

THE BEST OF THE OLL #15

Anthony de Jasay, "Liberalism and Democracy" (1985)

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Anthony de Jasay (1925-)

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[March, 2013]

Editor's Introduction

Anthony de Jasay (1925-) is an Anglo-Hungarian economist living in France. He trained as an economist in Western Australia and then at Oxford University. He worked in finance in Paris before retiring and becoming an independent scholar. Anthony de Jasay is the author of: *The State* (Liberty Fund, 1998); *Social Contract, Free Ride: A Study of the Public Goods Question* (Oxford: Clarendon Press, 1990), and *Justice and its Surroundings* (Liberty Fund, 2002). He also writes a monthly column "Reflections on Europe" for Econlib <www.econlib.org>.

This discussion of "Liberalism and Democracy" is part of a broader economic analysis of the state which Jasay has undertaken in his book of the same name. His intention in this section is to expose some of the contradictions in and inevitable outcomes of both "democratic procedures" (such as the secret ballot and periodic elections) as well as the intended and unintended outcomes of those procedures in increasing the power and scope of the modern state.

In his analysis he concedes to his intellectual opponents the word "liberalism" which is no longer taken in its 19th century "classical" formulation of limited government, but in the late 20th century social democratic meaning of the term. Jasay's conclusion is that the democratic state is locked into a political competition to offer benefits to some of its more numerous constituents and the expense of less numerous and less politically influential groups. The ideology which accompanies this democratic process is known as "liberalism" which regards the state as a benign institution which can be controlled by the exercise of society's mandate to reform politics, the economy, and society itself according to the preferences it has set.

"The democratic state is unable to content itself with providing benefits to its subjects that may make some better off and none worse off. In democracy, tenure of state power requires consent, revocably awarded to one of several competitors by an agreed procedure. Competition involves offers of alternative policies, each of which promises to make designated people in society better off. These policies can be produced only at the cost of making other people worse off. ... The dominant ideology, liberalism, coincides with the interest of the democratic state and predisposes people under its influence to like democratic values. It calls upon the state to do for ethical reasons what it would have to do anyway to maintain its tenure. It tells people that the policy agreed to by the majority contributes to ultimate ends they all share."

"Liberalism and Democracy" (1985)¹

Divisive policies which democratic competition forces the adversary state to adopt are promoted by the liberal ideology as contributing to universally agreed values.

Democracy is not the good life by another name.
[1]

It may help in grasping some of the essential features of the liberal ideology and of the practice of the adversary state, to reflect briefly on democracy as a *procedure* and as a *state of affairs* (presumably the result of adopting the procedure). When looking at the rationale of submission to the state, I argued that political hedonism involved the acceptance of coercion as the counterpart of a benefit conferred by the state. The functioning of the state facilitated self-preservation according to Hobbes, or the attainment of a broader range of ends, according to Rousseau; the realization of these ends required cooperative solutions which (or so went the contractarian contention) could not come about without non-cooperation being deterred. The most basic role of the state was to transform non-cooperation from an irresistible option (in game-theory language, a “dominant strategy” which the player must adopt if he is rational) into a prohibitive one. It could perform this role in diverse ways, depending on how it combined the three ingredients which make up the obedience-inducing compound of statecraft, namely repression, consent and legitimacy.

The expectations of the hedonist could conceivably be fulfilled even by a state pursuing its ends while securing the compliance of civil society by repression alone. Provided *his* ends were limited in scope and modest in extent, and those of the state did not directly compete with them (for instance, if the political hedonist wanted protection from muggers and the state wanted national greatness), both ends could be simultaneously furthered by stern government.[2] Nor would the capitalist state necessarily require consent for carrying out its unambitious programme, i.e. to impose upon society the cooperative solution of respect for life and property, to keep out “non-minimal,” “non-capitalist” rivals and to pursue such

meta-political ends as it may fancy; while if it did heavily rely on consent, it is doubtful whether it could confine itself to as modest objectives as these.

The legitimate state, admitting that time and its own good conduct and good luck did earn it this rare status, could bring about cooperative solutions to a possibly wide range of otherwise unattainable ends over and above the preservation of life and property. It could do so by simply asking its subjects to behave accordingly. However, the more it asked, the more it would use and strain its legitimacy. Even if its own ends were perfectly non-competing with those of its subjects—an obviously hard condition to fulfil—such a state would still have to consider the scope of any social contract as limited (if indeed it saw its services to society in contractual terms). Such cooperative solutions as it was prepared to ask for would, therefore, be confined within narrow bounds.

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Political obedience resulting predominantly from consent, on the contrary, not only allows the social contract (or its Marxist equivalent, the transfer, by a class, of power to the state in exchange for the latter repressing another class), to be virtually open-ended in scope, but actually thrives on its ceaseless enlargement. The reason is that a state which needs its subjects’ consent to its tenure of power, is *by virtue of its non-repressive nature exposed to the actual or potential competition* of rivals who solicit the withdrawal of consent from it and its award to themselves. To secure its tenure, the state cannot confine itself to the imposition of cooperative solutions where there were none before, since its rivals, if they know their business, will offer to do the same *and* something more in addition.

¹ Anthony de Jasay, *The State* (Indianapolis: Liberty Fund, 1998). Chapter: Liberalism and Democracy. <oll.libertyfund.org/title/319/14094>.

Having done or agreed to do all the things that make some people better off and nobody worse off (which is how cooperative solutions are usually regarded), the state must go on and make some people *even better off* by making others worse off. It must engage in the wide range of policies apt to win over classes or strata, interest groups, orders and corporations, all of which involve, in the last analysis, interpersonal balancing. Specifically, it must give or credibly promise benefits to some by taking from others, for there are *no benefits left which do not “cost” anybody anything*.^[3] In this way, it must obtain a favourable balance between consent gained and consent lost (which may or may not be the same as the balance between the consent of the gainers and that of the losers). This balancing of political advantage is factually indistinguishable from the balancing of interpersonal utility or justice or both, which is supposed to underlay the maximization of social welfare or distributive justice.

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I propose to call “democratic values” the preferences subjects reveal in responding to interpersonal balancing by the state. These are likings for ends which can only be realized at another party’s expense. If the other party is an unwilling loser the attainment of such ends typically requires the threat of coercion. They are realized in the course of the imposition of a particular kind of equality in place of another kind, or in place of an inequality. These

imposed equalities can be thought of as primarily political or primarily economic. Though the distinction between the two is often spurious, it is always confidently made. Gladstone’s England or the France of the Third Republic is, for instance, regularly berated for having achieved political without economic equality. Conversely, sympathetic critics of the Soviet Union, Cuba or other socialist states believe that they have progressed towards economic equality to the neglect of political equality.

“A step is made toward the maximization of democratic values when the state reduces its capacity for repression and increases its reliance on consent; when it leans less heavily on the consent of the powerful and clever possessors of clout and more heavily on sheer numbers, for example by broadening the franchise and making the ballot really, safely secret; and when it redistributes wealth or income from the few to the many.”

A step is made toward the maximization of democratic values when the state reduces its capacity for repression and increases its reliance on consent; when it leans less heavily on the consent of the powerful and clever possessors of clout and more heavily on sheer numbers, for example by broadening the franchise and making the ballot really, safely secret; and when it redistributes wealth or income from the few to the many. Now do not these examples, which stretch across the breadth and length of “political and economic” democracy, show that it is quite redundant to talk of “democratic values”? It is the usual and sensible convention to regard everybody as preferring more power to less (at least the power to resist others, i.e. self-determination, if not the power to dominate others) and more money to less. If a move gives more power to many and less to a few, or more money to many and less to but a few, more will like than dislike

the move. That is all there is to it. What is the point of baptizing the simple consequence of an axiom of rationality a “liking for democratic values”? The objection would have to be upheld, and democracy would be seen as a mere euphemism for “the conditions under which the self-interest of the majority overrides that of the minority” or words to that effect, were it not for the possibility of people valuing arrangements which do not serve *their* self-interest (altruism) or, what may well be more important, valuing arrangements in the mistaken belief that they do. The latter may be due as much to honest ignorance of the unforeseen or unintended effects of an arrangement (Do egalitarian policies really give more money to the poor after *all or most* effects on capital accumulation, economic growth, employment and so on, have been counted? Do the masses determine their own fate with one-man-one vote?) as to dishonest manipulation, political “marketing” and demagoguery. Whichever source it springs from, Marxists would quite reasonably label it “false consciousness,” the adoption of an ideology by someone whose rational self-interest would in fact be served by a different one. A preference for democratic values, divorced from his self-interest, is the mark of many a liberal intellectual.[4]

Democracy, whatever else it may be, is one possible procedure a set of people, a *demos*, can adopt for “choosing” among *non-unanimously preferred collective* alternatives. The most spectacular and portentous of these choices is the award of tenure of state power. How this award is made to a contender or to coalitions of contenders, and indeed whether it can in all circumstances be made and rendered effective at all, depends on the direct or representative features of the democracy in question, on the interrelation of the legislative and executive functions, and more generally on custom. These dependences are important and interesting, but not central to my argument, and I intend to leave them on one side. All democratic procedure obeys two basic rules: (a) that all those admitted to the making of the choice (all members of a given *demos*) have an equal voice, and (b) that the majority of voices prevails over the minority. Defined in this way, members of the central committee of the ruling party in most socialist states constitute a *demos* deciding matters reserved for it in conformity with democratic procedure, each member’s vote weighing as much as every other’s. This does not prevent inner-party democracy from being, effectively, the rule of the

general secretary, or of the two or three kingmakers in the general secretariat and the political bureau, or of two clans or two patron-and-client groups allied against the rest, or any other combination political science and gossip can think of. More extensive forms of democracy can include in the *demos* all party members, or all heads of households, all adult citizens and so on, the acid test of democracy being not who is in and who is not, but that all who are in are *equally* so.

This can have paradoxical consequences. It makes multiple, “weighted” voting undemocratic while letting pass Athenian democracy, or that of the typical Renaissance city-state where all adult male citizens had the vote but up to nine-tenths of the residents were non-citizens. It virtually guarantees the bypassing, underhand “fixing” or overt breach of democratic rules by calling for the same weight to be given to the voice of Cosimo de’ Medici as to that of any other Florentine citizen of the “little people,” the same importance to the general secretary as to any cock-on-the-dungheap *oblast* chief. These reflections are not to be read as a complaint that democracy is not democratic enough (and ought somehow to be made more so), but as a reminder that a rule flying in the face of the facts of life is liable to get bent and to produce perverse and phoney results (though this is not sufficient reason for discarding it). Perhaps there is no conceivable rule which does not violate some important fact of life to some extent. But a rule which seeks to make anyone’s vote on any matter equal to anybody else’s is a *prima facie* provocation of reality in complex, differentiated communities, let alone entire societies.[5]

The other basic rule of democratic procedure, i.e. majority rule within a given *demos*, also has more and less extensive applications. The most extensive is widely considered to be the most democratic. Applied this way, majority rule means that the barest plurality, and in two-way Yes/No splits the *barest majority*, gets its way on *any* issue. Constitutional restrictions upon majority rule, notably the exemption of certain issues from the scope of choice, the barring of certain decisions and the subjection of others to qualified instead of simple majority rule, violate the sovereignty of the people and have clearly to be judged undemocratic unless one were to hold that the state, being *incompletely controlled* by the people, ought to have its sovereignty restricted precisely in order to enable democratic rules (or what is left of

them after constitutional restrictions) to operate without fear.

I shall have occasion briefly to come back to the fascinating problem of constitutions in chapter 4 (pp. 206-14). In the meantime, suffice it to note that the logical limiting case of majority rule is where 50 per cent of a *demos* can impose their will on the other 50 per cent on any matter, it being a toss-up *which* 50 per cent does the imposing. (This is equivalent to Professor Baumol's suggested most-democratic criterion of *maximizing the blocking minority*.)[6]

“By far the most important effect of the secret ballot, however, is in reducing or removing altogether the risks the voter runs by voting against the eventual winner who gains power and is enabled to punish him for it.”

Though it is not one of its essential rules, democracy is for sound practical reasons also identified in the public mind with the secret ballot. Admittedly, some democratic modes of operation like coalition-forming and log-rolling are hampered by secrecy. Trades of the “I vote with you today if you will vote with me tomorrow” kind run up against a problem of enforcing performance if the vote is secret. The same non-enforceability would frustrate the purpose of the direct buying of votes if the sellers sold in bad faith and did not vote as they had agreed to. By far the most important effect of the secret ballot, however, is in reducing or removing altogether the risks the voter runs by voting against the eventual winner who gains power and is enabled to punish him for it.[7]

Where does this leave democracy seen as the *result* of collective decisions rather than as a particular *way* of reaching them? There is no “rather than,” no meaningful distinction if we simply agree to call democracy the state of affairs, whatever it turns out to be, that results from the democratic procedure (along the lines of regarding as justice whatever results from a just procedure). But the democratic rules are not such that, provided only they are applied, reasonable men would be bound to agree that what they produce is democracy. Many reasonable men, in fact, consider the

German Nazi electoral victory of 1933 as anti-democratic, although it resulted from reasonable observance of the democratic procedure.

Whether it is a democratic result for the majority to invest with power a totalitarian state whose avowed intention is to suppress competition for power, hence voiding majority rule, voting and all other democratic ingredients, is a question which has no very obvious answer. Like the right of the free man to sell himself into slavery, the majority's democratic choice to abolish democracy should be judged in its causal context, in terms of the feasible alternatives and the motives of the choice rather than just in terms of its anti-democratic consequences, grave as the latter may be. Whichever way the judgement may fall, even if in the end it were to find it democratic to choose totalitarianism, it is clear that its dependence on a factual context precludes the “democratic *because* democratically arrived at” type of simple identification-by-origin.

If a state of affairs resulting from the application of recognized democratic rules is not necessarily democracy, what is? One answer, implicit in much of twentieth-century political discourse, is that “democratic” is simply a *term of approbation* without any very hard specific content. Democracy becomes the good life. If there can be two views about what constitutes the good life, there can be two views, too, about what is democratic. Only in a culturally very homogeneous society is it possible for the state and its rivals for power to share the same conception of democracy. If a contender for power believes that his gaining power is conducive to the good life, he will tend to regard political arrangements which favour his accession as democratic, and those which hinder him or favour the incumbent as anti-democratic. The converse holds for the tenant of state power.

Failure to understand this leads people to brand as cynical any resort to a practice that is condemned as anti-democratic when employed by a rival. A nearly perfect instance of this is the tight state control and ideological *Gleichschaltung* of French radio and television since 1958 or so, indignantly attacked by the left before 1981 and by the right since. There is no reason to suppose that either is being cynical in regarding control by the other as anti-democratic, since control by oneself is for the better and control by the others is for the worse, and there is nothing insincere in arguing from this basis.

“It follows also from the conception of democracy as the good life, the desired state of affairs, that it may be necessary and justified to violate democratic rules in the interest of the democratic result... The loser often considers that the result was rendered undemocratic by some undue, inequitable, unfair factor, e.g. the hostility of the mass media, the mendacity of the winner, the lavishness of his finances, etc. The sum of such complaints amounts to a demand for amending and supplementing the democratic rules ... till finally they yield the right result, which is the sole test that they have become sufficiently democratic.”

It follows also from the conception of democracy as the good life, the desired state of affairs, that it may be necessary and justified to violate democratic *rules* in the interest of the democratic *result*. Only Marxist-Leninists go all the way in following this logical implication. Once in power, distrustful of the short-sightedness and false consciousness of the voter, they prefer to make sure in advance that elections will have a really democratic outcome. However, in non-socialist countries where the means of making sure are not in hand or are not employed, and elections take place more or less according to the classical democratic rules, the loser often considers that the result was rendered undemocratic by some undue, inequitable, unfair factor, e.g. the hostility of the mass media, the mendacity of the winner, the lavishness of his finances, etc. The sum of such complaints amounts to a demand for amending and supplementing the democratic rules (e.g. by controlling the mass media, equalizing

campaign finances, forbidding lies) till finally they yield the right result, which is the sole test that they have become sufficiently democratic.

Neither as a particular procedure, nor as the political good life—the arrangement we approve—is democracy sufficiently defined. If we would narrow down a little the use of the term, this is not because we grudge the equal rights of Outer Mongolia, Ghana, the USA, Honduras, the Central African Republic and Czechoslovakia to call themselves democracies. It is rather because the attempt at formulating a tighter conception should illuminate some interesting relationships between democratic values, the state that produces them and the liberal ideology. These three elements could, for instance, be loosely linked thus: democracy is a political arrangement under which the state produces democratic values, and the liberal ideology equates this process with the attainment of ultimate, universal ends.

As defined above, democratic values are produced by the state as a result of interpersonal calculus; for instance, it will democratize the franchise or the distribution of property, if and to the extent that it expects to reap a net gain of support from such a move. But it would have engaged in the same policies if, instead of rational self-interest, it had been motivated by a liking for equality. Empirically, then, there is no test for telling apart the enlightened absolutism of the Emperor Joseph II and of Charles III of Spain from the populism of Juan Perón or of Clement Attlee; they were all, on the face of it, producing democratic values. We have good reasons for thinking, though, that the former two, relying for their power hardly at all on popular support, did not *have* to do what they did, and chose it out of a liking, a political conviction. Causality, then, runs from the monarch’s preferences to the political arrangement and its democratic features. On the other hand, we might strongly presume that whether or not a Peron or an Attlee had egalitarian convictions and a desire to raise the working man (and they both had both), the exigencies of consent for their accession to and tenure of power would have obliged them anyway to pursue the sort of policies they did. If so, we would suppose causality to be running round a circuit composed of the state’s liking for power, its need for consent, the rational self-interest of its subjects, satisfaction for the gainers at the expense of the losers, and the justification of this process in terms of uncontested, final values by the liberal ideology—the

whole interdependent set of factors taking the form of a political arrangement with democratic features.

The two types of causation, one operating in enlightened absolutism and the other in democracy, can be told apart in an *a priori* sense by having either one, as it were, act in a “society of equals,” where all subjects (except, where applicable, the praetorian guard) are equal at least in such respects as political influence, talent and money. The enlightened absolute monarch, liking equality, and seeing his subjects equal, would be broadly content with political arrangements as they are. The democratic state, however, would be competing with rivals for popular consent. A rival could attempt to divide society into a majority and a minority by finding some dimension like creed, colour, occupation or whatever, with respect to which they were unequal; he could then bid for the support of the majority by offering to sacrifice to them some interest of the minority, e.g. its money. Since everybody has equal political influence (one-man-one-vote, simple majority rule), if everybody followed his self-interest, the democratic incumbent would lose power to a democratic rival unless he, too, proposed *inegalitarian* policies and offered to transfer, for instance, more of the minority’s money to the majority.[8] (The equilibrium conditions of this competitive bidding are sketched in chapter 4, pp. 219-25.) In a society of equals, then, democracy would act in the opposite sense to the levelling we associate with it; using some convenient criterion for separating some subjects from others, it would have to carve out a majority and sacrifice the minority to it, the end-effect being some new inequality. This inequality would then function as a democratic value approved by the majority. If democracy ever created a “society of equals,” it is possibly along such lines that it might then develop *further*, calling for an ideological adjustment which does not look unduly difficult.

In the last such historical adjustment, which began roughly when the present century did, and which replaced government as night-watchman by government as social engineer, the ideology of the advancing state has changed in almost everything but the name. Owing to the breathtaking transformation which the meaning of “liberal” has undergone in the last three generations, the original sense of the word is irretrievably lost. It is no use any more shouting “Stop, thief!” at those who stole it. Speaking of “classical” liberalism or trying to resuscitate the original meaning

in some other form would be a bit like saying “hot” both when we mean hot and when we mean cold. My use of the term “capitalist” is, in fact, intended to avoid such misleading usage and to stand in for at least the hard core of the original sense of “liberal.”

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Hoping that this might help thin out some of the prevailing semantic fog, I will employ “liberal” as the modern shorthand symbol for political doctrines whose effect is to subordinate individual good to the common good (leaving no inviolable right) and to entrust its realization to the state ruling mainly by consent.[9] The common good consists for the most part of democratic values, which are whatever the exigencies of consent require. In addition, however, the common good also calls for the fulfilment of an evolving variety of further goals for which there is, at any given time, no majority support. Present-day examples of such goals include racial desegregation, abolition of the death penalty, banishment of nuclear energy, affirmative action, homosexual emancipation, aid to underdeveloped countries, etc. These goals are deemed progressive, i.e. expected to become democratic values in the future.[10] Liberal doctrine holds that civil society is *capable of controlling the state* and that the latter is therefore necessarily a benign institution, the observance of democratic procedure sufficing to confine it to the subordinate role of *carrying out society’s*

mandate which, in turn, is some kind of sum of society's preferences.

Given this nature of the state, there is a certain unease in liberal doctrine about *freedom as immunity*, a condition which can negate the priority of the common good. Where immunity is conspicuously a privilege not shared by all, as it patently was in most of Western Europe up to at least the middle of the eighteenth century, liberalism opposes it. Its remedy is as a rule not to extend privilege as much as possible if that is not sufficient to create equality, but to abolish it as far as possible. Tawney, a most influential developer of the liberal ideology, waxes eloquent on this point:

[Freedom] is not only compatible with conditions in which *all men are fellow-servants*, but finds in such conditions its most perfect expression.[11]

What it excludes is a society where *only some are servants* while others are *masters*. [12]

Like *property* with which in the past it has been closely connected, liberty becomes in such circumstances the privilege of a class, not *the possession of a nation*. [13]

That freedom is most perfect when all are servants (more perfect even than if all were masters) reflects the presumption in favour of levelling down. It is not the condition of *servitude* which contradicts freedom, but the *existence of masters*. If there are no masters yet there are servants, they must be serving the state. When servitude is to the state, freedom is at its apogee; it is better that none should have property than that only some should have it. Equality and freedom are, albeit a shade obscurely, synonymous. We could hardly have come farther from the idea of the two being competing ends.

Even if it were not yet one more dimension of people's existence, like money or luck or breeding, in which equality can be violated, freedom as immunity would still have to be opposed by the liberal. *Even when we all have it*, the immunity of some curtails the state's ability to help others and consequently its production of democratic values; even *equal freedom-as-immunity* is inimical to the common good. [14]

This is strikingly manifest in the way liberal thought looks upon property. Private property, capital as the source of countervailing power, reinforcing the structure of civil society *versus* the state, used to be considered valuable both to those who owned some *and to those who did not*. Liberal thought no longer recognizes

such value. It considers that democratic procedure is the source of unlimited sovereignty. It can rightfully modify or override title to property. Choices between private and public use of private incomes, as well as between private and public property in the narrower sense, can and in fact ought to be made *and subjected to continuous review* in pursuit of such aspects of the common good as democratic values or efficiency.

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These criteria must primarily govern the scope and manner of state interference with private contracts in general. For instance, a “prices and incomes policy” is good, and ought to be adopted regardless of the violation of private agreements it entails, if it helps against inflation without impairing allocative efficiency. If it does impair it, it ought still to be adopted, in conjunction with a supplementary measure to rectify the impairment. Liberal thought is rarely at a loss for additional measures to complete the first one, nor for policies to take care of any unintended effects the latter may produce, and so on in an apparently infinite regress, in hopeful pursuit of the original aim. (Arguably, a measure taken today is the *n*th echo of some earlier measure in that the need for it, in that particular shape and form, could not have arisen without the preceding measure(s); and as the echo shows no signs of dying down, *n* has a fair chance of

growing into a very large number.) The fact that a measure brings a cascade of consequential measures in its train is a challenge to imaginative government, not an argument against it. The fact that imaginative government needs to override property rights and the freedom of contract is neither an argument against it nor for it, any more than the breaking of eggs is an argument for or against the omelette.

This exploration of some sensitive tenets of liberal doctrine may invite a parallel analysis of socialism. The reader, who incidentally would have no difficulty in doing this for himself, is likely to note a few vital points of incompatibility between the two, despite the large extent of surface resemblance which has long nourished the facile and ambiguous thesis of the “convergence of the two world systems.” The crucial incompatibility, in my view, lies in their treatment of power and hence of property. The liberal is relatively relaxed about power. He trusts the majority to direct the state in society’s best interest, which is tantamount to trusting it to award social power more often than not to him, to his friends, to the party of liberal inspiration. Consequently, while he may interfere with private property for a number of reasons, he will not do so out of a perceived *need to weaken civil society’s ability to take state power away from an incumbent.*

For the socialist, however, power is a cause for deep anxiety. He sees majority rule as a licence for the rule of false consciousness, involving an unacceptable risk of relapse into reaction, due to the defeat of progressive forces by the ballots of a mindless electorate. He must have public ownership of the commanding heights of the economy (and as much as possible of the slopes and the plains, too) for public ownership (both in itself and as the corollary of *no significant private ownership*) is the best guarantee of the *security of tenure of power.* Private ownership loosens the state’s control over the livelihood both of the capitalist and of the worker (in the widest sense) whom he may choose to employ. It is thus an enabling cause of opposition by both. The socialist state, less trusting than the liberally inspired one and more knowledgeable about power, thus feels a far more vital concern about property, even though its view about the relative efficacies of planning, the price mechanism, allocation or incentives may be no different from that of most non-socialist states.

The surface compatibility of liberal and socialist doctrines, however, is such that discourse in terms of

one can inadvertently get caught up in the strands of the other. The ensuing cross-breeding of ideas can produce startling progeny. One area where ideological miscegenation is apt to happen is the concept of liberty, its refractoriness to definition and its nature as an ultimate, self-evident good. Not for nothing does Acton warn us to be wary: “But what do people mean who proclaim that liberty is the palm, and the prize, and the crown, seeing that it is an idea of which there are two hundred definitions, and that this wealth of interpretation has caused more bloodshed than anything, except theology?”[15] Any political doctrine must, in order to look complete, incorporate liberty among its ultimate ends in some fashion. The rules of ordinary speech guarantee that it is a solid value: it sounds as absurd to say “I dislike liberty, I want to be unfree” as to assert that good is bad.[16] Moreover, one is safe to feel dispensed of any obligation to derive the goodness of liberty from some other value, to which liberty may lead as a means leads to an end, and which may turn out to be contestable. Happiness (freely translated as “utility”) and justice are on the same footing. It is impossible to say “I am against justice,” “there is a lot to be said for unfairness” and “utility is useless.” Such ultimate, uncontested ends can be made to play a particular role in *validating other ends* that an ideology seeks to promote.

Equality is the prime practical example. The problem of inserting it in the value system is that it is not self-evidently good. The statement “there is a good deal to be said for inequality” may provoke vigorous disagreement; it may require backup argument; it is in any case not nonsensical. Ordinary speech tells us that it is possible to contest the value of equality. If we could see that it is derived, by a chain of propositions we accept, from the value of another end which we do *not* contest, we would not contest equality either. Utility and justice have alternatively been employed in elaborate attempts to establish equality as an uncontested end in this way. The next three sections of this chapter are intended to show that these attempts, like the squaring of the circle, are futile; equality can be made into a valuable end if we explicitly agree to put value on it, but it is not valuable *by virtue of our liking for something else.*

I know of no systematic argument trying to derive the goodness of equality from our liking for liberty in the way attempts have been made to derive it from utility or justice, perhaps because the very idea of

liberty lends itself poorly to rigorous argument. On the other hand, it positively invites the muddling up of pieces from incompatible ideologies, whose result is some strange proposition like “freedom is equal servitude” or “freedom is enough food.” Such conceptual miscegenation, by coupling equality to freedom, gives it a piggyback ride. Carried on the back of liberty, it is smuggled in among our agreed political ends.

“the very idea of liberty lends itself poorly to rigorous argument. On the other hand, it positively invites the muddling up of pieces from incompatible ideologies, whose result is some strange proposition like “freedom is equal servitude” or “freedom is enough food.” Such conceptual miscegenation, by coupling equality to freedom, gives it a piggyback ride. Carried on the back of liberty, it is smuggled in among our agreed political ends.”

This is the drift of thinking of liberty (as Dewey would have us do) as “the power to do”: as material sufficiency, food, money; as an empty box unless filled with “economic democracy”; as some fundamental condition not to be confused with the “bourgeois” or “classical” liberties of speech, assembly and election, all of which are totally beside the point to the “really” (economically) unfree. (It is surely possible to interpret history as “proving” the contrary. Why else did the English Chartists agitate for electoral reform rather than higher wages? By the same token, one can plausibly present the formation of workers’ councils, the call for a multi-party system and free elections in Hungary in 1956, and of the wildfire spread of a nationwide autonomous trade union in Poland in 1980, as demands for the classical bourgeois freedoms by the “economically” unfree. In fact, the opposite

interpretation looks grossly implausible. We cannot seriously be asked to believe that it was the happy accomplishment of “economic liberation” that has engendered the demand for bourgeois freedoms in these societies.)

It is to show up the deceptive ease with which equality rides piggyback on freedom past the most watchful eyes, that I choose a text by the usually so lucid Sir Karl Popper, who is as prominent a critic of totalitarianism as he is a distinguished logician:

Those who possess a surplus of food can *force* those who are starving into a “freely” accepted servitude.

A minority which is economically strong may in this way exploit the majority of those who are economically weak.

If we wish *freedom to be safeguarded*, then we must demand that the policy of unlimited economic freedom be replaced by the planned economic intervention of the state.[17]

The use of the word “force” is, of course, poetic licence. What Popper is saying is that those with a surplus of food just sit back and do not volunteer to share it with those who are starving; to eat, the latter must come forward and offer to work for them. Since they cannot “really” choose to starve, their offer to work is an acceptance of servitude. It is “free” but not “really” free choice. Note also that it is the minority who do this to the majority, which makes their conduct somehow even more reprehensible than if it were the other way round. Our democratically conditioned consciences have thus one more reason to approve the “planned economic intervention of the state,” though it is a little bewildering that in defence of the Open Society, we are proffered the *Gosplan*.

Poetic licence or not, the multiple confusion which finally gives us the *Gosplan* as a condition of freedom, needs sorting out. First, Popper asserts that there is an analogy between the strong bully enslaving the weaker man by the threat of force, and the rich exploiting the economic weakness of the poor.[18] But there is no such analogy. There is a plain distinction between *taking away* a man’s freedom (by threatening to beat him up) and *not sharing* our “freedom” (= food) with a man who lacks it in the first place.

Second, there is confusion between the availability of choice (between servitude and starving) which is a matter of *liberty*,[19] and the equity, fairness, justice of a situation where some people have a lot of food and

others none, which is a matter of *equality*. Third, confusion is spread by leaving unstated a number of assumptions which are needed to stop this situation from ending up as a normal neo-classical labour market equilibrium, where those owning a lot of food compete to hire those who own none and who compete to get hired, until hirers and hired are all earning their respective marginal (value) products.

“The democratic state is unable to content itself with providing benefits to its subjects that may make some better off and none worse off. In democracy, tenure of state power requires consent, revocably awarded to one of several competitors by an agreed procedure.

Competition involves offers of alternative policies, each of which promises to make designated people in society better off. These policies can be produced only at the cost of making other people worse off.”

The assumptions under which the outcome is starving or servitude are quite strong ones, though they may have some realism in particular kinds of societies. In such societies, the minority’s offer of food in exchange for the majority’s servitude is at least “Pareto-superior” to letting them starve while redistribution through “planned intervention of the state” would have generally unpredictable results, one likely possibility being that much of the food goes bad in government warehouses.

Finally, although freedom is not food, and liberty is not equality, equality may yet help justice, or be otherwise desirable, but this does *not go without saying*. Before anyone can state that the coexistence of a minority with a surplus of food and of a starving majority ought to be redressed, he has to show, either that greater equality in this respect would *contribute to other ends* in such a way that self-interest will make

rational people opt for the equality in question, or that people’s sense of justice, symmetry, order or reason demands it to the exclusion of contrary considerations. The endeavour to show this constitutes much of the ideological *Begleitmusik* of the development of the modern state.

“The dominant ideology, liberalism, coincides with the interest of the democratic state and predisposes people under its influence to like democratic values. It calls upon the state to do for ethical reasons what it would have to do anyway to maintain its tenure. It tells people that the policy agreed to by the majority contributes to ultimate ends they all share. It also promotes additional policies, showing that they are conducive to the same ends and recommending that people opt for them when they are offered. In doing so, it both promotes and responds to the growth of the state.”

To sum up and to restate some of the preceding argument: The democratic state is unable to content itself with providing benefits to its subjects that may make some better off and none worse off. In democracy, tenure of state power requires consent, revocably awarded to one of several competitors by an agreed procedure. Competition involves offers of alternative policies, each of which promises to make designated people in society better off. These policies can be produced only at the cost of making other people worse off. In an unequal society, they tend to be egalitarian (and in a society of equals they should tend to be inegalitarian), to attract a majority. The majority’s “preference” for one of the policies on offer “reveals” that its proximate effects represent the

greatest accrual of democratic values. People may opt for it whether or not their interests are served thereby. The dominant ideology, liberalism, coincides with the interest of the democratic state and predisposes people under its influence to like democratic values. It calls upon the state to do for ethical reasons what it would have to do anyway to maintain its tenure. It tells people that the policy agreed to by the majority contributes to ultimate ends they all share. It also promotes additional policies, showing that they are conducive to the same ends and recommending that people opt for them when they are offered. In doing so, it both promotes and responds to the growth of the state.

Notes

[1.] I am alluding to S. M. Lipset's frequently quoted *cri de coeur* (*Political Man*, 1960, p. 403), that democracy is not a *means* to the good life, it is the good life.

[2.] Notably by the state drafting potential muggers into the army and leading them to pillage rich foreign towns in the manner of Bonaparte in 1796. The conflict arises later, in the follow-up: Bonaparte soon came to require, as he put it, "an annual revenue of 100,000 men" ("*une rente de 100,000 hommes*").

[3.] Cooperative solutions are best understood as outcomes of *positive-sum* games with *no losers*. A game, however, may have losers as well as gainers and yet be considered to have a positive sum. In helping some by harming others, the state is supposed to be producing a positive, zero or negative sum. Such suppositions in strict logic imply that utilities are interpersonally comparable.

It may be said, for instance, that robbing Peter to pay Paul is a positive-sum game. If we say this, we affirm that the marginal utility of money to Paul is higher. Instead of saying this, it is perhaps less exacting to assert that it was only just or fair to favour Paul; that he deserved it more; or that he was poorer. The last argument may be an appeal *either* to justice *or* to utility, and thus has, like fudge, the strength of shapelessness.

[4.] Is the liberal intellectual better off in the state of nature, or under state capitalism? If he just cannot tell, and if he is the sort who must nudge society, which way should he nudge it?

[5.] A simple, undifferentiated community in this context means not only that all its members are equal (before God, before the law, in talents, influence, wealth or other important dimensions in which equality is customarily measured), but that they are all about *equally concerned by any of the issues* which come up to be democratically decided on behalf of the community. A community of equals in the customary loose sense may have members of different occupations, sex and age groups. They will not be equally concerned by issues which impact occupations or sex or age groups differentially; most issues do.

[6.] It is an interesting fact that German and French company law make important provision for "blocking minorities" (*Sperrminorität*, *minorité de blocage*), while British company law and American corporation law do not.

[7.] Cf. Thomas C. Schelling, *The Strategy of Conflict*, 2nd edn, 1980, p. 19. For Schelling, the secret ballot protects the voter. This is undoubtedly true. However, it is also true that it transforms him into a bad risk. Corrupting, bribing him becomes a sheer gamble.

[8.] Majority rule, with votes cast entirely according to interest, would inevitably produce some redistribution, hence some inequality in a society of *equals*. In a society of *unequals*, there would likewise always be a majority for redistribution. As Sen has remarked, a majority could be organized for redistribution even at the expense of the poor. "Pick the worst off person and take away half his share, throw away half of that, and then divide the remainder among the rest. We have just made a majority improvement." (Amartya Sen, *Choice, Welfare and Measurement*, 1982, p. 163.) Competition, however, ensures that the majority has more attractive, richer redistributive alternatives to vote for, i.e. that redistribution will not normally be at the expense of the poor. Given the choice, egalitarian redistribution would be preferred to the inegalitarian, because the potential pay-off is always greater in rich-to-poor than in poor-to-rich redistribution.

[9.] Wiser heads would perhaps judge me foolhardy for advancing a definition of liberalism, considering that "it is an intellectual compromise so extensive that it includes *most of the guiding beliefs* of modern Western opinion." (Kenneth R. Minogue, *The Liberal Mind*, 1963, p. viii, my italics.)

[10.] Liberals do not espouse these goals today because they expect the majority of people to espouse them tomorrow. Rather they expect the majority to do so because these goals *are* valuable. Either reason would be sufficient for boarding the bandwagon before it started rolling. The second reason, however, tells liberals that the bandwagon is morally worthy of being boarded.

[11.] R. H. Tawney, *Equality*, 1931, p. 241, italics in text.

[12.] Contrast the diagnosis of Tocqueville: “*on semblait aimer la liberté, il se trouve qu’on ne faisait que haïr le maître.*” (C. A. H. C. de Tocqueville, *L’ancien régime et la révolution*, Gallimard, 1967, p. 266. English translation, *The Ancien Regime and the French Revolution*, 1966.)

[13.] Tawney, *Equality*, p. 242, my italics.

[14.] In his classic *Origins of Totalitarian Democracy* (1960), J. L. Talmon, having postulated that there is now a liberal and a totalitarian democracy but that at one time these two were one, is at a loss to locate the schism. He looks for it mainly in and around the French Revolution without claiming that he has found it. Perhaps it is impossible to find the schism; perhaps there never was one.

Talmon seems implicitly to lean to this view in characterizing democracy as a fundamentally unstable political creed, a potential monster which must be firmly *embedded in capitalism* to be safe. He does not address the question of how this can be accomplished. As the reader who got this far will have gathered, it is part of my thesis that no such thing is possible. Democracy does not lend itself to be “embedded in capitalism.” It tends to devour it.

[15.] Lord Acton, *Essays on Freedom and Power*, 1956, p. 36.

[16.] There must be an “out” for the man who likes it in boot camp; some prisoners, too, like the relief from responsibility and are said to prefer inside to out. To accommodate this, we can always have recourse to the dialectic understanding of freedom. The man under military discipline attains real freedom. Civil society governed by the state is a prerequisite of *genuine* freedom as opposed to the *virtual* freedom offered by the state of nature. Many people actually do use such arguments.

[17.] Karl R. Popper, *The Open Society and its Enemies*, 1962, vol. II, pp. 124-5, my italics.

[18.] *Ibid.*, p. 124.

[19.] For a different and much more complete formulation of this point, cf. Robert Nozick, *Anarchy, State and Utopia*, 1974, pp. 263-4.

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“The distinctive principle of Western social philosophy is individualism. It aims at the creation of a sphere in which the individual is free to think, to choose, and to act without being restrained by the interference of the social apparatus of coercion and oppression, the State.”
[Ludwig von Mises, “Liberty and Property” (1958)]



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