

IDEOLOGICAL DIFFERENCES BETWEEN LIBERALISM AND NEO-LIBERALISM

The term 'ideology' is used for a set of those ideas which are accepted to be true by a particular group without further examination.ⁱ Ideologies refers to paradigm or systems of widely shared ideas and belief patterns which explains political realities of the world from its own points of view, adopted by a group to act and behave in certain ways for the achievement of pre-determined goals. Each of these 'isms' such as Liberalism, Neo-Liberalism, Marxism, Neo-Marxism are actually like indispensable conceptual maps, because they guide people in knowing the complexity of their political worlds and dealing complex issues out of it. Liberalism emerged in Europe during the 17th century and it is one of the dominant theories and most accepted ideologies in the world. It is the product of the industrialised West that emerged as a result of the Industrial Revolution in England. With the emergence of Industrial Revolution, there was a breakdown of feudalism, and in its place, evolved a market or capitalist society in which the concept of free-market and state non-interference gained importance. The intellectual foundations of liberalism can be found in the writings of John Locke (1632-1704) and also in the wake of Enlightenment which questioned the powerful regimes of the governments.ⁱⁱ

The revolutionaries of the Glorious Revolution, American Revolution, segments of the French Revolution, and other liberal revolutionaries from that time used liberal philosophy to justify the armed overthrow of what they saw as tyrannical rule. The 19th century saw liberal governments established in nations across Europe, Spanish America, and North America. In this period, the dominant ideological opponent of liberalism was classical conservatism.

The meaning of the word "liberalism" began to diverge in different parts of the world. According to the Encyclopaedia Britannica, "In the United States, liberalism is associated with the welfare-state policies of the New Deal programme of the Democratic administration of Pres. Franklin D. Roosevelt, whereas in Europe it is more commonly associated with a commitment to limited government and laissez-faire economic policies." Consequently, in the U.S., the ideas of individualism and laissez-faire economics previously associated with classical liberalism, became the basis for the emerging school of libertarian thought.ⁱⁱⁱ

Liberalism which evolved in 17th century had its earliest version in its classical form. It was known as negative liberalism. It prescribes the negative role of the state which implies that the state should not interfere with the activities of the individuals. It leaves the individuals free from all kinds of state - intervention. The chief exponents of this classical or negative liberalism include John Locke, James Mill, Adam Smith, Jeremy Bentham etc. They advocate for the non-intervention of the state on the activities of the individuals. The early liberalism or negative liberalism focused on individual as a rational creature. It required that individual's free from all kinds of state - intervention. It required that individual's dignity, independent existence and judgment should be given full recognition while making public policy and decisions.

But, this concept of negative liberalism was modified in the later period and a new form of liberalism called positive liberalism came into being. John Stuart Mill, the English Political Philosopher sought to emphasise the positive role of the state and thus introduced the concept of positive liberalism. Other exponents of positive liberalism were T.H. Green, L.T. Hothouse, Harold Laski etc. They advocated for welfare state and wanted the state to play its active role in some welfare activities by making some restriction on individual's freedom. However, this kind of positive liberalism has been criticized in the second half of the 20th century and a new version of negative liberalism came into being. This contemporary version of negative or classical liberalism is called neo-liberalism. The main exponents of this new version of liberalism include Robert Nozick, an Austrian political thinker, Milton Friedman, an American economist and F.A. Hayek, an American philosopher. This view supports full autonomy and freedom of the individuals in every sphere of life and seeks to revive 'laissez-faire' individualism in more strict form. In short, it believes in the market society model and wants that all goods and services should be traded in the market.^{iv}

Neo-Liberalism is a term primarily used with reference to the resuscitation of 19th century ideas associated with laissez-faire economic liberalism starting in the 1970s and 1980s. The term 'Neo-Liberalism' can be considered as 'the heir to liberalism, the dominant economic doctrine of the late nineteenth and early twentieth century', which was viewed as a 'capitalist golden age' when the global economy grew enormously under a regime where the private ownership of trade and industry operated within and between largely unregulated markets. ^v

Neoliberalism is a theory of political economic practices which proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework. It is characterized by strong private property rights, free markets,

and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee the quality and integrity of money. It must also set up those military, defence, police, and legal structures and functions which are required to secure private property rights and to guarantee, by force if needed, the proper functioning of markets. Furthermore, if markets do not exist in areas such as land, water, education, health care, social security, or environmental pollution, then they must be created, by state action if necessary. But state should not venture beyond these tasks. State intervention in markets must be kept to a bare minimum. Deregulation, privatization, and withdrawal of the state from many areas of social provisions have been all too common.^{vi}

ENDNOTES:

ⁱ O.P Gauba, "Political Ideas and Ideologies" 4th Edition, 2020 pp. 42-43

ⁱⁱ Akhil Ranjan Dutta, "Political Theory: Issues, Concepts and Debates" July, 2016 p125

ⁱⁱⁱ Haridwar Singh, "Political Ideologies" First Edition, 2015 p2

^{iv} Parag Deka, "Contemporary Political Issues and Ideologies" 2015 pp, 74-75

^v <http://hdl.handle.net/10603/188787>

^{vi} <http://hdl.handle.net/10603/313434>

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