

INDIVIDUALISM VERSUS CLASSICAL LIBERAL
POLITICAL ECONOMY

by

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Is Individualism a Monkey on the Back of Classical Liberalism?

Perhaps the most significant charge against the classical liberal order has been that it is unjustifiably individualistic. The charge cuts directly against the role of private property rights in the free market — it is in fact an attack on the very possibility of independent personal initiative for which credit may be taken and reward may be received.

This charge repeats what Karl Marx held against the bourgeois era, in his famous essay, "On the Jewish Question",¹ a charge being repeated by the current champions of the most recent version of palatable collectivism, namely communitarians such as Alasdair MacIntyre, Robert Bellah, Amitai Etzioni, Thomas Spragens and Richard Rorty. It is contained in this remark by Willard Gaylin: "We have created an artifact, the isolated self, that does not exist in biological truth."²

This problem of being closely linked with individualism has plagued classical liberal theory, whether advanced by John Locke, Adam Smith and John Stuart Mill, and even those modern and truncated forms of liberalism favoured more recently by John Maynard Keynes and John Rawls. The central charge is that such individualism as liberalism embodies is simply incapable of making room for morality. Even many supporters of the free market find fault with it on these grounds — Irving Kristol, for example, made the point in his essay, "When Virtue Loses All her Loveliness", some years ago in an address to the Mt. Pelerin Society, the most distinguished international scholarly society devoted to exploring the philosophy of freedom, as well as in his point-

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1 Karl Marx, *Selected Writings*, ed. David McLellan (London: Oxford University Press, 1977), 53ff.

2 Willard Gaylin, *On Being and Becoming Human* (New York: Penguin Books, 1991), 264.

edly titled book, *Two Cheers for Capitalism*.³

Why is the individualist association deemed so problematic? Why does it disturb so many in diverse political traditions? Leo Strauss from the right, Herbert Marcuse from the left, as well as many of their epigone, have repeated the charge: liberalism fosters licentiousness, libertinism, hedonism and moral subjectivism.

The Amoralism of Radical Individualism

In short, in the difficult task of defending individual liberty, liberalism has not heeded ethics very much because it relies on a type of individualism that precludes a coherent, intelligible concern with moral matters.

What is the central theme of liberalism involving this problem? Liberals have usually argued that a society organized around individuals allowed to pursue their chosen goals is for the best. The overall social good is supposed to be most efficiently promoted via unimpeded self-interested behaviour.⁴ The necessary connection between individual selfishness and the public good relies on a special view of the human individual, one repeatedly attacked.⁵ Once they have finished with their

3 Irving Kristol, *Two Cheers for Capitalism* (New York: Basic Books, 1972).

4 Bernard Mandeville's motto, "private vice, public benefit" captures this idea best. It has been the impetus for a good deal of economic thinking since the publication of Adam Smith's *The Wealth of Nations* in 1776. When we consider the details of economic theory itself, we find that it is not self-interested but so called utility maximizing behaviour that we are all driven to engage in; but the content of the utility is entirely subjective — thus the thesis ultimately comes to be tautological, since, of course, we all do what we do and because we want to do it. By this "explanation" of human behaviour, no wonder everything is fully explained, from suicide and marriage, to bank robbery and multi-billion dollar corporate mergers. In all these cases people do what they do because they want to do it and the way we can test the truth of this claim is by noticing that, indeed, they are doing it. For why this is no explanation at all, see my *Capitalism and Individualism: Reframing the Argument for the Free Society* (New York: St. Martin's Press, 1990).

5 The most ambitious effort to debunk individualism on a regular basis consists in the launching of the journal *The Responsive Community*, edited by Amitai Etzioni of George Washington University. See also his book, *The Spirit of Community* (New York: Crown Publ. Co., 1993). Some more subtle efforts in this direction have been made by such philosophical lumi-

criticism of individualism, such writers predictably go on to champion not only the fellow feeling they believe individualism fails to bring to prominence in human community life, but also something of a coercive social system, one that issues in such public policy proposals as compulsory national service, compulsory health care, severe government regulation of the free exchange that is part and parcel of the classical liberal political economy, and even more radical notions such as the abolition of the system of individual rights.⁶ Others may not be so harsh as to want to revamp liberalism completely, but even those from the right are suggesting modifications that may have the identical result, namely, to undo the polity of individual liberty. Thus when Kristol calls for more attention to virtue, he is also championing censorship and a large dosage of government regulation of the economy. Clearly, once the individualism underlying classical liberalism has become unhinged, a kind of deuces wild situation develops with regard to the degree of statism that should reign in a community. Certainly, a principled adherence to individual freedom vanishes in the process.

Radical Individualism

What is this individualism that has disturbed so many people with different political orientations?

Radical individualism was first spelled out by the 17th century English philosopher Thomas Hobbes, a materialist in whose view human nature does not exist independently of social invention and cannot be known objectively. His influential metaphysics posited a kind of raw, barren — radical or ‘atomic’ — individualism: only pure particular material things — no general classes — exist in reality.

The individualism of Hobbes was widely taken to be the application of the laws of motion to human life. Self-advancement would occur most successfully if left unimpeded, just as classical physics had it. Applied to human social life, Hobbes believed, the laws of motion would

naries as Richard Rorty. See, e.g., his *Objectivity, Relativism, and Truth* (Cambridge University Press, 1991), especially Chapter 1, “Objectivity versus Solidarity”, in which the result of a pragmatic theory of knowledge abolishes objectivity in all disciplines of human knowledge and replaces it with the communitarian ideal of solidarity.

6 See, Rorty, *supra* n.5, at 31ff., where he flatly rejects the theory of individual rights based on his communitarian or solidaristic outlook.

at first lead to conflict, whereupon human intelligence would introduce social rules. This would improve on the state of nature. Individuals would thereafter behave in an orderly fashion.

Hobbes' endorsement of absolute monarchy is a detail that his philosophical sympathizers later dropped. They accepted that societies are made up of unique individuals striving to aggrandize themselves — to seek their own advantage in every way possible. They would only agree to rules of social conduct that would guarantee the enhancement of their own subjective self-interest. But they did not believe absolute monarchy served this purpose.

Adam Smith, for example, held that the attempt to organize society through mercantilist economics was inefficient. Embracing Hobbes, Smith held that if we just adopt rules to which everyone will agree and let people pursue their self-interest, overall social prosperity and success will result.

Radical Individualism and Homo Economicus

Classical and neoclassical economics, both of which embrace liberalism, start from the assumption that each person is essentially a utility maximizer — at home, in the office (be it public or private), in church, in scientific work — in short, everywhere. So argued the late George Stigler of the University of Chicago, Nobel Laureate and Smith scholar, in his famous Tanner Lectures. Professor Gary Becker, the 1992 Nobel Prize winner in economics, is perhaps the most prominent and productive advocate and practitioner of this kind of economic imperialism, whereby all human affairs are to be studied as instances of primarily economic transaction, although Professor Gordon Tullock of the University of Arizona is a close second.

But liberal individualism suffers much because of its relationship to this Hobbesian view whereby each individual human being is entirely unique. Paradoxes arise immediately. First, the fact that human beings name other groups of things suggests something distinctive about them by nature, not only by convention. Second, entirely unique individuals have no natural need for society, nor any natural ethical system obligating them to act responsibly. As such they are not bound by any political obligations, contrary to what Hobbes and his followers think. There is no (morally) compelling reason for anyone to obey the law for there is no compelling reason to keep one's promises or uphold one's end of a

contract. Third, Hobbesian individualism finds no easy place for political authority – e.g. via the ‘social contract’. What if some individuals desire to violate that contract? Nothing is wrong with this ‘by nature’. There are no grounds on which morally to object to it.

Furthermore, radical individualism leads to an untenable moral subjectivism — the view that what is right or wrong for persons to choose to do is a matter of what they prefer or like or feel, and nothing else. Ironically, this subjectivism also applies to its own cherished political principles. A radical individualist accepts liberty only so as to promote mutual self-interest understood in a purely subjective sense. But this really is not necessary to human life and cooperation, nor required by human nature: fighting an oil fire requires certain specific methods as a matter of the nature of the case, whereas a game’s moves can be changed by common consent.

So radical individualism’s political values are what we have come to agree upon as useful for our subjective purposes. (For Hobbes, an element of objectivism did remain by way of his endorsement of self-preservation as having ultimate value. But liberalism cannot go even that far.) Any judgment of morally or politically good or bad, as well as right and wrong, comes to no more than a preference, a positive or negative feeling of the agent, lacking any objective moral import. Is the favourite political principle of classical liberals itself a mere subjective value? The answer is ‘yes’, despite the fact that the right to individual liberty on first impression seems to be well supported by this radical individualism. But it is only a matter of convenience, something we have adopted but might just as easily not have; we might with equal justifiability have adopted something else — say the right to equality or security.

If this is all true, then people who prefer playing golf to defending liberty when the latter is in jeopardy do nothing wrong. Also, if someone ignores the plight of the hapless or unjustly treated, there is nothing to be criticized about this choice. Feelings toward one’s community or fellow human beings are in no way superior to feelings toward another visit to Las Vegas or playing tennis. Since there are no objective goods or objective values, neither the defence of liberty nor any other course of conduct is more important than any alternative.

But if a social philosophy cannot justify its own defence in terms dictated by its own tenets, it is seriously flawed since it has no response to those who would attack it, no answer to its critics. And there are still other problems.

Apparent Anti-Authoritarianism in Radical Individualism

People are often pleased that classical liberalism, when resting on radical individualism, advances a subjective theory of value. Many liberal economists believe that if values are subjective then no one can justify coercing us to do anything. After all, if what they believe is merely subjective, what justification would they have for making us do it? None.

This sounds like a powerful way to fend off interventionism. Yet, suppose the person says, "I don't need any justification to interfere with you, I just desire to do it". Now how is the subjectivist going to respond? Not by claiming, truly, that the aggressor should not do what she desires to do – after all, that claim is but a subjective preference. The criminal, tyrant, dictator or government regulator wants to force you and you want to be free. But since neither is an objective value, it then comes down to a matter of power. The alleged liberal benefits of subjective (radical individualist) value theory are not benefits at all. Indeed, from ignorance of what is right nothing follows, not even the objection to acting on such ignorance.

Individualism's Bad Press

There is also the public relations problem. Here what liberalism faces is the problem of explaining its moral position vis-à-vis alternative systems, some of which have lost their appeal except for their self-proclaimed moral high ground. I have in mind Marxism-Leninism, Marxist National Liberationism, Fundamentalist Theocracies, etc. In their day to day conduct, as they appraise their fellows, teach their children, reflect on events in history or consider the characters in a novel, most people implicitly reject the subjectivity of values. They act as if what they believe one ought to do or avoid doing could be ascertained objectively and is not merely a personal taste or opinion, akin to, say, one's preference for a flavour of ice cream or the colour of one's curtains. Whether some institution is just or unjust is not for them a matter of personal preference. This is no mere prejudice. Human beings are well aware of moral values, even while they may not be able to explain them clearly and convincingly. (A subjectivist can only claim that they have certain positive feelings or attitudes for some kinds of behaviour, while negative ones toward others, not that they know or even believe them to be sound.) It

is similar to rejecting the claim by some physicists, e.g. Erwin Schrödinger, that there are no solid objects, since at the subatomic level everything is composed of a great deal of empty space. Such theories cannot argue reality away. Sound theories can only make clearer and deeper our awareness of reality.

The same is true with ethics and morality. Skepticism can be intriguing but it has no power actually to convince about something as evident to most people that there are good and bad things, right and wrong ways of acting – does anyone who is not trying to make a convoluted philosophical point really think that a parent's obligation to raise children to prepare them for life is a mere subjective preference? At most it can produce confusion and hesitation, especially when it comes to standing up for one's values. It can, of course, also prompt a measure of caution in the face of arrogance.

Individualism: Is it a Liability?

Clearly, in light of these and related considerations, radical (subjectivist) individualism has become the target of not just criticism but even moral outrage. A good example is a work by Robert Bellah and his colleagues, *Habits of the Heart: Individualism and Commitment in America*.⁷ Some have rejected individualism — especially as advanced within the field of economics — on simple moral grounds. They say the view engenders selfishness, social isolation and alienation. Others — following at least some renditions of the innumerable interpretations of Karl Marx — have noted that while it may have had value as an ideology during the 17th, 18th and 19th centuries, it has lost its value in our 'post-modern' era. We should no longer be concerned with amassing great material wealth, something radical individualism was supposed to have encouraged, but rather with our quality of life, its spiritual dimensions, the ecosystem, community values, etc. And here radical individualism is not just useless but a disvalue.

Need we, then, dismiss individualism and the liberalism with which it is so closely aligned? Should we embrace a new version of collectivism — for example, communitarianism — in order to recover us from the consequences of subjectivism?

I don't believe that is necessary. Individualism has not had a full

7 New York: Harper & Row, 1985.

hearing. There are forms of it which are distinct from the version the classical liberal tradition inherited. The type of individualism I have in mind focuses on individual human beings. This humanist, ethical or what I will call classical individualism recognizes that there is in nature a class of human individuals. And their human nature has a lot to teach us about social life and personal ethics. It seems there are indeed good reasons to classify human beings as a distinct class of entities in nature. There is, however, also good reason to regard their individuality as one of their essential, central characteristics. So on the one hand we must abandon radical individualism, but on the other hand we can firm up the foundation for individualism by noting that in the nature of the case — by a study of human nature, by a careful examination of what it is to be a human being — we arrive at the conclusion that one of the crucial factors about being a human being is that human beings are individuals. In response to this, instead of saying, with Hobbes, that there is no human essence, we can say in opposition to both Marx and Hobbes that the human essence is the true individuality of humankind.

What, if anything, does classical individualism have going for it that is lacking in the radical individualist tradition?

Classical Individualism: Humanizing the Radical Version

A major criticism of the idea of an objective or real human nature has to do with the legacy of Platonism in both natural law and natural rights theories. There is a very serious problem with the Platonic view of 'the nature of something'. In the Platonic tradition the nature of anything had to be a timeless, unchanging, perfect form. And certainly in Euclidean geometry we may usefully think of the perfect circle this way, but that is because geometry is a purely formal field, concerned with measurement and precision, not with substance.

But when we consider knowing the nature of human beings, justice, or governments, can we expect what we know to be timeless, perfect, unchanging, eternal? Hardly. Human beings are actual, temporal. We are not in a position to demonstrate what something is timelessly, perfectly, and finally. (Even our humanness, so called, rests on attributes that are concrete, and so the general concept 'human' must always be traceable back to actual individual beings if it is not to lose its meaningfulness.) So Platonism must lead to scepticism. If we have to come up with a final truth to know the nature of human beings, we simply reach

an impasse. Such scepticism, of course, makes it impossible to rest any sort of stable social or political order or conception of a good society on human nature, natural law or natural rights. This is exactly what Hobbes concluded. We are now left with two extremes: the radical sceptical idea which issues in nominalism and radical individualism *à la* Hobbes; and the Platonic alternative of an unattainable, hopelessly utopian and ideal conception of human nature. Both favour skepticism in the end.

Revising Naturalism

Might we, however, reconceive naturalism instead of abandoning it? Yes, and quite promisingly. When we talk about the nature of something we should have in mind what is reasonably justifiable given what we know to be so beyond a reasonable doubt. The classification that we are entitled to make on the basis of evidence we have gathered — limited to the context and present state of our knowledge (provided that we are consistent and reasonably historically complete) — will yield a conception of what the nature of something is. And that is firm enough to guide us in our political, and even our personal, lives; as firm a guide as we can expect the world to be from our knowledge of history and from common sense.

Actual aspects of the world — its substance — should not be thought of as we think of its formal features, e.g. in mathematics and geometry. The subject matter of these fields is capable of yielding final definitions — although some dispute even that — because these definitions concern measurement devices, not actual objects. But human beings, for example, are not mere measurements — they actually exist and undergo changes which our theory of how we understand them must also accommodate. Now, when we study *Homo Sapiens* from the 92,000 years since they emerged in roughly their current form on this earth, we are justified to conclude that they do have a stable nature as thinking animals — biological entities that are distinctively facilitated to think, and dependent upon exercising this faculty in order to live and do well at that task.

Furthermore, human beings seem always to be confronted with the possibility of mishaps through their own agency, which accounts for the pervasive fact of criticism among them! They can be wrong as well as right in what they do — unlike other animals. And the way they can be

wrong is by their failure to act in accordance with their distinctive human nature — by not being in full focus, by failing to pay heed, by negligence, evasion, thoughtlessness, imprudence, dishonesty, etc.

Yet there is also an inescapable individuality — a capacity for self-differentiation — to human nature, albeit common to all normal human beings, as well as features we all share — e.g. having a heart, being mortal, the ability to remember — that give rise to certain universal standards. It is by their own particular initiative, circumscribed by their family backgrounds, traditions, habits, customs, environment, opportunities, climate, etc., that people must confront living their lives. So they must implement or establish their individuality every moment of their lives, a point with serious implications for the best sort of polity for human living. Interestingly, this also points up the social nature of human life — being thinking animals implies that their flourishing is interwoven with their fellows. They will learn from them, find enjoyment and love from them, trade, play and carry on all the most exciting aspects of their humanity with them. How does all this help us out of some of the problems and paradoxes of individualism that I have described?

For one, on the basis of a viable conception of human nature we can identify some general principles we could count on to guide our lives. These principles, alluded to above, are general enough to apply over time, to succeeding generations, even if they are not guaranteed to hold for eternity.

As Aristotle recognized, the application of the general principles that rest on our knowledge of human nature will not be identical in different situations, at different times. Being honest in the 20th century probably requires applying the principles to telephones, call waiting, fax machines and computers. Earlier people did not have the responsibility to be honest in just this way. So honesty, although a general human virtue, will also have its individual, regional, temporal and culturally related manifestations. And so with prudence, justice, etc.

Classical Individualism and the Free Market

So how would classical individualism approach the points neoclassical economists provide in support of the free market?

Take the claim that in free market exchanges both parties necessarily benefit. Classical individualism rejects this understanding of market ex-

change. It is quite possible that a free exchange will not benefit both parties, or either party. Both could be making a mistake. Sometimes one trades good money for bad goods or exchanges items that are harmful to both parties. Impulse buying or similarly thoughtless purchases also illustrate this clearly enough. (Nor will it do to say, "it seems to be of benefit to them", since what seems to be would, on occasions, have in fact to be possible.) Neoclassical economists tend to reject this because, if true, they think some central or collective planner might have second guessed one or both trading parties and ordered them to behave differently 'in their own best interest'. If it were possible to know (objectively) what would benefit people in trade, even when they themselves deny this, it might be possible to admit to the legitimacy of paternalism and authoritarianism and to defeat free trade. This, of course, is not so. As Richard Tuck notes,

[I]t is common nowadays for people to say that moral relativism should lead to a kind of liberal pluralism: that (say) the waning of religious dogmatism paved the way for modern religious toleration. But Hobbes's work illustrates that there is no reason why this should be so. Moral relativism, thought through properly, might lead instead to the Leviathan; and the Leviathan, while it will destroy older intolerances, may replace them by newer ones.⁸

It appears that the Hobbesian individualism fails to be a bulwark against interventionism – quite the contrary. Does interventionism follow from classical individualism, simply because it rejects the theory of subjective value? No, not at all.

A central feature of an objective moral value judgment and conduct is that a person must be able to choose, that is, to initiate his or her conduct. *Bona fide* moral theorists have all understood that one cannot force others to behave morally — moral conduct must be the agent's own choosing, meaning not that what is right is a matter of choice, but that doing it is morally right only if it has been chosen freely by the agent.

So a central feature of morally relevant conduct is that it is chosen. If conduct is imposed or regimented, its moral significance vanishes. And included in the range of choices every individual is confronted with is the entire array of issues concerned with the bulk of community life.

8 Richard Tuck, *Hobbes* (Oxford: Oxford University Press, 1989), 116.

Classical Individualism and Morality

Classical individualism, furthermore, places before us certain stable (enough) principles of community life that are necessary for us to even embark upon a morally independent, or sovereign, peaceful and productive social existence. This aspect of the social moral nature of human life is a result of both one's humanity and one's inherent individuality as the author of one's moral character and conduct.

If one behaved as a good citizen or a charitable person simply because one is dreadfully scared of the state's placing one in jail, one would not be a good citizen or person, but barely more than a circus animal. So it is wrong to confuse conduct one should have engaged in of one's own free will with regimented behaviour imposed by some planning authority, politburo or regulatory agency. There is, in short, no such thing as coerced morally right conduct. Those aspects of the classical liberal polity that concerned individual rights, never mind whether they had been founded on the right philosophical groundings, have validity here as well. Within the framework of individual rights, however, ample room for uncoerced communitarian values remains.

Classical Individualism and Public Affairs

This position also allows for moral criticism of commerce — including the behaviour of commercial agents from used car sellers to corporate magnates — without sanctioning interference in it. Business ethics, for example, would be a sub-branch of ethics. It would allow for us to say, with full justice, that some individuals in the market place — some persons or entire firms — are behaving badly and should not do so. They could have chosen to do otherwise.

Of course, classical individualism and its resulting polity would not turn a blind eye toward corporate behaviour with adverse impact in the form of violating individual rights. The entire sphere of corporate behaviour vis-à-vis the environment could still be seen, as it is by anti-individualists, as public wrongs that need to have legal sanctions applied. But these would be construed not in the murky fashion of the environmentalist ethics movement, as assaults upon nature or intrinsic values, but as dumping on and intrusions upon individuals, violations of their rights. The remedy would also shift from the more communitarian approach of social cost-benefit analysis to an individualist approach which

would give full protection to those who might be dumped on or assaulted by toxic side-effects of production or transportation processes.⁹

Classical Individualism and Liberalism

Some of this is disturbing to various classical liberals because they realize that in terms of this form of individualism sometimes what we do in the free market we *should not* do. Yet, as we have noted already, this does not at all imply that whatever I should not do may be prohibited or what I should be may be commandeered. Rather it admits what common sense recognizes and needs some guidance about, namely, that free agents can do the wrong thing; and that this may be pointed out to them in peaceful ways. Clearly, nothing about statist interventions follows.

With radical — as distinct from classical — individualism, whatever people do in the market place *has to be accepted as what they ought to do*. That is because the only clue as to what they ought to do is their doing it.¹⁰ I have already indicated what kind of difficulties that produces. Classical individualism recognizes that individual market agents might behave either in a morally praiseworthy or in a morally blameworthy fashion and *yet it has to be their choice whether they do one or the other*. That is the only way in which a socio-economic system avoids becoming demoralized. Within certain 'rules of market conduct' that identify our

9 This is the doctrine of revealed preference whereby what one observes is the only clue as to what can be and ought to be, provided no prior interference has occurred.

10 Israel Kirzner has noted, in comments on a version of this essay, that when the economist subscribes to this doctrine, all he or she is saying is that nothing concerns economic analysis apart from noting what people actually do in the market place. There is truth to this but it also misses the larger picture: economists are, indeed, defenders of the priority of the market and its various institutions and processes, as against, say, the planned or regulated system. When they defend the system, they no longer simply observe but endorse and advocate. So they need to at least point to an answer to the question: "What is so justified or proper about respecting (i.e. why should we all respect and protect) the right to freedom of trade even in the face of certain evident moral improprieties or bad deals or self-destructive market behaviour?" Their own talk about subjective preferences, the impossibility of proving normative claims, etc., which abounds in their works, clearly suggests that they often endorse philosophical subjectivism about morality, not just restricting themselves to positive observations about human behaviour.

borders for us — which is where natural rights theory comes into the picture — individuals must be left free. That is the only way that their human dignity is preserved in a commercial setting — namely, if they are free to misbehave.

All this makes sense because it could now be said that, objectively speaking, some of what these people do in the market they should not be doing. But since it is a matter of free choice whether someone does what they ought or ought not to do, it follows that they may not be regimented to do otherwise except if their morally wrong conduct infringes on the rights of others — that is, obstructs other people's liberty to make moral choices. The only avenue to influencing others is to persuade them to do otherwise.

Classical Individualism and Market Failures

Thus, classical individualism and its resulting polity *could* not turn a blind eye toward behaviour associated with commerce that has adverse impact in the form of violating individual rights. As I suggested earlier, the effects of the behaviour of the corporate sphere could still be seen as public wrongs requiring legal sanctions. But the construal of a remedy for these wrongs would be shifted.¹¹

In short, classical individualism gives every sign of satisfying the concern expressed by many anti-individualists, namely that with the amorality and recklessness of the radical individualist based liberal social order. But this view, unlike others such as socialism and even communitarianism, retains a principled adherence to the ultimate value of individual sovereignty based on the moral nature (that is, the requirement of self-governance) of human individuals in the bulk of their lives.

Classical Individualism and Neoclassical Economics

There is no loss at all to classical liberalism and neoclassical economics in embracing classical individualism. Diversity of values still holds — not, however, because of subjectivity but because of enormous individual variations among people. The price system remains the best means by which to communicate human choices, although at times this

11 See Tibor R. Machan, "Environmentalism Humanized", *Public Affairs Quarterly* 7 (April 1993), 131-147.

means that wrong choices will also be communicated and responded to by market agents (for example, choices that may produce the production of harmful drugs or trivial pursuits or pornography). Still, the point made by public choice theorists still holds: any attempt to remedy market failures by means of political intervention involves the far greater risk of enshrining the errors of politicians into the much less flexible aspect of a culture than its market, namely, its legal system. In addition, the point about trying to make people good by means of coercion must be recalled. Both of these points count against any interventionist policies: so the free market remains intact, despite its somewhat altered philosophical foundations.

Hobbesian Monkey off the Classical Liberal Back

This then is the crucial alteration that needs to be made to the standard classical liberal doctrine of individualism. We must abandon the Hobbesian view, which states, in Hobbes' own words, that "whatsoever is the object of any man's appetite or desire, that is it which he for his part calleth good: and the object of his hate and aversion, evil ... For these words of good and evil ... are ever used with relation to the person that useth them: there being nothing simply and absolutely so; nor any common rule of good and evil ...".¹²

Instead we must recognize that 'good' and 'bad' have objective meaning for individual human beings, based on their humanity and the individual persons they are. There are very general moral principles that apply to human life, based on human nature, as well as particular moral judgments based on the special or unique circumstances of the individual. While this preserves the full range of diversity that most classical liberals wish to call attention to in socioeconomic situations — thus the stress of the value of the price system that communicates all these diverse value judgments — it does not embrace the flawed and self-defeating idea of subjective value theory whereby what is morally right or wrong is merely a matter of what a person happens to feel about some course of conduct.

12 Thomas Hobbes, *Leviathan*, Chapter 6, "Good", 48.

Are Human Beings Essentially Social?

As already noted, individualism is often caricatured. Consider as an example Wayne C. Booth's discussion of the moral and political foundations of Amnesty International, where he constantly refers to the human individual as "an atomic isolate ... [that] has implicit in it the notion that what is valuable about that isolate is what is different from all other isolates: what is unique".¹³ Numerous critics of classical liberalism reiterate this point, made originally by Hegel and repeated most forcefully and influentially by Marx.

What is important to note is that classical liberalism does not rest on the radical individualism that has been the target of these caricatures and is employed mainly in the context of economic analysis. The classical individualist position embraces the essential sociality of every human being, while also insisting that each human being is essentially individual, though not entirely unique, let alone isolated. It is the distinctively creative, originating aspect of human life that provides for this individuation. It is present even in the context of these arguments about individualism — the critics would have to admit that they aim to add something to the discussion, that they provide — i.e. create as an original act — at least some nuance to the perspective they champion, while they fault others for failing, on their own accord, to admit to what needs to be understood. In other words, the human facility to generate, individually, an understanding that may or may not be adequate to the facts testifies to individuation.

Contrary to Booth and others, it is not the case that liberalism requires the view that "it is only what is original, spontaneous, diverse in each person that is valuable ...".¹⁴ It rests, instead, on the fact about every human being that he or she needs to act on his or her own initiative, to interpret the world by his or her own effort, to accomplish success in life — including in social relationships — by virtue of creating meaning and acting accordingly.

13 Wayne C. Booth, "Individualism and the Mystery of the Social Self; or, Does Amnesty Have a Leg to Stand On?", in Barbara Johnson, ed., *Freedom and Interpretation, The Oxford Amnesty Lectures 1992* (New York: Basic Books, 1993), 84.

14 *Supra* n.13, at 85.

Can Individuals Know Alone?

Another, slightly distinct, charge is levelled at individualism, one that does not target its radical, neo-Hobbesian features but rather its alleged failure to see that it is fundamentally social. This view, championed by such writers as Richard Rorty, holds that human beings are inherently dependent creatures and can never, in any respect of their lives, exhibit *bona fide* individuality.

To sustain this charge, the critics point to the elementary fact that human language is social. They invoke certain arguments from such philosophers as Ludwig Wittgenstein, to the effect that the very idea of privacy is incoherent, because knowing anything is a social process.¹⁵

But no argument has yet been advanced that can reduce the fact of individuality in human life to some collectivity, or abolish the human individual, because even argument is made by individual minds. Although language is supplied now to one who is growing up, that does not mean that (a) it was always there in some developed fashion to be handed to the next generation, or that (b) there is no irreducible individuality in the use of language by, for instance, scientists, poets, or philosophers, as well as, of course, anyone else.¹⁶ No doubt our learning about the world in terms of high level concepts is enhanced tremendously by the community — without it we would remain largely ignorant. Yet individualism implies that we might have begun the

15 See Ludwig Wittgenstein, *Philosophical Investigations* (Oxford: Basil Blackwell, 1953), as well as such extensions of his argument as presented by some of his students, claiming that his objection to the possibility of a private language is, in fact, a blanket rejection of the possibility of any individual human act. For a clear discussion of how Wittgenstein's view is taken to bear on individualism versus collectivism or some offshoot thereof, see Roger Trigg, "Wittgenstein and Social Science", in A. Phillips Griffiths, ed., *Wittgenstein Centenary Essays* (Cambridge: Cambridge University Press, 1991), 209-222.

16 This calls to mind my experience with my daughter, Erin, who one evening, stretched out in my lap and about to go to sleep, suddenly looked up and said, "First I better change positions with my feet", i.e. turn around. And she said it with a twinkle in her eyes, knowing full well she made a new sentence, one not only she but probably no one else had made before. This was an individual creation, not explainable by reference to any group's influence — Erin produced this employment of language. For more, see Tibor R. Machan, "The Right to Privacy versus Uniformitarianism", *Journal of Social Philosophy* 24 (1993), 76-84.

journey on our own, even if we could progress but slowly and travel but a short distance up the conceptual ladder. At the base, however, where we rely upon our perceptual capacities and the initial integration of perceptual observation into low level concepts, we could achieve this by ourselves if push came to shove.¹⁷

Classical Liberalism and Common Sense

The public relations aspect of this alternative to radical individualism amounts to the fact that no longer will there be an unbelievable, unpalatable doctrine of moral subjectivism attached to the defence of the free society. Individualism is true, but subjectivism is false. Most people realize this as they conduct their lives – it is clear to them, for example, that male chauvinism is wrong, that slavery is evil, that racism is vile, etc. It is clear to them that kindness, generosity, courage, and honesty are virtues. To claim, as radical individualism does, that all of that is a matter of personal preference simply makes the socio-economic system derived from individualism an incredible system. Yet people also embrace individualism when they reject collective guilt, racism and sexism, and hold individuals legally and morally responsible.

All of this is especially important now, in the light of the recent economic and cultural demise of the planned economic systems of Eastern Europe. That their system has collapsed does not necessarily mean that one which embraces freedom is soon going to be successfully established.

17 For a good discussion of this perceptual level of individualism, see David Kelley, *Evidence of the Senses* (Baton Rouge, LA: Louisiana University Press, 1985). Moreover, it needs to be noted that Wittgenstein's famous private language argument applies to the radical empiricist sense data theory of concept development. Such a theory is not required in order to make sense of perceptual knowledge on the part of human individuals. That the debate about individualism must reach such fundamentality is made very clear in Rorty, *op. cit.*, *Objectivity*, 31, where the abolition of the individual consciousness is linked directly to the rejection of individual rights. Unfortunately Rorty rejects individual rights after mischaracterizing them as "biologically transmitted", suggesting thereby that the theory of natural human individual rights, in the tradition made prominent by Locke but begun several centuries prior to his time, means that rights somehow reside, perhaps physically, in our biological constitution. Yet there is nothing of this implicit, let alone explicit, in any major rights theorist. See, for more on this, Tibor R. Machan, *Individuals and Their Rights* (LaSalle, Ill.: Open Court Publishing Company, Inc., 1989).

There is competition here — Western social democrats, or democratic socialists, as well as the champions of the older regimes, are only too willing to rework their ideas and sell them to the victims of Stalinist socialism. Unless individualism can be shown to be a sound position, it will not be successful in capturing the minds and hearts of those who have found its opposite, collectivism, practically impossible. One can always claim, after all, that collectivism has not failed but was merely misunderstood, misplayed, and will now have to be tried again, but in the right way.

In short, classical individualism satisfies the concerns expressed by many anti-individualists about the amorality of the radical individualist based liberal social order. But this view retains a principled adherence to the ultimate value of individual sovereignty, the fundamental initiatory capacity of everyone, based on the moral nature (that is, the requirement of self-governance) of human individuals in the bulk of their lives.

The Importance of Stressing Morality

It is vital to note in conclusion that what the classical liberal polity, including its private enterprise system of economic life, faces from the anti-individualist critics is a fatal criticism — unless its individualism can be placed on a solid philosophical and, especially, moral footing. There is no question that freedom advances the life of individual human beings. There is no question that those who find fault with the regime of liberty are not champions of such advancement but argue, mostly on the basis of their various moral and ethical theories, that service to the community is our primary and, indeed, enforceable moral and political obligation. It is not enough to respond to this with public policy studies showing that policies that force people to help others just do not work — the critics will reply: “Well we must try harder, we must be more vigilant, we must use, indeed, greater force!”

A far more germane response to such criticism of the free society is that the right to liberty — including the liberty to embark upon enterprises, to trade with willing others — rests on the supreme moral importance of individual human beings as creative agents, initiators of their most crucial form of conduct, especially their judgments. It is this capacity to embark upon or initiate their judgments and conduct that lends to the free enterprise system its moral significance. That is because when their judgments are sound and their conduct successful, their suc-

cess in the market place is largely deserved.¹⁸ Critics of the market system — for example Karl Marx and John Rawls — often explicitly or implicitly deny this capacity of human beings to initiate their conduct, to exercise free will.¹⁹ This vital feature of individualism is thus essential to the very idea of the right to individual liberty. It serves as a basic presupposition of establishing the justice of a free market system of economics, including property assignments and wealth acquisition (although not necessarily each particular case of these). If no one acts on his or her own initiative, there is no basis for deserving any achievements, for suffering for any failures (everything just happens to people, like the weather or their skin, eye or hair colour).

Still, this importance of individualism by no means precludes the value of community and fellow feeling. Indeed, those, too, must be crucial aspects of the successful economic life. Individualism does, however, imply the moral prohibition of making the responsibility of forming community relationships mandatory, enforced by the state or anyone else in society. This is where the communitarianism that emerges from classical individualism supports the free system, not a statist one.

Unless this kind of response to the critics is available to the classical liberal political economist, the system would seem to be theoretically doomed as an answer to the question, "How should we organize our communities?" No public policy that holds out some hope of serving the community by means of yet another scheme of coercion — be it more taxes, greater government involvement in the provision of goods and services, regulating commerce and even the arts and entertainment, etc. — is permissible by the tenets of classical individualist supported liberal polity. In this connection it is interesting to recall how someone who is four square against individualism understands the concept of freedom. Daniel Ortega, former head of Nicaragua, when it was on the road to becoming a Marxist-Leninist state, explained:

- 18 It is not that luck has nothing to do with success. But even luck can be neglected or misused, something that itself depends on the initiation of good judgment, of paying close attention, of being alert to opportunity.
- 19 Marx denies it implicitly, via his economic determinism — one important reason the entrepreneur has no place in his system and the capitalist gains credit for nothing at all. Rawls is more explicit when he claims that "[T]he assertion that a man deserves the superior character [read: judgment] that enables him to make the effort to cultivate his abilities is problematic", *A Theory of Justice* (Cambridge, Mass: Harvard University Press, 1971), 104.

I always think of freedom in the plural. Freedom is for the people here, not for the individual. Freedom has an integral character linking the individual to the group. It is not simply what the individual feels, it is the action of the individual within society which organizes the rights of each to the benefit of all. Society limits, of course, those aspects of individual freedom that go against the common effort in all phases of life.²⁰

Communitarian views of freedom would find Ortega's sentiments quite acceptable, primarily because he focuses on the community first and foremost, and places the human individual in a subservient role to it. It is most likely, however, that on this political agenda, neither the individual, nor the community, insofar as one can rationally conceive of it, will be the beneficiaries. Instead, as both theory and experience have shown, the beneficiaries, at least in terms of power, will be some self-appointed elite whose special understanding of the needs of the community will be deemed, certainly by its members, essential for the welfare of the community. (Marx certainly affirmed this special intellectual, if not political, role of communists!)

Let me just conclude with a few remarks that are advanced less in the spirit of argument and dialogue than in that of a call to caution and vigilance. Piecemeal response to the assault on individual liberty simply will not suffice — it can always be met with the moral outcry, "But let us try yet another restriction, prohibition, regulation, it may succeed this time." A general moral-political theoretical case needs to be presented showing that such restrictions, prohibitions or regulations are immoral in the light of human nature, a commonly recognizable fact of reality. They violate the fundamental initiatory — i.e. judgmental, prudential — character of human life in general and certainly various vital social and economic processes in particular.²¹

20 Quoted in Peter Davis, *Where is Nicaragua?* (New York: Simon & Schuster, 1986).

21 For more on this, see Douglas Den Uyl, *The Virtue of Prudence* (New York: Peter Lang, 1991). See also the essays in Tibor R. Machan, ed., *Commerce and Morality* (Totowa, NJ: Rowman & Littlefield, 1988).