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Fukuyama Was Correct: Liberalism *Is* the Telos of History*

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Abstract

Liberalism, as Fukuyama assured in 1989, is the end the *telos* of history. "Liberalism" is to be understood as a society of adult non-slaves, *liberi* in Latin. It arose for sufficient reasons in northwestern Europe in the 18th century, and uniquely denied the hierarchy of agricultural societies hitherto. It inspired ordinary people to extraordinary acts of innovation, called the Great Enrichment. How "great:" a stunning 3,000 percent increase in real GDP for the poorest people, from 1800 to the present, and now spreading to China, India and the rest of the world. It was equalizing. For it to happen, there had to be an ideological liberalization à la Walter Lippmann. And yet it was opposed by a rising ideology of statism, from the New Liberals in Britain to the right and left populists today. We need to defend a liberalism that causes humans to flourish, and resist its proliferating enemies on the left, right, and center.

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In 1989, as Eastern European communism was collapsing, a young political scientist, Francis Fukuyama penned a lucid defense of liberalism, inspiring the true liberals and outraging the true statists worldwide. He declared that we were witnessing "not just […] the passing of a particular period of post-war history, but the end of history as such: that is, the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government" (Fukuyama 1989, 1; Fukuyama 1992).

Fukuyama and I use the L-word, of course, not to mean U.S. "liberalism," the distressingly anti-liberal, lawyer-driven politics of increasing governmental control, planning, regulation, and physical coercion. Nor do we use it in the Latin-American sense, a "liberalism" recommending armies and murder gangs to suppress the popu-

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lation. Instead we use its meaning in the rest of the world's sense – economist driven, "the liberal plan," wrote old Adam Smith in 1776, "of [social] equality, [economic] liberty and [legal] justice," with a modest, restrained government giving real help to the poor (Smith 1976 [1776], IV.ix.3, 664). It's true modern liberalism.

Three decades on, Fukuyama remains correct about liberalism – despite the recent noise, and violence, from populists of the left and the right, and the supposition on many sides that noise and violence are evidence of the long-term success of anti-liberal ideology. It does not occur to people that if anti-liberal régimes have to resort noise and violence, to riot police and poisoning and concentration camps, they might not have such a brilliant future.

He and I and many other voices, such as George Will and David Brooks and Donald Boudreaux, and behind them the wide European tradition of liberalism, are arguing for the continuing strength and desirability of an idea conceived in the 18th century (so original and up to date are we), an idea slowly implemented after 1776, with many hesitations and false turns. I myself began to realize a decade-and-a-half ago that a liberal "rhetoric" explains many of the good features of the modern world compared with earlier and illiberal régimes and their modern revivals – the economic success of the modern world, its splendid arts and sciences, its kindness, its toleration, its inclusiveness, its cosmopolitanism, and especially its massive liberation of more and more people from violent hierarchies ancient and modern. Progressives and conservatives and populists retort that liberalism and its rhetoric also explain numerous alleged evils, such as the reduction of everything to money and markets, or the loss of community and God, or the calamity of immigration by non-whites and non-Christians (Sandel 2012, but McCloskey 2012; and Deneen 2018, but McCloskey 2018). But they are mistaken.

From the Philippines to the Russian Federation, from Hungary to the United States, liberalism has been assaulted recently by brutal, scare-mongering populists. A worry. Yet for a century and a half the relevance of liberalism to the good society has been denied in a longer, steadier challenge, by gentle or not-so-gentle progressives and conservatives. Time to speak up.

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The humane liberalism of Smith, Wollstonecraft and Mill has for two centuries worked on the whole astonishingly well, though always contested by authoritarians of left and right, both inspired by the *ur*-anti-liberal, Hegel (Tucker 2017).

For one thing, liberalism yielded increasingly free people, an outcome which we moderns hold to be a great good in itself. We hold it most passionately if we are humane true liberals. Our friends, the slow socialists and their allies the genial statists, such as Amartya Sen and Martha Nussbaum, are liable to rush on to "development as freedom" (Sen 1999; Nussbaum and Sen 1993). They use the word, as it increasingly has been used over the last century and a half, to mean not freedom from physical

coercion by other humans, and the associated permissions to enter occupations or buy from whom one wishes, but "freedom" in the sense of wealth-enabling action – a relaxing of restraint on your ability to buy what you want. Sen writes: "The perspective of human capability focuses, on the one hand, on the ability – the substantive freedom – of people to lead the lives they have reason to value and to enhance the real choices they have" (1999, 293). His "substantive" freedom "enhancing real choices" is what Isaiah Berlin labeled "positive" freedom, as against "negative" freedom from human coercion. Thus the third of Roosevelt's four freedoms, "freedom" from want. But we already have a word for wealth (namely, "wealth"). One muddles the issue by cramming all desirable outcomes into "freedom." One might as well include in the freedom word "rain falling when we need it" or "the Chicago Cubs winning the World Series." On the contrary we need a precise word for the opposite of tyranny, which is to say the threat of human coercion, because we agree (at any rate the liberals and the left agree, the right having another opinion) that the tyranny of physically coercing people is ancient, persistent, and terrible, in itself – and indeed also terrible, we liberals add (the having an opinion that coercion by the general will in aid of development is just fine), in its consequences for wealth and other goods of the lives people have reason to value.

Such a definition of freedom, which dominates the writings of Smith and Mill and the modern liberals, and is largely absent or actively disdained in the writings of Rousseau and Helvétius and the modern statists, does not mean that one cannot also value being deeply helpful to the poor and handicapped, or virtuous towards animals or the environment. Smith and Mill and many of the modern liberals were, and are, for example. One can be a true liberal, favoring negative freedom, and yet wish to see other aspects of human flourishing.

Under liberalism, since 1776, in succession the slaves, lower-class voters, non-Conformists, women, Catholics, Jews, Irish, national minorities, religious minorities, trade unionists, African-Americans, immigrants, socialists, anarchists, pacifists, colonized people, first nations, women again, linguistic minorities, gays, people with disabilities, transgendered, and above all the poor from whom all of us descend have been increasingly permitted a liberal freedom. It is the permission, free of human physical coercion, to pursue your projects, consistent with not using your own or the state's physical coercion to forbid other people's projects. As someone put it, in the 18th-century kings had rights and women had none. Now it's the other way around.

An ancient justice-as-unequal-hierarchy was replaced gradually by a shockingly new 18th-century notion of justice-as-equal-standing. Robert Burns sang in 1795, "A man's a man, for a' that." The replacement reached philosophical maturity a couple of centuries later with two books by philosophers at Harvard. John Rawls declared in *A Theory of Justice* in 1971 that justice was fairness, that is, equality of outcome, such as a pizza coercively divided by the state equally among strangers. Or at least it satisfied his "difference principle" (derived from what he erroneously believed was an uncontroversial axiom of maximizing of the minimum) that a larger share going to

John D. R. makes for a bigger pizza and therefore an absolutely enlarged slice for Tom J. Robert Nozick counter-declared in 1974 in *Anarchy, State, and Utopia* that justice was equality of permission, such as permitting friends, without coercive supervision by the state or other people, to divide the pizza as they saw fit, and then to trade a slice or two for an extra beer – and permitting wandering strangers to offer to buy in, too, if the original owners agree. Both men thought of themselves as liberals, descended from 18th-century traditions against the old hierarchy. But Rawls, and more so many of his followers, descended from the French and statist tradition of Rousseau and Helvétius, erecting a new hierarchy of state action, and leading at the worst to the Finland Station and Lenin's Russia. Nozick, and less so some of his followers, descended from the Scottish and voluntarist tradition of Hume and Smith, depending on human action, and leading at the best to the Midwest farm and Willa Cather's Nebraska.

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Of course the simplest case for liberalism is the very vulgar one of enrichment of the poor.

Quite surprisingly, as an unanticipated if very welcome consequence, the liberalism of the 18th century and especially of the 19th century – by inspiriting for the first time a great mass of ordinary people to have a go – produced a massive explosion of economic betterments for those same ordinary people.[1] It was not so much a government as an economy of the people, by the people, and for the people. The government did not have much to do with it, except sometimes switching from supporting slavery to ending it, or switching from supporting apartheid to ending it. Moderns and especially liberals rate the Great Enrichment high, against the servicing of kings and gods – against, that is, elevating the Nation, or completing the Revolution. Under liberalism it turned out that the common people contained a multitude of gifts for us all, from the mechanical harvester to the modern novel.

How massive? How great? What multitudes? There is debate about its causes, but no debate at all among economic historians that the improvement was in real terms an unprecedented factor of increase in real income per person anywhere from 16½ to 50, that is, as an average in the now rich countries a rise of anywhere from 1,550 to 4,900 percent per person over the miserable base in 1800.[2] If proper allowance is made for improvements in the quality of goods and services (better lighting, better medicine), which are hard to get right in conventional indexes of prices, the rise was more like 10,000 percent (Nordhaus 1996). Good Lord.

It was a stunning Great Enrichment, material and cultural, well beyond the classic Industrial Revolution of 1760 – 1860, which merely doubled income per person. Such

[1] The evidence for such an assertion is given in McCloskey (2010; and especially 2016).

[2] Again, the numbers are in McCloskey (2010; 2016), based on the Maddison Project.

doublings had been rare in history but not unheard of, as for example in the surge of northern Italian industrialization in the Quattrocento (Goldstone 2002). In every earlier case, however, the industrial revolutions had eventually reverted to a real income per person in present prices of about $2 or $3 a day, the human fate since the caves. Now, not. Now the average person, and among them the formerly wretched of the earth, consumes over $80 or $130 a day in the rich countries, and $33 a day worldwide, doubling every long generation or so. In a few generations we can expect everyone on earth to have a full, modern life span and life chance. Huzzah.

The enriching case for liberalism has always been belittled by the right, as by Thomas Carlyle, and denied by the left, as by Karl Marx. An embarrassing modern instance of leftish denial came from Jacques Derrida (whom, if you care, in many ways I admire). In attacking Fukuyama's argument he cried out:

> at a time when some have the audacity to neo-evangelize in the name of the ideal of a liberal democracy that has finally realized itself as the ideal of human history: never have violence, inequality, exclusion, famine, and thus economic oppression affected as many human beings in the history of the earth and of humanity. […] no degree of progress allows one to ignore that never before, in absolute figures, have so many men, women and children been subjugated, starved or exterminated on the earth (Derrida 1994, 85).

In decrying the absolute number still oppressed Derrida is being strange indeed. One suspects that his cry arises from the left's (and the right's) root conviction that any fruit of commerce must be evil. The sober scientific truth is that the Great Enrichment through liberalism is what enabled the rise of population from one billion in 1800 to well over seven billion now, meanwhile enriching them per person by a factor or ten or thirty or one hundred, and meanwhile, too, directly liberating billions from physical coercion by others – the core promise of a liberal ideology (admitting that an apple contains more than a core).

Yes, one can and should note that more is to be done, especially in taking from the backs of the still-oppressed worldwide the extractions and prohibitions of tyrannical states. Consider North Korea or Saudi Arabia, Trump's immigration policies, or Chicago's police. There is still a grave problem of the subordination of women – though it would be again strange to deny that there has been significant progress from liberalism. And after two centuries of a uniquely liberal history of bringing people out of poverty, there are to be sure poor people still to be enriched. Yet consider: people still die in hospitals, though fewer and fewer. The deaths are not arguments for throwing away modern medicine, and handing treatment over to witch doctors. The evidence is strong that what Derrida vaunts as "the great emancipator discourse" of socialism, the top-down witchcraft of statist politics, has repeatedly blocked solutions. It is not "capitalism" that keeps Blacks in South Africa huddled in huts in northern KwaZulu Natal, but the regulatory state and the Congress of South African Trade Unions crippling the enterprise that would employ them. The liberation of women that has taken place has come from, not in spite of, liberal markets (McCloskey 2000). As to famine, the last nationwide one and among the largest absolutely in world history

(to speak in Derrida-style absolute numbers) came in China directly from the emancipatory discourse of communism. Worldwide, late in the age of liberalism, famine has essentially ended, except from civil wars over state power, and in the workers' paradises such as North Korea and Venezuela, in which the civil war has been settled in favor of the Party (Ó Gráda 2009).

The real emancipatory discourse since the 18th century has been liberalism, from Latin *liber*, long understood by the slave-holding ancients. *The Cambridge Latin Dictionary* informs us, as "possessing the social and legal status of a free man (as opp. to slave)," and then *libertas* as "the civil status of a free man, freedom." It is the theory of a society consisting entirely, if ideally, of free people. In its economic version it raised a tyrannical China and a democratic India out of $1-a-day misery sponsored by Mao's socialism of the Great Leap Forward and the Nehru-Gandhi Congress-Party socialism of the License Raj.

And the Great Enrichment has been massively equalizing. It is a myth, though a hardy one, that a peculiarly modern "capitalism" entails the pursuit of riches at the expense of equality. Max Weber railed against the notion: "the impulse to acquisition, pursuit of gain, of money, of the greatest possible amount of money, has in itself nothing to do with innovation. This [greedy] impulse exists and has existed among waiters, physicians, coachmen, artists, prostitutes, dishonest officials, soldiers, nobles, crusaders, gamblers, and beggars" (1958 [1904/1905], 17). The hardiness of the myth comes from the man-in-the-street's theory that wages and prices are determined by power, not from the choices of consumers and the productivity in accepting them. It comes too from a peasant suspicion anyway of all exchange. "The wretch cheated me," the man in the street mutters, though accepting the exchange.

The truly unequal societies have been those in which land and the sword ruled, or in recent times those in which a violent gang has seized state power, such as the Russian Federation under Putin, or Malaysia under Najib Razak. A market system, when allowed to operate without politically arranged "protection," is in fact egalitarian. Entry speedily erodes the profits from innovation, for the benefit of the poorest, who get running water and electric lights. Every betterment – from bicycles, automobiles, and telephones to air travel, air conditioning, and smart phones – has aroused fears of the equivalent of a "digital gap." Yet because of entry at the smell of profit, in the roughly liberal economies such a gap has never persisted. In the third act the poor get Model Ts and smartphones, cheaply – every time, to the extent of the 1,550 to 4,900 percent per person increase in real income per person.

The poorest since 1800 have been the substantive beneficiaries of commercially tested betterment – or, shall we say "innovism" (instead of the highly misleading "capitalism"). The rich got more diamond bracelets. All right. Meanwhile the poor got for the first time enough to eat.

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As Fukuyama argued, there is really no alternative to liberalism. If the sad experiments of the 20th century are to be credited, there seems to be no magic alternative of top-down nationalism or socialism or, God help us, national socialism that pays off better in human flourishing than upwards of 10,000 percent and liberation since 1800. The liberal David Boaz noted that "in a sense, there have always been but two political philosophies: liberty and power" (Boaz 2015, 1). Powerful domination, of course, depends on the threat of physical coercion. (To slip into thinking of voluntary persuasion or employment as entailing "domination" is to radically misunderstand *dominus,* master.) As the Party man O'Brien in Orwell's *1984* put the illiberal alternative, "But always – do not forget this, Winston – always there will be the intoxication of power, constantly increasing and constantly growing subtler. […] If you want a picture of the future, imagine a boot stamping on a human face – forever" (Orwell 1949, book 3, chapter 2).

Xi Jinping's China is a recent example of the boot – and yet an economic success, though definitely slowing under his revival of the illiberal centralization of Mao. But do the projects of China's central government in an illiberal "Chinese model" enrich the people (while, sadly, keeping the boot in place)? No. The "Chinese model" is fascinating to deep-thinking journalists, but on the contrary the liberal *parts* of the Chinese economy are what have raised income per person by a factor or 20 or 30 since the Maoist miseries of the early 1970s. What made China better off was not glorious infrastructure ordered up by an illiberal Party, such as the economically childish Belt and Road Initiative, or the mostly wretchedly managed state enterprises (which Xi is now encouraging to buy up the private firms). What made modern China was its massive experiment in commercially tested betterment in private hands. India, too, is now growing faster than China, without the boot on the face (though, alas, with Hindu nationalism pummeling the stomach; let us pray to Ganesh and Allah, both).

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Liberalism depends on ethical convictions that can be, and sometimes are, learned at our mothers' knees, or at the movies. The economist Nimish Adhia has shown that the leading Bollywood films changed their heroes from the 1950s to the 1980s from bureaucrats to businesspeople, and their villains from factory owners to policemen, in parallel with a similar shift in the percentage of praise for the innovism of commercially-tested betterment in the editorial pages of *The Times of India* (Adhia 2013). And so the place commenced, after the allies of the economist Manmohan Singh began in 1991 to take charge of economic policy, to multiply the production of goods and services at rates shockingly higher than in the days of five-year plans and corrupt regulation and socialist governments led by students of Harold Laski.[3]

[3] From World Bank (2020) statistics.

It is not a matter of institutions, which did not change much in China or India, or in Holland and England three centuries earlier, but of the changing ethics underlying them. The institutional rules about crossing the street with the traffic light are doubtless the same in Berlin and Rome. But the ethic supporting actual behavior differs. The neo-institutionalism of the economic historian Douglass North or of the economist Daron Acemoglu or of the political scientist James Robinson is not the way forward to a liberal society – or for that matter backward to an explanation of history (North 1990 and 2005; Acemoglu and Robinson 2006 and 2012; for assessments of which, see McCloskey 2016 and 2020). It treats creative adults as a flock of little children, terrible twos to be pushed around with incentives. It looks down from a height of fatherly expertise in institutional design on merely free adults.

One might object that both formal and informal institutions typically originate from processes of political decision-making and spontaneous selection of rules based on demonstrated successful practices, i. e. from processes were the individual has a say on the outcome. To which the public choice school of economists would reply that "having a say," ancient liberty, is not the same as the modern liberty of actual contracting; and that the highly indirect "processes" of achieving the general will are not the same as individual choice, and are in fact demonstrably orthogonal to it a great many cases; and that "successful practices" are not usually the outcome of K-Street "processes." And to which critics of neo-institutionalism would add that the merging of "formal and informal institutions" reduces the theory to tautology (McCloskey 2017 and again 2020).

Little-children illiberalism is much admired nowadays by left, right, and center. Adam Smith railed against an infantilization by economic policy, stressing instead the education from childhood of an adult with a conscience, the impartial spectator. Smith put forward, as Sandra Peart and David Levy (2005) have argued, a modest "analytical egalitarianism," characteristic of 18th-century social thought in Scotland. Such egalitarianism is what Huck Finn gradually discovered on the raft about Jim, for whose liberty he was willing at last to suffer Hell's fire.

What is required for *any* ideology, in other words, is the upbringing of a conscientious moral agent, a person virtuous in terms of Socialist Man or Fascist Cadre or Progressive Child or, as Walter Lippmann would prefer, a Liberal Adult. Among these, only liberal ideology works to improve ethics and to create free adults, judging from the actual results – or even judging from the declared purposes of each. The oldest declaration along liberal lines is that of Montesquieu and Smith, the claim of a *doux commerce* sweetening the otherwise lofty or craven manners of people raised outside of commerce. Later, Tocqueville observed and Thoreau enacted the character of a self-respecting free adult in a liberal democracy. This, too, was a growing up, in contrast to collectivist infantilization.

The Great Enrichment itself proved scientifically that the infantilizing theories of both social Darwinism and economic Marxism were mistaken. The genetically inferior races and classes and ethnicities, contrary to Ernst Haeckel then and Donald

Trump now, proved not to be so. They proved to be creative. The exploited proletariat, contrary to Marx then and Derrida now, was not immiserized. It was enriched. The main, and the one scientifically proven social discovery of the 19th century, is that ordinary men and women do not need to be directed from above. When honored and left alone as autonomous adults they become immensely creative. "I contain multitudes," sang the liberal and democratic American poet Walt Whitman. And he, and we, did.

All this it is by now obvious, if one attends to the evidence instead of going on and on asserting that the news from liberalism is fake. It is obvious, as it was obvious to Fukuyama in 1989, that liberating people from personal or state servitude in fact encourages them to become self-respecting adults. Let them innovate and trade, and they become immensely prosperous.

Tocqueville and Mill, in the first generation of liberals who had to take seriously the slow coming of majority voting, worried about the tyranny of the majority, what the ancients called mob rule. The envious and insatiable impulse to redistribution ("Tax the 1 percent"; "Two cents out of a dollar of wealth"), enabled by majority voting, is surely corrupting, and like other corruptions needs to be preached against. But the test for democracy in voting is not, as is so often asserted by democratic and anti-democratic theorists, whether it yields good decisions. Often it does not. But so does the rule of experts and aristocrats. British entry into World War I. Industrial policy. Iraq II. And anyway the masterful experts in a statist régime are also corrupt and corrupting, as public-choice economics avers.

No, the good encouraged by democratic liberalism is its affirmation in the right to a vote that each adult is owed respect. It affirms what Benjamin Constant called in 1819 "ancient liberty," the dignity of participation, even if the participation results sometimes in an Athenian expedition to Syracuse. Democracy, if operating in combination with the leave-alone principles of Constant's "modern liberty," gives people a space to grow up.

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A liberal ideology came from a startling ethical shift in parts of Europe and its offshoots in the late 18th century, departing from an ethic of a naturalized hierarchy of aristocrats and priests, and entering instead on the ethic of a man's a man for a' that. A theory prevalent nowadays on the left is that liberals say what they say because they are hirelings of the Koch brothers (while the leftists are not hirelings of George Soros). But liberal ideology was and is not a reflex of the relations of production, or a necessary outcome of some self-interested social contract, or speech bought for pay. Ideologies seldom are, as Antonio Gramsci argued against vulgar Marxism. Ethical ideas underlie ideologies, independent to a considerable degree from formal institutions or incentives to self-interest or the relations of production. Ideas and ideologies matter on their own.

Yet the ethic of liberalism, as the Colloque Walter Lippmann lamented in looking back from 1938, began to recede in the late 19th century. Modern illiberalism took hold, and its varied theories devised in the 19th century bore their evil fruit in the 20th. Why then, despite the evidence of a century of experiments in communism and fascism, or in a populism of left or right, does an infantilizing illiberalism persist?

Consider leftist utopianism. An identity as a leftist is acquired early and seems then to be difficult then to shed – although it is a notable fact of 20th-century biography that very many thoughtful people shed their youthful leftism, moving from socialism or regulation to conservatism or liberalism, and practically none the other way. Leszek Kołakowski, for example, was once in Poland an ardent young communist, as Robert Nozick was once a socialist. I myself am a case in point of the usual story of movement from socialism to liberalism.

The initial socialism seems to be a matter of how we grow up (as is almost always the case in ideology, though amendable as an adult). The mechanism of acquiring a left-wing identity starts when a sensitive adolescent in a non-slave society first notices that some people are much poorer than her own family. She is likely to conclude, not being at such an age and in such a social class a worker herself, that the best remedy is to open worker-Daddy's wallet. Generalized to social policy, it is not an efficacious plan, and depends on coercion, and regularly corrupts its recipients, or is stolen on the way to the poor. But it is why the left wings of the Democratic and Labour parties toy perennially with a bankrupt socialism. Consider the left voices in the US Democratic primaries in 2019–2020, or the seizure of the UK Labour party by Momentum. The problem, in other words, is that we grow up in socialist communities called "families." From each according to her ability and to each according to his need is lovely in a family or among friends. Erasmus said in the first item in every edition of his compilation of Latin tags, among friends, all goods are common. But the experiments have shown that friendly commonality does not work out in what Hayek called the great society of, say, 330 million souls. What works is friendly, liberal specialization and trade – that's also what works inside a family, by the logic of what economists call "comparative advantage" and normal people call "cooperation."

My friend the economist Laurence Iannaccone, in a letter to me in 2018, suggested a set of insights about why we persist in thinking that one of the chief tools of illiberalism, redistribution by state coercion, is easy and desirable. Like me, he disagrees with "the assumption that inequality of wealth derives from exploitation, and the related assumption that equal outcomes are "natural." The redistributive schemes of socialism, he argues, "all come more readily to those who've had less experience or exposure to the actual creation of wealth. […] Manna [from heaven] is exactly how many of the left view wealth and income." And if we are going to redistribute income, why not redistribute other things? It seems entailed. And yet "scarcely anyone supports re distribution of household production beyond the limits of the family [the pizza, for example, offered equally to Chinese on the other side of the world: 'Think of the poor children in China,' as everyone's grandmother said], nor the re distribution of

school-grade production beyond the limits of the individual student, or the re distribution of achievement or earnings in sports and entertainment."

Iannaccone adds an historical explanation of why re-distribution of at least income continues to seem as easy as well as desirable, namely, "how hard it's become for almost anyone to see the link between their own work/inputs and their income/outputs. […] The link was clear for 19th-century farmers and […] for almost everyone before the 19th century. But the path from inputs to output became vastly more complex in even the simplest 19th-century factory." And so we keep reverting to a faux-emancipatory discourse that treats specialization and betterment as easy. "The man of system," said Smith, imagines he "can arrange the different members of a great society with as much ease as the hand arranges the different pieces upon a chessboard." (Smith 1976 [1790], VI.ii.2.17, 234)

Of course such theories of the origin of leftism are not deterministic, or else we would all be socialists forever, like ants. Edward O. Wilson is a great American biologist, an insect man. When he was a boy in the 1930s he wanted to be a bird watcher. But his sight at distance was poor, and so he decided to study ants instead, close up. When asked recently about a top-down idea for governing humans like ants, he is said to have replied, "Great idea. Wrong species."

The human species evolved to want liberty, and to resist top-down governing. True, humans have a contrary impulse, to love tyranny – certainly as the masterful wearer of the boot on the face, but even as the victim. Such illiberal drives, it seems, are hardwired in Homo sapiens, perhaps from being anyway a mammalian child, a matter of how we grow up, and being, even by comparison with other great apes, a member of an unusually cooperative species. Humans – when the love of a tyrant, or of Daddy, and the hatred of his enemies, turns off their critical faculties – do follow a charismatic leader. They become temporary children, following a Pied Piper of Hamelin, or an O'Brieneque Big Brother.

Yet it is also true that Homo sapiens and its more remote ancestor wandered for hundreds of thousands of years in tiny bands, in which tyranny was difficult to arrange, or at any rate was instable. People could exit a band easily. Or, by stoning the pretended big man, they could speak for liberty with a violent voice (Gaus 2016). Homo sapiens had about 15,000 generations to evolve, and more like 40,000 as Homo erectus earlier. Natural selection had plenty of time to work for liberty as against a statist hierarchy. The scientific consensus is that "a core characteristic of documented nomadic foragers is their political egalitarianism. Nomadic foragers have no hierarchical social stratification. […] Leaders (if they exist) have little authority over group members; rotation of roles and functions occur regularly; people come and go as they please; and no person can command or subject group members to act according to one's political aspirations" (Shultziner *et al.* 2010, 123–124).

Then after the last ice age came agriculture, suddenly, mysteriously, in a rush of merely a few thousand years worldwide, with domestication of animals and, crucially, of plants. It came in nine different and often isolated parts of the world, in China and

sub-Saharan Africa, Peru and New Guinea. In all such places under plant agriculture, with its stationary bandit called the landlord, and his allied priest attending the local über-lords called gods, people came to think it perfectly natural for everyone to have a lord, as a family has a lordly father. Adult equality and autonomy were set aside.

Then, surprisingly, in the 18th century, for the first time, and for a while only in northwestern Europe and its offshoots, a new liberalism called for political egalitarianism and adult autonomy. (Autonomy was one of Kant's favored words, from Greek: *autos-tomos*, self-law.) Liberalism flowered, yielding emancipation of slaves and serfs, and then slowly many others. It caused in the economy a starling tsunami of innovations. They immediately began to alleviate the extreme poverty that before 1800 had been the universal condition of humankind.

Yet after 1848 the sweet and productive liberalism, as I have noted, came under attack, from enthusiasts for state action as against human action. In the United States, and to a lesser extent elsewhere, the non-revolutionary among the statists seized even the word "liberal," turning it on its head. By the 1920s "liberal" had come to mean in the United States "favoring massive lordship by the state." Instead of being free of involuntary lords in their personal behavior and in their private enterprise, the citizen-children were to have a lord called the General Will, enforced by police and bureaucrats. After a brief era of true-liberal ideology, in other words, modern statism has revived the hierarchy of agricultural societies, drawing routinely on that other hardwiring, of charismatic lordship. In nominally democratic countries the *volonté générale* was supposed to be expressed in the magic of voting – and was deemed therefore to be a "voluntary" lordship, like making a contract with a boss in a free labor market. Such a *volonté* though highly indirect, was justified by imagining a social contract, to which nonetheless no human had put her signature to. The possibility was discounted that from behind a prenatal veil she would rather choose liberty, and the United States Constitution sans slavery.

The modern devotees of statism in the United Kingdom and then in the United States reckoned therefore that they could carry on with the honorable word, as *New* Liberals. Early in the illiberal turn, John Stuart Mill noted with irritation its premise, echoing down to the present: that the rulers' power "was but the nation's own power, concentrated, and in a form convenient for exercise" (1879 [1859], 12). Never mind that a nation is a human with a free will only by a doubtful metaphor. After the redefinition had been accomplished, Joseph Schumpeter wrote with characteristic wit: "As a supreme, if unintended, compliment, the enemies of the system of private enterprise have thought it wise to appropriate its label" (1954, 394). Never mind that such a "liberalism" enslaved humans to the collective, the opposite of true liberalism. As the great (American-definition) liberal Lionel Trilling wrote, "we must be aware of the dangers that lie in our most generous wishes," because "when once we have made our fellowmen the objects of our enlightened interest [we] go on to make them the objects of our pity, then of our wisdom, ultimately of our coercion" (1948, 27).

The abilities of ordinary people are routinely undervalued by conservatives and progressives, by right Tories and left Labourites. Our friends on both the right and on the left wish to use state power to judge people or to nudge them. If the judgers and nudgers are economists of an illiberal tendency, they believe that the ordinary economy of supply and demand and the ordinary psychology of common sense are overwhelmed by scores of appalling imperfections grievously obstructing the social good, which the economists can discern so much more accurately than the mere consumers and businesspeople. The conservatives and progressives, in other words, view ordinary people as barbarians or blockheads, as children unruly or ignorant, to be tightly governed. Liberals do not.

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It may be that a liberal ideology is in fact unnatural for humans. That is what the traditional conservatives such as Carlyle claimed, challenged by 19th-century liberals. And it is what the new conservatives and the old socialists have claimed. It was Karl Polanyi's hypothesis in 1944 (still popular on the left despite crushing evidence that his economic history is fictional), namely, that an unnatural liberalism bred a (good) reaction towards his beloved and naturalized socialism, a "double movement" (Polanyi 1944).

But, no, despite snorting indignation from right and left, liberalism *is* natural, and especially so in the 21st century towards which Fukuyama pointed in 1989. The trade and markets characteristic of a liberal economy, contrary to Polanyi's fiction and the older belief he depended on that markets "rose," date back tens of thousands of years. If the phrase "modern capitalism" is to mean credit, saving, profit, accumulation, specialization, and trade, it is not in fact modern at all, but ancient. The earliest sign of long-distance trade are shells used for a necklace in the Blombos cave in South Africa, c. 70,000 BCE. Trade is human, not unnatural (Wilson 2020). Historical and archaeological researchers over the past century have decisively overturned the myths of the recency of markets imagined in the 19th century by anti-liberal Romantics of left and right. The German pioneers of scientific history, that is, got it all wrong: the primitive communism of Engels (though he and Marx were not far off for hunter-gatherers), the communal agriculture of Chayanov, the Mesopotamian temple socialism (*Tempelwirtschaft*) asserted by Anna Schneider and Anton Deimel in the 1920s and 1930s, the un-"capitalist" reciprocity or redistribution, or house holding asserted by Polanyi in the 1940s and 1950s, and still accepted uncritically by the left.[4] All sweet fictions, used now to justify unsweet illiberalism.

Universal education and communication are especially suitable to a liberal world order. The modern liberal economist Donald Boudreaux writes that "many people believe that we human beings left undirected by a sovereign power are either inert

[4] See the Works Cited for each in McCloskey (2016, chapter 57). On modern Marxists following Polanyi, see McCloskey and Hejeebu (2004).

blobs, capable of achieving nothing, or unintelligent and brutal barbarians destined only to rob, rape, plunder, and kill each other until and unless a sovereign power restrains us and directs our energies onto more productive avenues" (Boudreaux 2017). That is why statists of the left or right think we need massive coercion, to compel the barbarians and blockheads to get organized. Note, "massive." No one except a literal anarchist supposes that we can get along without a little state coercion, as for taxes to pay (said Adam Smith in 1776) for local schools, or to protect us against the lively threat of invasion from Mexico or Canada. Fukuyama himself would probably go a little further than I would in wanting a strong state, though he and I would warn against mixing up positive and negative liberty. Acemoglu and Robinson would certainly go this far, and my friends the ordoliberals, too. They need the same warning.

A century or two ago the infantilizing picture had some plausibility, enough in the minds of its painters for example to justify slavery as helping the darkies to do something useful, or to hold Indonesians in Dutch apprenticeship for another century or two. When the Irish were illiterate and the Italians superstitious, a masterful state seemed to make sense. I do not actually think so, but you can at least see why the masters would favor a picture of inert blobs or brutal barbarians, children all. But the theories look a good deal less plausible in an age in which the Irish and the Irish Americans have among the highest educational attainments in the world, and the Italians, despite some strange voting recently, are far from barbaric and superstitious. If ever there was a time to let my people go, for them to have a go, it is now, when they are so obviously ready for liberal autonomy. Yesterday, one might put it, was the time for the aristocracy or the state. Now is the time for free adults.

And was there any time, one might ask, in which language, painting, sport, cookery, science, music were better run by experts in Edo or Berlin or Washington than out among the people self-organizing? Like liberty unsupervised in the arts and sciences, or in music and journalism, modern liberty unsupervised in the economy worked wonders. The old hierarchies began to retreat, though often replaced I have noted by new government hierarchies of experts and Party cadres. Mainly, the ordinary people, when freed, ventured out, and showed their un-ordinariness. In the 1790 s Haydn, absenting himself from his decades-long subordination in livery to the aristocratic house of Esterházy, took two long visits to London, selling musical performances to the enlarging bourgeoisie there and becoming rich by providing his commercially tested betterments, his innovations. He liked it, and so did his paying audiences. The son of a wheelwright and a cook contained multitudes.

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The Colloque Walter Lippmann in the ominous year for liberalism of 1938 asked, "What are the remedies, what further action?" Obviously, the remedy is reining in an increasingly powerful state. But as Lincoln said in the first of the Lincoln-Douglas

debates of 1858, and practiced as president, "With public sentiment, nothing can fail; without it nothing can succeed. Consequently he who molds public sentiment goes deeper than he who enacts statutes or pronounces decisions. He makes statutes and decisions possible or impossible to be executed" (1894 [1858], 298). If liberal ideology is an ethic it needs to be taught, against our contrary impulse to remain children. Its egalitarianism and autonomy are elements in human genes, as I have said, and so teaching it need not be difficult. We learned it once, on the plains of Africa c. 300,000 BCE, and in the Anglosphere c. 1776, and can again.

We need ethical raising up, not more ruminations on the slam-bang formulas of behaviorism. As the political philosopher Martha Nussbaum put it – in a phrase contradicting her own Rawlsian attempt to derive a just society from the axiom of self-interest – we need to have a full ethics of free people inserted "from the start."[5] Nussbaum means the analytic "start," the originating axiom in a conceptual system, in the spirit of Hobbes and Kant and Rawls. But the "start" more relevant to actual humans is called "childhood." We cannot depend on tricky behavioral nudges and incentives imposed, too late, on people badly raised. The ancients knew this, but recently we have forgotten it. A political/economic philosophy needs to focus on how we get in the first place the people who are prudent, just, courageous, temperate, faithful, hopeful, and loving, and who therefore would *care* about a good society.

The hero of the *Mahabharata*, the virtuous if flawed Yudhishthira, is asked by the mother of the Pandavas, "Why be good?" He replies, "Were *dharma* ['virtue,' among other meanings] to be fruitless […] [people] would live like cattle" (Das 2009, 73). Precisely. To be raised up as human is to put on the vestments of ethics. The cynical economist will scorn, but in his actual human life he puts them on without thinking. Yudhishthira's reply is exactly paralleled by Cicero lambasting the Epicureans – the ancient Mediterranean's version of Max-*U* economists – as "those men who in the manner of cattle [*pecudum ritu*, literally, 'by the cattle's rite'] refer everything to pleasure" and who "with even less humanity […] say that friendships are to be sought for protection and aid, not for caring" (Cicero 1923 [44 BCE], 32). Consult Gary Becker.

The method of ethical philosophy since Hobbes has been to abandon the ancient tradition of the virtues, and its program of raising up a child to become an ethical adult, and instead to judge the goodness or badness of actions from afar, by rule and formula developed in the 17th and 18th centuries among Western philosophers. A formula elevating one virtue to cover all the virtues became the master trick. For example, utilitarians in the train of Hobbes and Bentham and then the modern positivists such as Becker fell for the theoretical impulse to collapse everything into Prudence. It is as old as Mo-zi in China in the 5th century BCE, or the Epicurean school of the Greeks and Romans, or Machiavelli, or Hobbes, or Bernard Mandeville in his *Fable of the Bees.* "It is the great fallacy of Dr. Mandeville's book," wrote Adam Smith in 1759, "to

[5] Nussbaum (2006, 57); and for "contradicting her own Rawlsian attempts," McCloskey (2006b), partially published in McCloskey (2011).

represent every passion as wholly vicious [that is full of vice, such as selfishness] which is so in any degree and any direction" (Smith 1976 [1790] VII. ii. 4. 12., 312). What Hobbes overlooked, and has been overlooked since by every ethicist eager to stand in judgement of actions, is that character matters, and is more than a calculation of cost and benefit, even socially.

The male economists are telling us an ethical story – which suggests a more radical one. Carol Gilligan long ago pointed out the masculinist character of stories of ethical development (Gilligan 1982). A standard story in tests of ethical development is the Dying Wife. A man's wife is dying of a treatable disease, but he does not have the money to buy the drug that can save her. Is he ethical to break into the drugstore and steal it? The male way of answering the question is to turn to an ethical formula, such as the one Kant proposed – in which case, no, he would not break in. It would violate Kant's categorical imperative that any act must be judged by its ability to be made into a general maxim. Stealing cannot be a general maxim. But girls and women answer in a more richly narrative way. They want to know what relationship the man and wife had, what kind of a person the druggist is, what the surrounding society is like. It's not the slam-bang of rules such as the categorical imperative.

It is what Adam Smith taught in his other book, and what feminist economics has been saying now for decades, and what comes out of some economics of development (note the word), and even, reluctantly but persistently and embarrassingly, out of such unpromising-looking fields (often officially hostile to the slightest concern for ethics) as game theory, experimental economics, behavioral economics, realist international relations, neo-institutionalism in economic history, and constitutional political economy.[6]

I do not share the pessimism spooked by recent right and left populism, as for example by the idiotic calls to "try socialism." Kristian Niemietz shows that "socialism gets retroactively redefined as 'unreal' whenever it fails" (Niemietz 2019, 58), allowing the cycle of try-trouble-and-travesty to begin anew, in another country (Caplan 2019). Yet I am a chronic optimist, and so is Fukuyama. Our prediction of a liberal future may be mistaken. The boot may never be fully removed from the human face. But *telos* in its Greek, Aristotelian sense does not mean "prediction" but "fitting, appropriate to its being," as the *telos* of a chair is human sitting, and of a human life full flourishing. You can use a chair as weapon thrown down from the castle wall onto an attacker, but that is not its *telos.* You can use a man as a tool to extract silver from the mines of Laurion, and not an end in himself, but that is not his *telos.* Flourishing requites a society with a liberal ideology of being a non-slavish adult and of treating others equally so. As to prediction, Fukuyama and I tentatively expect that people are in fact willing to be free adults and to treat others so. But in case they slip into slavish and childish behavior – that other hard-wiring – you and I and Fukuyama should

[6] On constitutional political economy, again see McCloskey (2006b; 2011).

preach liberalism, in our philosophizing and in our art, at the colloques and at the movies.

Admit it, you economists and calculators, you populists and tyrants, you nudgers and socialists and nationalists: as Fukuyama said, liberalism, not masterful "policy" from above, is our *telos* and should be our future. And maybe it will be.

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