Uncovering 19th Century Liberalism

Unit 2 – Chapter 3
Uncovering 19th Century Liberalism

- In this chapter we will look at when and where the ideas of classical liberalism originated, how these ideas evolved into the principles of classical liberalism, and determine some of the impacts of liberalism on society in the 19th century.

- The main issue for this chapter is *To what extent can classical liberalism impact a society?*
Chapter Issue:
To what extent can classical liberalism impact a society?

Question for Inquiry #1:
What factors were most important in bringing about the emergence of classical liberalism?

Question for Inquiry #2:
How did classical liberal thought evolve into the principles of liberalism?

Question for Inquiry #3:
How did classical liberalism influence 19th-century society?
The 19th Century in Great Britain was a time of dramatic change for most people.
The beliefs and values of classical liberalism, which we will explore in this chapter, helped to bring about this major shift in Western society.
Exploring the origins, principles, and influences of classical liberalism will provide you with the necessary background for understanding the role that classical liberal principles have played in the world at large.
Classical liberalism originated in Great Britain and had an immediate impact on its society. Many of the examples in this chapter focus on events in Great Britain and North America. Very quickly, however, the principles, beliefs, and values of classical liberalism affected many countries and peoples around the globe. Its impact is still seen today, and its principles continue to shape economic and political decisions in many countries around the world.
Background...

- Because more modern schools of liberalism have advocated a greater role for the state in the lives of its citizens, the term classical liberalism has been used to indicate the original ideals (or practices or principles) of liberalism.
Classical liberalism is an ideology that embraces the principles of individualism about which we read in Chapter 2:

- the rule of law
- individual rights and freedoms
- private property
- economic freedom
- self-interest
- competition

Question for Inquiry:

What factors were most important in bringing about the emergence of classical liberalism?
History of Classical Liberalism

- Classical liberalism stresses the importance of human rationality.
- Just as it values political freedoms, classical liberalism also holds freedom to be the basic standard in economics, and believes the most beneficial economic system to be the "free market": an economy that operates with limited government intervention and relies on the choices that rational individuals make in their own self-interest.
This timeline outlines the historical development of the European ideas and events that eventually combined to form classical liberalism, a dynamic force for the creation of wealth, industry, and new values, and for the shaping of the modern Western world.

- **The Renaissance (14th to 16th centuries)**
  - awareness of individualism
  - growth of secularism
  - humanism

- **The Protestant Reformation** (beginning 1517)

- **The Enlightenment (18th century)**
  - the Age of Reason (acceptance of the power of human reason)
  - the worth of the individual
  - natural and inalienable rights
  - democratic values
  - authority rests with the people, not the ruler

- **The Industrial Revolution (18th and 19th centuries)**
  - the power of the market
  - individual reward for individual initiative
  - freedom to pursue personal wealth
  - individual responsibility for success or failure
  - progress, inventiveness, innovation, efficiency

- **American Revolution** (1776)

- **French Revolution** (1789)

- **Liberalism**: a movement born out of the ideas of the Enlightenment (political parent) and the Industrial Revolution (economic parent)
Renaissance and Reformation

- The beliefs of classical liberalism arose in Europe following the Renaissance and Reformation from the 14th to 16th centuries.
- The Renaissance sparked a belief in the importance of the individual in society, and the Reformation reflected the belief that reason was as significant as faith for the believer in Christianity.
The Enlightenment

- These trends helped promote the rise of the Enlightenment, or the Age of Reason, beginning in the late 17th century and continuing through the 18th century.
- In turn, the Enlightenment helped promote the beliefs of classical liberalism that congealed into the liberal ideology of the 19th century.
The Enlightenment had its roots in the 14th-century Renaissance—the revival of Greek and Roman thinking.

Thomas Aquinas sought to use the ideas of the Greek scholar Aristotle to support the teachings of the Christian church through the use of logical argument and reason.

Other thinkers continued to investigate logic and reason, and starting in the late 14th century a group of thinkers known as the humanists emerged in Italy and France.
Humanism

- **Humanists** during this time period believed in the importance of arts and literature alongside faith.
- They developed an interpretation of history and beliefs about human nature, the structure of society, and the purpose of life, all based on reason rather than religion.
Humanists

- Humanists sought meaning and purpose in love, beauty, art, and development of the self.
- The fields of art, music, literature, science, were now viewed as places to celebrate human accomplishment rather than faith.
- Along with this came a questioning of the authority, teachings, and practices of the Roman Catholic Church.
The Protestant Reformation of the 16th and 17th centuries dramatically altered the political, economic, and social circumstances of Europe through its opposition to the Catholic Church and a focus on the individual believer began. Also at this time, Europeans came into contact with other non-Christian civilizations (such as Indigenous peoples in North America), further challenging the established European religious thought about society and the meaning of life.
By the 17th century, Europe was in turmoil as a result of the emergence of new ideas about the role of the individual and the use of reason and logic over faith which led to widespread religious wars. While Enlightenment thinkers believed that these new ideas could lead to freer and more tolerant societies, the ideas were not widely accepted because they challenged the established foundations of society.
Another important trend of the 17th century was the breakdown of the feudal economic order. Cities grew as more and more people became involved in expanded trade overseas. A wealthy middle class emerged. Peasants sought more work in cities, further breaking down the economic base of the feudal system.
In these turbulent times of political struggles for less authoritarian rule, demands for greater economic opportunities, and social movements challenging the status quo, classical liberalism was a political and economic philosophy advocating individual rights and responsibilities and a role for government that was limited to maintaining security and the rule of law.
Simply put, classical liberalism focused on allowing citizens the right to freedom in their economic, political, and social lives (although in practice, most of these rights applied primarily to the newly empowered entrepreneurial class). One author called classical liberalism
The Birth of Classical Liberalism

Classical liberalism is typically considered to encourage the following principles:

- the primacy of individual rights and freedoms, to be exercised in the individual’s self-interest
- the belief that humans are reasonable and can make rational decisions that will benefit both themselves and society as a whole
- economic freedom, involving the ownership of private property and free markets (markets with limited government intervention)
- the protection of civil liberties
- constitutional limitations on the government
The individuals...

- Thinkers whose ideas contributed to the ideology of liberalism:
  - Thomas Hobbes
  - John Locke
  - Charles de Secondat, baron de Montesquieu
  - Adam Smith
  - John Stuart Mill

They were all writing about the political, economic, and social manifestations of individual rights and freedoms and their ideas gradually developed into an ideology. The impact of classical liberalism was to transform European society.
One of the most important factors of the ideology of classical liberalism is the belief in the individual—that is, that the individual’s well-being is as important as the group’s.

English philosopher Thomas Hobbes was concerned with the problem of social and political order: how human beings could live together in peace and avoid the danger and fear of civil conflict.
Because of Hobbes’s experience with the horrors of civil war, he saw humans as inherently selfish. This selfishness, if left unchecked, would result in chaos and harm to everyone. By having all people give up their sovereignty and by handing power over to a protecting ruler, everyone would be secure.
Hobbes’s goal, then, was the security of all individuals, which could be achieved only at the expense of their individual sovereignty. Again, this places the focus back on the worth of the individual subjects.
John Locke was a contemporary of Hobbes. He deeply opposed the authoritarianism of the Church and the state, and believed that individuals had the right to use their reason and logic to make their own decisions. He said, “Reason must be our last judge and guide in everything.”
Locke believed in a **social contract** - people give up some of their natural rights to a government in order to receive social order and security for them and their property. (+Hobbes)

Locke believed that the government should be directly accountable to the people. He also placed great emphasis on the concept of private property, or the right of individuals to protect and keep what they owned. (-Hobbes)
Charles de Secondat, baron de Montesquieu (1689–1755) was an Enlightenment thinker in France who ridiculed the times in which he lived.

Under the theory of the divine right of kings, monarchs had come to believe they were no longer bound by any earthly authority, since their status was determined by God. The Church and the monarchy were the two great authoritarian powers, and society was divided into three classes or estates: clergy, aristocracy, and commoners.

In the 1700s, pressures for change began to mount against the French regime, which was attempting to hold on to its feudalistic and absolutist structures. Montesquieu’s satiric writings so angered the Catholic Church that it banned his works.
Montesquieu believed in the worth of the individual, the equality of individuals, and the accountability of government.

He also believed strongly in the separation of powers—that is, that the government should be divided into three branches: executive, legislative, and judicial.

In order for this system to work, the people needed to be involved in the government—a democracy. Montesquieu believed that each citizen had to participate in and be aware of the laws and the workings of government.
Montesquieu’s separation of powers idea is largely taken for granted in many modern-day democracies. For example, the separation of powers is incorporated into the checks and balances built into the US Constitution, which was written only a few decades after Montesquieu.

Like other aspects of classical liberal ideology, however, Montesquieu’s idea was radical at the time. It called for the elimination of the three-estate structure of French society (clergy, aristocracy, and commoners) and advocated an unprecedented level of individual involvement in government.
John Stewart-Mill was another classical liberalism thinker and English philosopher. He was interested in the protection of individual freedom and the promotion of individual decision making as the core of societal institutions. He believed that the only limitations that should be placed on an individual were those that would protect the liberty of others—that is, an individual should be able to act as he or she wants, so long as his or her actions would not harm others. Mill also strongly advocated free speech, which he believed was a necessary condition for intellectual and social progress.
Around 1750, a dramatic development occurred in Great Britain that changed the world forever. The coming together of new ideas and new conditions resulted in a historical period now known as the Industrial Revolution.
Laissez-Faire Economics - Origins

• The agricultural roots of the British economy were overtaken by industrial ones. Britain’s *traditional economy*, which was largely based on subsistence farming in rural areas, shifted to factory work in urban centres. The change was so great that it has been considered a *revolution*.
Great Britain’s Uniqueness

1. It was an island – depended on sea trade and had a strong commercial fleet and powerful navy.

2. The political system was that of a parliamentary government and constitutional monarchy. Power was shared between the King and the Parliament (House of Commons).

3. The world of ideas was being influenced by the writings of Enlightenment thinkers who advocated the primacy of human reason, human initiative, and individual worth.
The Industrial Revolution

These three factors came together at this time in Great Britain:

- New ideas about human potential and individual worth (former “commoners” were free to create wealth and achieve status), and the accompanying idea of progress
- A government friendly to business and innovation
- A huge amount of investment capital and cheap labour, and a large number of innovators and inventors who were encouraged by the possibility of reward

Together these resulted in the development of:

- the factory system
- the mechanization of labour
- the mass production and consumption of consumer goods
- the expansion of capitalism and free enterprise
- the shaping of the modern industrialized world.
Industrial Revolution

- It also produced extremes of wealth and poverty, estates and horrible slums, excess and starvation, child labour, worker abuse, and the degradation of the environment.
Laissez-Faire Origins

- The French term *laissez-faire*—*leave (people) alone to do (as they wish)*—was definitive of capitalism at this time and referred to a reduction of government involvement in the economy.
- *Laissez-faire* capitalism emerged from the theories of the *physiocrats*. The physiocrats were a group of Enlightenment philosophers in France who critiqued the prevailing economics of *mercantilism*. (mer-kan-talism)
- *Laissez-faire* system advocated that government should leave business entrepreneurs alone to follow their natural self-interest.
Laissez-Faire System

- The mercantilist system held that the aim of all economic pursuits should be to strengthen the power and wealth of the state.
- The physiocrats believed that the pursuit of this self-interest in economic affairs would benefit everyone.
Laissez-Faire

- The physiocrats’ ideas exemplify a notion of progress: human activity in society continually improves the conditions for people.
- Their notion of laissez-faire reflects their beliefs that:
  - individuals need to be given freedom to make their own decisions
  - individuals’ selfishness and competitiveness will inadvertently improve their own societies
Adam Smith was a Scottish political economist. Smith spent time in France with the physiocrats, and they influenced his thinking. He disagreed with the existing mercantilist economic system, and it is important to realize how radical Smith’s ideas were at the time. The mercantilist system increased the wealth of the state but not the wealth of the majority of people within that state, and very few people enjoyed the benefits of the labour that fed the state’s wealth. Smith’s ideas were in stark contrast to this.
• He believed that if people worked first and foremost for themselves, everyone—including the state—would be better off.
• Smith insisted that individual self-interest in a free market would lead to a stronger economy and would therefore benefit most people in society.
• Smith’s work provided the foundation for much of the capitalist system. These essential concepts—the free market and a limited role for government—became the basis of laissez-faire capitalism, the economic system associated with classical liberalism.

Adam Smith

The idea of the invisible hand, Smith’s justification for self-interest as an economic motive, can be stated quite simply: by having every individual look after his or her own best interests, he or she unwittingly ends up helping everyone else, by providing jobs and cheaper products.
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The Evolution of Classical Liberal Thought

Question for Inquiry

• How did classical liberal thought evolve into the principles of liberalism?

• Classical liberalism developed from the thinking of individuals such as Locke, Montesquieu, Smith, and Mill, who were concerned with protecting the rights and freedoms of citizens.

• The American and French revolutions in the late 1700s were attempts to implement the ideas of liberal thought.
The French Revolution (1789–1799)

- In the late 1700s France was a major nation-state with 27 million citizens.
- Liberalism was gradually evolving into an ideology as the ideas of the Enlightenment thinkers were applied to specific situations.
- The French Revolution provides a concrete example of the evolution of concepts into an ideology.
The French Revolution

- Following hard on the heels of the American Revolution, the French Revolution was an attempt to transform a society using liberal principles.
Social Causes

• King Louis XVI was struggling to deal with the repercussions of the Protestant Reformation and the fact that the feudal system was breaking down.

• The Protestant Reformation delivered the idea of the individual worth and broke away from the Roman Catholic Church.
The French Government was bankrupt even though the citizens were paying off a tax burden as the result of the French being involved in multiple wars.

There was a corrupt, inefficient and outdated taxation system in place that made matters worse.

The icing on the cake was that the King and his court were unnecessary spending huge amounts of money.
The Estates General was the advisory board that was supposed to be representing the 3 estates or classes of citizens but it had not been active since 1614.

In 1788, King Louis recalls the Estates General to address the government problems on behalf of the common people.
French Revolution Event 1

- The 3rd Estate (representing the common people), felt that the King wanted the problems solved but didn’t want to help.
- The 3rd Estate started to revolt against his authority and civil war ensued in 1789.
The leaders of the Revolution believed in the principles of liberalism but they depended on the support of ordinary people who quickly developed into a mob mentality.

The Revolution became a Reign of Terror (led by Maximilien Robespierre) in which thousands of people lost their prosperity and lives.
Figure 3-9

The Bastille was a prison where the king could secretly imprison people without any sort of legal procedure. Prisoners could be kept there for years and no one would know their whereabouts. Why would the Bastille be one of the Revolution’s targets?
It is important to remember that through all of this misery, some important documents that reveal the influence of liberal thought on French society.
On August 26\textsuperscript{th} 1789, The National Assembly approved the Declaration of the Rights of Man of the Citizens. This was the founding document for individual freedoms. The document was later revised and not all of the principles were followed. It does, however, serve as an indicator of how the principles of liberalism came to influence French Society.
The Declaration

1. Men are born and remain free and equal in rights. Social distinctions may be founded only upon the general good.

2. The aim of all political association is the preservation of the natural and imprescriptible rights of man. These rights are liberty, property, security, and resistance to oppression …

4. Liberty consists in the freedom to do everything which injures no one else; hence the exercise of the natural rights of each man has no limits except those which assure to the other members of the society the enjoyment of the same rights. These limits can only be determined by law.

6. Law is the expression of the general will. Every citizen has a right to participate personally, or through his representative, in its foundation. It must be the same for all, whether it protects or punishes. All citizens, being equal in the eyes of the law, are equally eligible to all dignities and to all public positions and occupations, according to their abilities, and without distinction except that of their virtues and talents…

11. The free communication of ideas and opinions is one of the most precious of the rights of man. Every citizen may, accordingly, speak, write, and print with freedom, but shall be responsible for such abuses of this freedom as shall be defined by law…

—Source: The Declaration of the Rights of Man and of the Citizen.
The American Revolution 1776

- John Locke’s ideas, along with other liberalist thinkers of his time, inspired American colonists to declare independence from the British Crown and establish a republican form of government - where the governing authority was invested in the hands of the citizens and not a ruling monarch.

- The result was much less violent and turbulent than the French Revolution and as a result, the United States developed the Declaration of Independence.
In this section of the chapter you will examine the ramifications of liberalism in terms of **capitalism, industrialization, the class system, and the role of government**, and explore the following question: How did classical liberalism influence 19th-century European society?
The Industrial Revolution (circa 1750–1900)

- Most of the impacts of liberalism we will be discussing in this section—capitalism, the class system, and so on—are linked to the Industrial Revolution.
- As one scholar put it, the Industrial Revolution was,

> the most far-reaching, influential transformation of human culture since the advent of agriculture eight or ten thousand years ago... The consequences of this revolution would change irrevocably human labor, consumption, family structure, social structure, and even the very soul and thoughts of the individual.

“Industrial Revolution” describes the transition of Britain from an agricultural and mercantile society to a modern industrial one. It provided the momentum by which capitalism became the dominant economic force in Europe. Through the transformation of agriculture, industry, and economics, great wealth was created for some, along with great poverty for others.
Industrial Revolution

- The influence of liberalism on capitalism is intertwined with the development of industrialization in the 19th century.
- The principles of classical liberalism, especially those dealing with economics (economic freedom, individual freedom, private property, self-interest, and competition) had a powerful effect in freeing up **enterprising individuals** (those who see change as an opportunity rather than a problem)
Industrial Revolution

- The technological developments that led to the mechanization of agriculture and industry were supported by these liberal principles as individual entrepreneurs and inventors tried to become more efficient and profitable.
The value of the individual and the desire for minimal government involvement in economic affairs helped spur on the Industrial Revolution among the middle and upper classes, making for an ideal environment in which innovation could flourish.
Changes in Agriculture: Enclosure

Prior to the 18th century, agriculture in Britain’s traditional economy retained many of its medieval aspects. Small farmers practised subsistence farming on small plots of land carved out of three or four large fields that were held in common.

In feudal times, the land belonged to a lord and was worked in small strips by his tenants. Immediately prior to the Industrial Revolution, the fields were held in common but small farmers often owned their own particular plots of land. The lord was able by law to force the land’s sale.
Revolution

As early as the 12th century, some of these fields were enclosed—that is, the common land became the private property of an individual (an enclosure), and the small farmers were expelled.

The Church disapproved of this practice, and it became relatively infrequent.
Inclosure Act 1801

- However, the growth of sheep farming and the invention of new agricultural technologies, such as the seed drill, required large enclosed fields to be effectively employed, so pressure mounted for enclosure in the 18th century.
- This time the pressure was accompanied by liberal beliefs in the sanctity of private property, and, in 1801, the British government passed the Inclosure (Consolidation) Act.
- Farmers received minimal compensation for their small strips of land, and far fewer agricultural labourers were needed on mechanized farms; thus the farmers forced off the land became a large workforce for the new factories.
Urbanization

<table>
<thead>
<tr>
<th>City</th>
<th>Population in 1800</th>
<th>Population in 1900</th>
</tr>
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<tbody>
<tr>
<td>London</td>
<td>800,000</td>
<td>6,500,000</td>
</tr>
<tr>
<td>Paris</td>
<td>500,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>New York</td>
<td>60,000</td>
<td>4,200,000</td>
</tr>
</tbody>
</table>


Figure 3-11

Before the Industrial Revolution, most people lived in small towns where they did manual labour on a very small scale, providing goods and services for their immediate communities. During the Industrial Revolution, numerous people moved to cities to work in factories.
Commercial and Industrial Revolutions

- As a result of the European voyages of discovery in the 15th and 16\textsuperscript{th} centuries, an influx of gold and silver from the Americas stimulated a money economy and the development of financial institutions in Britain.
- This discredited the government-regulated mercantilist system in favour of free trade, and provided \textit{capital (money)} for the building of factories, made desirable by the new technologies that allowed machinery to replace hand labour. Gradually, the commercial entrepreneur emerged along with the trading merchant.
Revolution

- The factory was created during the 18th century as an expanding and wealthier population demanded more and better goods and as the use of steam engines and many other inventions made large-scale production possible.
- Large-scale production began in the textile industry. Machines such as the fly shuttle, spinning jenny, water frame, and power loom changed textile production from a cottage industry to a factory industry. The same process eventually occurred in all manufacturing industries.
Classical liberal ideology was inextricably woven into these developments in agriculture and commerce and provided the foundation for the capitalist society.