

ECONOMIC LIBERTARIANISM

Economic libertarianism today is largely pejoratively termed neoliberalism by its critics but calling it the former allows a better understanding of the scope of the doctrine which elevates above all else the free market. Economic libertarians hold that the quintessential prerequisite for liberty is economic freedom; in instances where that economic freedom is lost, they seek to reinstate it.

Political and Intellectual Contexts

The post- World War II resurrection of free market creeds coupled with the denigratory outlook on the state, both hallmarks of economic libertarianism, baffled many at the outset, especially as various war efforts had illustrated how state authority can rally to overcome seemingly insurmountable chaos and calamity. But it was this very same backdrop of extensive state involvement in economic and social life to which economic libertarianism emerged with its anti-collectivist critiques. An unmitigated repugnance towards collectivist ideology was the fountain of all the strains which came together to make economic libertarianism such a formidable ideology. The Nazi and Stalinist excesses were for economic libertarians examples of how the state could marshal personnel and resources to catastrophic ends. Proponents of economic libertarianism like Hayek began by exhorting countries, especially Britain, to uphold their liberal legacies lest they should become like Nazi Germany but later developed a more sophisticated perspective.

Hayek concluded that 1948 had been socialism's high point after a century of revolutions beginning in 1848 that resulted in socialist and social democratic movements, the arrival of mass democracy, and the implementation of extensive state powers. Economic libertarians contended that countries had moved too hastily and too far towards collectivism that liberal economic policies of the previous century had been discarded; with the victory over Nazism, and all freedom loving people under the leadership of the US ready to push back against Communism, economic libertarianism could lead the way to revive liberal ideology and end collectivism for good. As can be seen, proponents of economic libertarianism were expounding and orchestrating an ideological battle between socialism and collectivism, as well as an economic restructuring.

The economic libertarians had two main targets after World War II. They were the economies of the USSR and China and others like them who practised communism and social democracies and mixed democracies of the west. The communist countries were the bigger threat for fear that they may make encroachments into the West. Social democracy was their other target as economic libertarians, from their inception, opposed vehemently all iterations of collective political economy. Hayek believed for instance that moderate and severe forms of collectivism were on a continuum. It was part of his ideological battle plan to antagonise even moderate collectivist social democrats to create a sharp contrast between economic libertarianism and

collectivism to establish that to be Western is to not partake of *any* collectivism. This moral certitude became a defining feature of economic libertarians.

The State

In economic libertarianism, the state is conceptualised nearly always in a highly negative light and with great suspicion. It is the source of constraints on a person's freedom to live a life of their choosing. Hayek, for example, held that to be restrained from following one's economic goals was to be restrained from life itself. While some strains of the ideology propound the abolishment of the state, its dominant strain believes there is a role for the state although there is wide dissent on the nature of that role. The consensus rests mostly on the role of the state with respect to internal security, defence, law and order, safeguarding private property, contract law, and money.

Democracy

Economic libertarians are more accepting of democracy than the state, but one will see not by much. They are supportive of democracy and understand it to be the most viable political system, but they treat it entirely as a vehicle for electing representation and governments in a competitive and transparent setting. However, because democracy fosters ideas and innovation, they are highly suspicious of it. If these ideas are seen through to action by governments, the market principles could be upended as a result. For economic libertarians, the will of the people must subordinate to the free market which is the collective will and preference of millions of people. Democracy suggests that the will of the people must reign over all else, but economic libertarians insist that elections are not frequent, and voters face a glut of election messaging that renders them incapable of identifying their desired preference. Furthermore, they contend politicians are adept at raising hope prior to elections and then changing course which leads to anger, apathy, and pessimism about politics. Since so little can be hoped for from such a system, economic libertarians prescribe curtailing the scope of democracy to the extent that is possible.

Adapted from Andrew Gamble, 'Economic Libertarianism' in Michael Freeden, Lyman Tower Sargeant and Marc Stears (eds), *The Oxford Handbook of Political Ideologies* (OUP 2013)