

The liberal conception of “freedom” is incapable of addressing the problems of contemporary capitalism

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The rise of populism and “illiberal democracies” are often viewed as a reaction to the failure of liberal capitalism to meet the needs of citizens. For, the liberal conception of freedom as “non-interference” may lie at the heart of this equation. He suggests that a republican notion of freedom as “non-domination” might be more useful in addressing the problems of contemporary capitalism.

In a forthcoming book, Branko Milanovic identifies four “troublesome features” in “meritocratic liberal capitalism”. These are

- the rising share of capital income in total income, which undermines meritocracy;
- the very high concentration of capital income, which runs counter to the objective of a “property-owning” democracy;
- the rising association of high capital and labour incomes in the same people or families, which exacerbates inequality and hinders attempts to curb it;
- and the polarisation of society, shown by the declining share and purchasing power of the middle classes, which destabilises democracy and threatens to turn it into a plutocracy or a populist regime.

My remarks concern the perspective from which to look at these traits of contemporary capitalism, and I move from the assumption that **the obverse of both economic inequality and inequality of opportunity, which are cause or effect of those four problems, is often some form of private domination.** An example, fairly extreme but frequent, is the relationship between workers on zero-hour or similar contracts and their employers, who have the discretion to decide how much they will work and earn.

In its simplest form, liberal theory – equal rights for all citizens, which guarantee their freedom, which is in turn conceived as absence of interference – has no obvious answer to those problems. **For if freedom is non-interference, then it is compatible with both inequality and private domination,** at least within certain bounds, as neither directly interferes with people’s individual choices. Indeed, accepting precarious employment is a choice. And as liberals cannot say that Milanovic’s four “troublesome features” pose a fundamental challenge to their idea of a good society, their answer is a Ptolemaic one: sets of diverse, if potentially effective remedies such as redistribution, poverty relief, active labour market policies, civic education, and policing fake-news.

While retaining full responsibility for these very tentative remarks, I would like to thank Branko Milanovic. for his feedback on them.

Yet I suppose that behind much contemporary discontent is not just stagnating real incomes and high and rising inequality, but also resentment at the obverse of the latter, domination. And I equally presume that the absence of a credible and powerful liberal answer to these phenomena is one reason why demagogues and populists succeed. For instance, proponents of “illiberal democracy” argue that as liberalism no longer works, or lacks solutions to the problems of today, we can find better ideas elsewhere. They tend to look for them outside of the field of the Enlightenment, but this critique, however unarticulated, poses a challenge that warrants reflection.

Political theories may well be superstructure. But as liberalism is hegemonic it has concrete effects on what we think possible and desirable, and therefore on what we do (here I have also Rodrik’s writings on the political economy of ideas in mind). My premise is that the intrinsic bias of liberalism against public action in pursuit of goals, such as curbing inequality, which neither command unanimity nor directly advance a fundamental value, such as political liberty, does constrain our ability to protect our democracies from those threats. If so, it may be useful to sniff the air that flows outside of the house of liberalism.

For the liberal conception of freedom is not the only conceivable one. Another notion, equally negative, is the republican or neo-roman one, which views freedom as non-domination. If I depend on someone else’s arbitrary will, or am subject to their enormous and unchecked power, I am not free, irrespective of how that power is exercised. Hence the paradox of the “free slave”, frequent in republican literature: liberal theory implies that the slave who has a kind master is free, as she suffers no interference in her choices; republicans object that this depends entirely on the master’s benevolence, which can be revoked at will and may have to be cultivated: domination and unfreedom remain, therefore, and typically lead to self-censorship and a slavish mentality.

So the state should not merely ensure that nobody interferes in my choices, as liberals assert, but rather guarantee to me a sphere within which I am my own master. The idea is well expressed by Pettit’s ‘eyeball test’: I am free if I can look others in the eye without reason for fear or favour. People in precarious employment would hardly pass the test, for example: in this domain of their life they are unfree. Those who pass the test in most domains of their life can walk tall in society, conversely, and a good society is one in which all can hold their head high.

The republican conception of freedom is not necessarily more demanding than the liberal one, as it all depends on how many domains of social life we want to include into that sphere of freedom, and how wide we want it to be. What matters is the change in perspective, because the republican approach dissolves the liberal bias against public action and joins freedom and democracy together, for the state and its laws must not be dominating ones. While in liberal theory freedom and democracy are separate values, in fact, republican freedom directly requires democracy and has demanding institutional implications for it: for laws not to be dominating, for instance, the usual constitutional checks and balances may have to be buttressed by a “contestatory citizenry”.

Once the republican perspective is taken, the discussion shifts from the question of whether measures to reduce inequality and private domination interfere excessively in one’s private choices onto the question of whether they enhance citizens’ sphere of freedom. The questioning imposed by liberalism is a valuable counterpoise to the aspiration to expand that sphere, of course, to assess whether the chosen remedy entails unreasonable interference in citizens’ choices: but the change in perspective is important.

Populists are often accused of attacking pluralism and the checks-and-balances system, for instance. The charge is well founded, of course, but also underwhelming. For pluralism and the checks-and-balances system are both compatible with inequality and private domination, and are chiefly instrumental values, if cardinal ones, serving substantive ones such as freedom and equality. Only by viewing freedom as non-domination, and by moving from the institutional theory that flows from it, can one respond powerfully to the populists' challenge also on this critical front.

'Capitalism won'. Milanovic's synopsis argues, chiefly because it 'agreed more profoundly with human nature which values ability to make autonomous economic decisions and cares about private property'. As liberalism is content with safeguarding those human inclinations from external interference it has no counterpoise to them. Republicans emphasise the equally profound human aspiration not to be dominated, which can come into tension with them and thus open up a dialectic, within which public debate might find ways to improve our democracies.

A chronological remark, to conclude. The liberal conception of freedom, which now reigns supreme, is fairly recent. The classical notion of freedom as non-domination was first challenged by Hobbes, in the *Leviathan*, but still informed Madison's and Jefferson's thinking, for instance, and Montesquieu's. Yet it was liberal theory that accompanied the demise of the ancien regime. At that juncture, coupling its universalism (equal rights) with the classical notion of freedom would have produced truly radical change – in employment relationships, for example. By conceiving of freedom as non-interference the bourgeoisie opened up societies, admirably, but avoided going too far. Now, a century and a half after 1848, we can say that that model has served its purpose, as the police no longer beats and silences us, but has run its course, as it has too little to say on the problems of advanced capitalist democracies. **So we may perhaps return to the republican notion of freedom, and combine it with liberal universalism.**

About the author. Andrea Lorenzo Capussela led the economic and fiscal affairs office of Kosovo's supervisor, the International Civilian Office, and is the author of *State-Building in Kosovo: Democracy, Corruption, and the EU in the Balkans* (I.B. Tauris, 2015), and of *The Political Economy of Italy's Decline* (Oxford University Press, 2018). He tweets [@AndreaCapussela](https://twitter.com/AndreaCapussela)