

12-4-2012

## Progress and Liberty: Friends and/or Foes

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### Recommended Citation

Ross-Silverman, Jesse A. (2012) "Progress and Liberty: Friends and/or Foes," *The Undergraduate Journal of Social Studies*: Vol. 3: Iss. 2, Article 2.  
Available at: <http://wescholar.wesleyan.edu/ujss/vol3/iss2/2>

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*Progress and Liberty: Friends and/or Foes*

Friedrich von Hayek's claim that "a policy of freedom for the individual is the only truly progressive policy," seeks to explain why societies cannot impose limitations on individual freedom so as to "progress" society in order to fulfill some collective goal. This claim depends on two different contentious assertions: that there is some objective "policy of freedom for the individual," and that such a policy is "truly progressive." In the context of the rest of his argument it becomes clear that this policy does not mean "freedom for the individual" at all but rather protection against the government from changing the inherited form of human relations that liberalism seeks to protect.

The liberal position Hayek defends depends on the idea that preserving human liberty means preserving a system of competition, such that governmental policy serving any collective goal other than the protecting individual liberty would harm the mechanisms of the market and therefore impede social progress. Yet private actors can and do also pose threats to human liberty within the law of liberal capitalism just as governments do, and private actors can act to restrict the mechanisms of competition just as governments do. By "freedom for the individual," he equally means "freedom for the firm to act as they wish without government intervention," an idea with profoundly different consequences than simply "freedom for the individual."

Since the development of liberalism, the most important "progressive policies" that involve an improvement in the material conditions of life have been achieved not through the liberalism Hayek prefers but through reforming or opposing it. Economists tend to view unionization, for example, as a form of collusion among workers, like that of a cartel. Unions restrict the supply of labor, while a cartel restricts what they sell, but both do so of their own volition for the purpose of economic advantage, i.e. getting a higher price for what they have

to offer. Granted, Hayek and most capitalists would also favor pro-competitive regulation that would prevent cartels, but liberal capitalism does not tend to favor or enable labor organization or unionization. The other option is through government action, that is, labor regulation. In the past, societies (including and especially England which Hayek holds up as a model of liberalism) have decided to impose restrictions through government policy, to prevent employers from treating their workers in a certain way. These regulations are by their nature impositions on the competitive market system, but advance the cause of human liberty.

Firms themselves are undemocratic (and thus, dare I say it, illiberal) organizations, where workers are forced to submit to whatever conditions the employer decides, on the basis that the employment contract is “freely” entered. Most workers spend the majority of their waking life not in the public sphere where a “policy of freedom for the individual” protects their liberty, but within the firm, where by the nature of their “voluntary” employment contract gives their employer free reign to govern their lives in any way they see fit. This is a power far above that of most modern liberal governments. Here we see clearly that private actors can impose threats to the freedom of the individual within the confines of limited capitalism. The only way for workers to advance their position without impeding on the functioning of the market system is to compete among themselves for better jobs, to leave their place of work if they don’t agree with the conditions to which they are forced to adhere.

However, rarely in the history of capitalism has competition between workers advanced either working conditions or standards of living generally. For the vast majority of people who need to seek employment for economic subsistence, what Hayek refers to as “a policy of freedom for the individual” (i.e. limited government) offers most of humanity no freedom at all during the largest portion of their waking lives, which is spent in the workplace. While the competitive market system has driven the economic growth that allowed development and therefore the possibility of higher standards of living, it is only

through limiting or tempering this growth to be beneficial to those who produce it that the human condition seems to advance in any meaningful way. Every policy that makes wage labor anything better than voluntary slavery-by-the-hour—child labor laws, minimum wage, the weekend, worker’s compensation—even if Hayek would concede that these are acceptable, they are impositions on the firm’s “freedom” to make its own business decisions and therefore cannot be expected to progress left to its own devices.

To say that capitalism as a form of human relations can be in conflict with human liberty (“freedom for the individual”) is not to say anything about the value of competitive markets as a way of distributing resources or organizing economic activity in other ways, as Hayek’s work in economics illuminates. Reforming business practices to be more conducive to decent standards of living does not require an abandonment of this central idea. However, Hayek’s argument implies that government policies that advance the goal of anything but classical liberalism are doomed to fail to progress society because they will necessarily involve limitations on individual freedom. From what we’ve seen in the real world, the human condition has advanced not only because of liberalism but also because of the struggles of individuals--both through private and public means—to guide the effects of liberal capitalism in a way that is in accordance with the improvement of the human condition. In other words, the progression of society is not endemic to the conditions of liberal capitalism Hayek prescribes. Improvements in working conditions, which still have a long way to go for most of the population, need not be in conflict with the freedom for the individual. However, a policy of “freedom for the individual” that does not adequately provide means through which individuals can better their own conditions is not a progressive policy at all.