

Origins and Rise of Liberalism

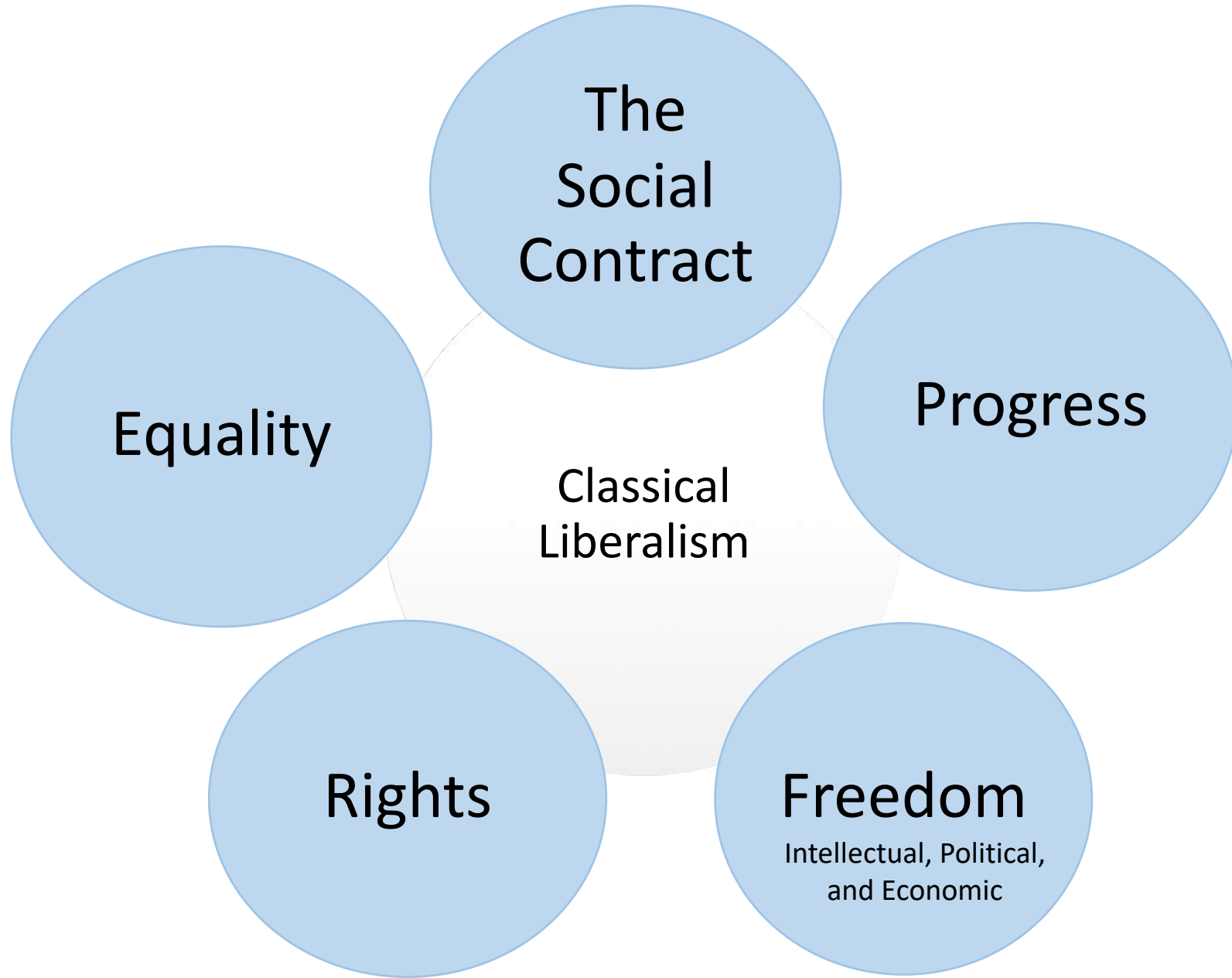
Social Studies 30-1

Classical Liberalism

Classical liberalism is a doctrine that stresses individual freedom, free market, limited government, rights, human rationality and reason.

It developed out of the ideas of 18th and 19th century Europe. It sought to bring about social change and progress and promoted social and political freedom.

It is an ideology that supports democracy, with limited suffrage (right to vote), human rights and laissez-faire capitalism.



Sound Familiar?

Core Beliefs/Principles of Classical Liberalism

- ✓ Intellectual, moral, political, economic, and social progress
- ✓ Popular sovereignty: consent of the governed
- ✓ Individual freedom: freedom of expression and tolerance
- ✓ Political freedom
- ✓ Rule of Law
- ✓ Economic freedom: free markets, economic competition, private property rights
- ✓ Human rights, natural rights
- ✓ Self-interest

Progress

Classical liberalism supports progress. It advocates the advancement of society in political and economic ways. It further advocates moral and social advancement.

The Social Contract

One major feature of classical liberalism is the idea of a social contract between the people and their governments. The people will act accordingly and submit to the laws of the government so long as the government acts responsibly and in the best interest of society. People *consent* to be governed.

Freedom

The cornerstone of classical liberalism is the idea of individual freedom. People have the liberty to make decisions for themselves, in various aspects of their lives.

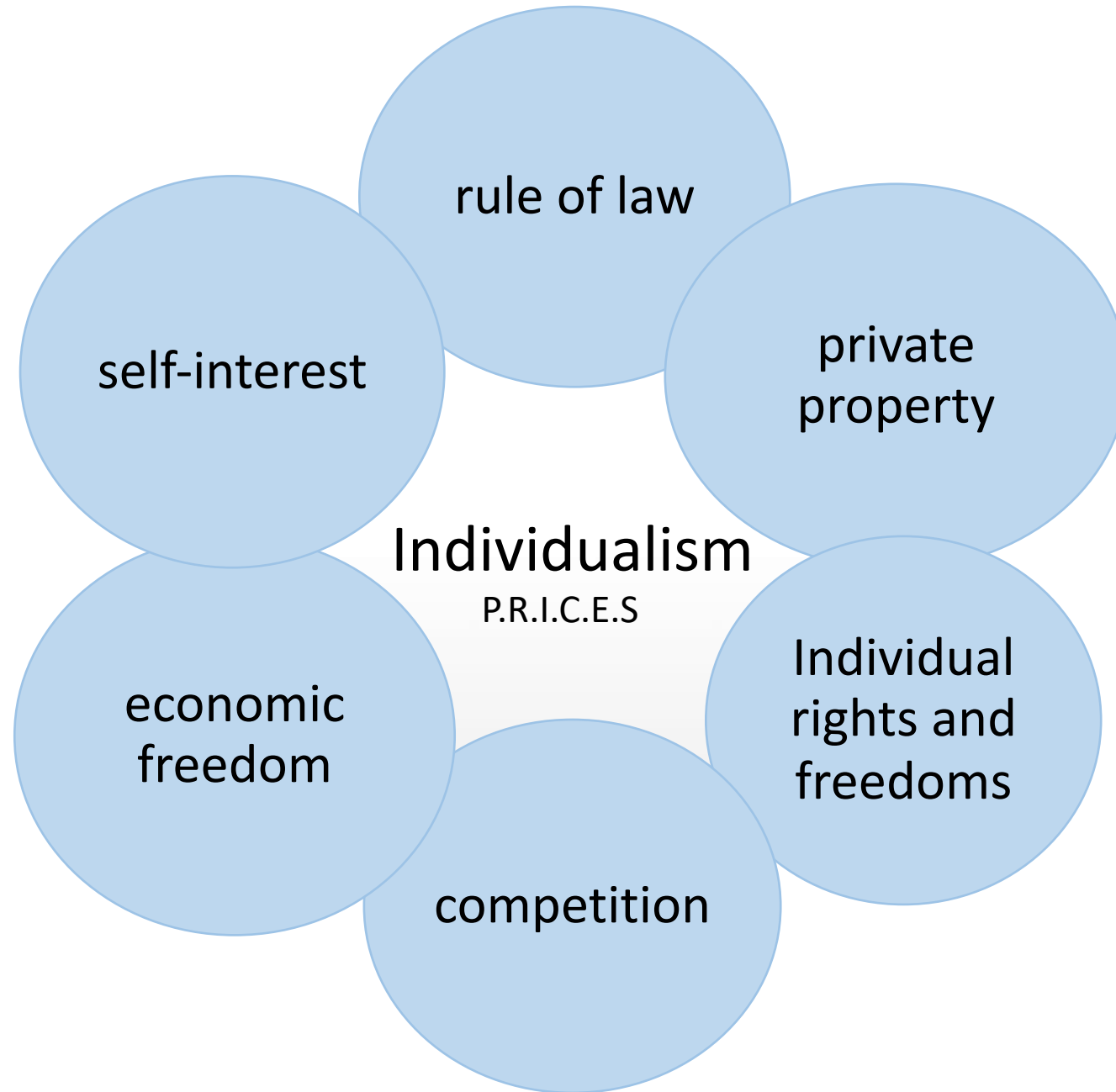
- **Intellectual Freedom:** This means individuals have the freedom to learn. They also have the freedom to express themselves openly. With this freedom of expression is the responsibility of tolerance.
- **Political Freedom:** This means that the people have the ability to make decisions on who will govern them. This is the idea of representative democracy. There is also a level of equality in society. There was limited suffrage, meaning that a certain percentage of the population had the right to vote.
- **Economic Freedom:** The idea of laissez-faire economics and the invisible hand are the cornerstones of the economy. The market should operate according to the initiative of the people, not government regulation or intervention. Classical liberalism also promotes the idea of economic competition.

Equality

Classical liberalism encourages the promotion of various types of rights. It advocates that there are certain rights that should be applicable to all people; these are natural human rights. It also was in favor of property rights, basically the right to acquire and own things.

Rights

Classical liberalism also brought about the idea that people should be treated with equal dignity. The idea of meritocracy was also prominent. This is the idea that people should be given reward based upon their merit; their level of talent. There should not be unequal rewards.



Origins of Classical Liberalism

16th Century

Protestant Reformation

Value of hard work, thrift and material growth



Late 1700's/Early 1800's

Mercantilism

Competition between nations for wealth (power). Protective tariffs, monopolies, limited international trade (colonies and mother country), high levels of government regulation. the Mercantilist system, governments/monarchs would grant companies. (e.g. Hudson Bay Company)



Merchants complain about government restrictions. They believe that the economy should be free to follow natural laws (supply/demand) and believed people motivated by self-interest; competition encouraged better production by workers



Industrial Revolution

transportation = new markets / resources + population explosion = new labor / markets + Success in Europe = spread throughout the world

Driving Industrialization

- Through **mercantilism**, Europeans exploited the raw materials in their territories in North and South America, Africa, and Asia to expand their **domestic manufacturing** industries.
- Mercantilism was loved by the Monarchy, but the companies were not impressed with this economic system. They started shifting society towards Capitalism!
- At the same time, the Feudal System that had existed in Europe for centuries was starting to change, and more people left their land to work in the cities.

Mercantilism	Capitalism
<ul style="list-style-type: none">• Government regulation of business	<ul style="list-style-type: none">• Little or no government regulation of business
<ul style="list-style-type: none">• Monopolies	<ul style="list-style-type: none">• Competition
<ul style="list-style-type: none">• Accumulation of wealth by a few people in society	<ul style="list-style-type: none">• Distribution of wealth across a wider range of society

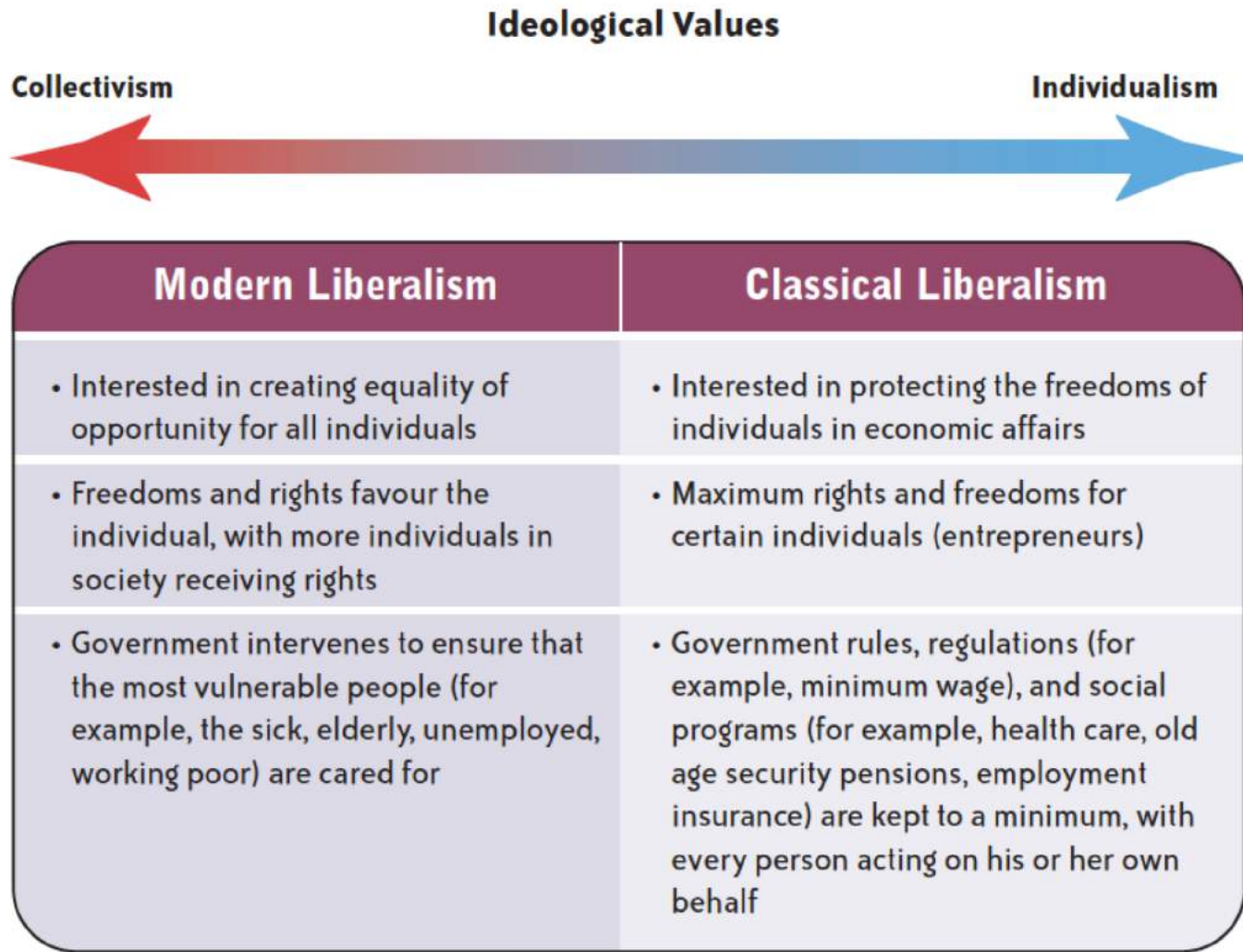
It can be said that the evolution of mercantilism to capitalism is one of the founding events of liberalism. Today, many developed countries have moved beyond pure capitalism to allow, once again, for some government regulation of business.

Why do you suppose this has happened?

The Beginnings of Modern Liberalism

While classical liberalism was concerned with granting economic freedoms to business owners in a market system, modern liberalism developed over time to address concerns with the inequality created by laissez-faire capitalist society. Although people were free to participate in the economy, many still lived in poverty. Some began to ask such questions as the following:

- Can someone who must work long hours for little pay just to survive truly be considered free?
- Is it fair that children who are poor are exploited by business owners, even though the children may choose to work?
- Are all people really equal when some (for example, women and visible minorities) do not have the same rights, such as the right to vote?
- Should not all individuals have the right to an education?



In many ways, the values of modern liberalism differ from the values of classical liberalism. Although each of these sets of beliefs and values is rooted in individualism, they interpret individualism and how to best achieve the common good in different ways.