom can be ensured when governments guarantee the right to an education, health care and a living wage, in addition to other responsibilities such as laws against discrimination in housing and employment, laws against pollution of the environment, and the provision of welfare, all of which would be supported by a progressive taxation system.

As with many political philosophies, there are several forms and variations of Liberalism, including the following:

- Conservative Liberalism is a variant of Liberalism representing the right-wing of the Liberal movement, and combines liberal values and policies with conservative stances. Unlike Liberal Conservatives, however, who tend to be more committed to authority, tradition and established religion, Conservative Liberals are supporters of the separation between church and state. It also differs from Libertarianism in that it is far less radical in its economic program, and in its support for an active defense policy and military interventions.
- Economic Liberalism is the theory of economics in Classical Liberalism, developed during the Enlightenment, particularly by Adam Smith, which advocates minimal interference by government in the economy. Libertarianism, Neoliberalism and some schools of Conservatism, particularly Liberal Conservatism are often referred to as Economic Liberalism.
- Neoliberalism refers to a program of reducing trade barriers and internal market restrictions, while using government power to enforce opening of foreign markets. In some ways it is a modern attempt, championed by Conservatives like Ronald Reagan (1911 - 2004) and Margaret Thatcher (1925 - 2013) since the 1970's, to revert to a purer Classical Liberalism.
- American Liberalism is largely a combination of social liberalism, social progressivism, and mixed economy philosophy. It is distinguished from Classic Liberalism (see above) and Libertarianism, which also claim freedom as their primary goal, in its insistence upon the inclusion of positive rights (such as education, health care and other services and goods believed to be required for human development and self-actualization) and in a broader definition of equality.

- National Liberalism is a variant of Liberalism commonly found in several European countries in the 19th and 20th Century, which combines nationalism with policies mainly derived from Economic Liberalism (see above).
- Ordoliberalism is a mid-20th Century school of Liberalism, developed mainly in Germany, emphasizing the need for the state to ensure that the free market produces results close to its theoretical potential.
- Paleoliberalism is a term that has at least a few distinct, though largely ambiguous, meanings, including extreme Liberalism, and very socialist or socially libertarian Liberalism, and opposed to Neoliberalism (see above).
- Cultural Liberalism is a liberal view of society that stresses the freedom of individuals from cultural norms.

## **MCQ**

1. Who defined liberalism as "The theory and practice of individual liberty, judicial defence and

constitutional state"?

A.J.S. Mill

B.Laski

C.Sartori

D.MacIver

2.Liberalism assumed a new shape in modern times under the impact of:

A.Church

B.Mandan Socialism

C.Scientific inventions

D.Modern means of communications

3. The credit for converting Liberalism into Positivist Liberalism In the nineteenth century goes to:

A.Bentham

B.Herbert Spencer

C.T.H. Green

D.Adam Smith

4. The idealist revision of liberalism was effected by

A.Bernard Bosanquet

B.Hegel

C.Laski

D.Adam Smith

5. According to the twentieth century liberal thinkers like Laski and MacIver:

A.The state performs only negative functions

B.The state performs only positive functions

C.The state performs both negative as well as positive functions

D.The state is an instrument of exploitation