

# Classical Liberalism

The only way to live!

Classical Liberalism is an economic theory that developed out of the Renaissance and the Age of Enlightenment. It is a new idea about how to deal with resources in a society plus the wants and needs of humans.

The idea of Classical Liberalism lead to the development of the economic system: capitalism.



Individuals are given more freedom to control society including the economic system...the government's role is to protect the people's rights, liberty, and safety.

## History

### 14<sup>th</sup>-17<sup>th</sup> Century Renaissance

In politics, the Renaissance contributed the development of the conventions of diplomacy and new ways of thinking. The Renaissance means re-birth



### 17<sup>th</sup>-18<sup>th</sup> Century Enlightenment

Cultural and intellectual forces in Western Europe emphasized reason, analysis, and individualism rather than traditional lines of authority.

### French Revolution

The French people rise up against the authoritarian monarchy (AKA: dictating king)

### 19<sup>th</sup> Century Mercantilism

Competition between nations for gold / silver = power  
Protective tariffs, monopolies, limited international trade (colonies and mother country), high levels of government

### Protestant Reformation

value of hard work, thrift and material growth

### Industrial Revolution

transportation = new markets / resources  
population explosion = new labor / markets

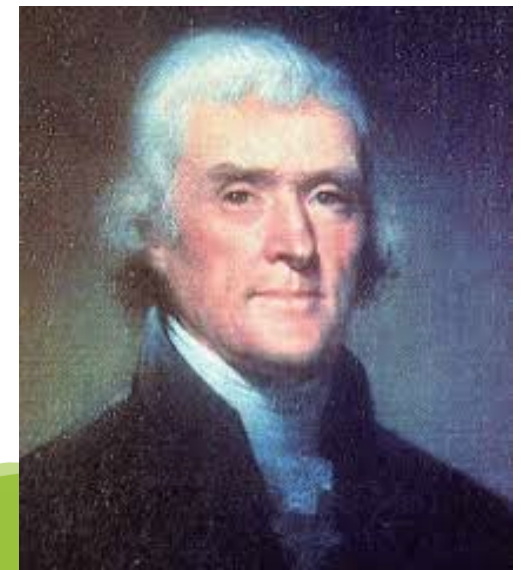
Success in Europe = spread throughout the world

### Liberal Movement (classical liberalism)

Merchants complain about government restrictions  
believed that the economy should be free to follow natural laws (supply/demand)  
believed people motivated by self-interest; competition encouraged better

# Adam Smith: Liberal Thinker

- strength of nations rested on goods produced, not gold
- laws and restrictions hindered, rather than promoted economic growth
- no need to plan the economy; if people free to pursue own self-interest, the sum of their individual actions would automatically work for the betterment of society
  - invisible hand
- government should interfere only to protect the country against foreign enemies, ensure competition, maintain law and order and protect individual property rights
  - laissez-faire (AKA: "let them be")



## PROS OF CLASSICAL LIBERALISM

IT'S ALL ABOUT THAT...FREEDOM!

Haven't you always wanted to be free to make your own... money? Decisions? Mistakes?



And guy!

With Classical Liberalism...

Break free from the government controlling your land, your time, and your money.

Succeed on your own!

Choose your own job, spouse, and interests!

Be in charge of your own life! Take initiative!

Buy and own land and property with enclosure acts!

Faster methods of production with factory systems!

Become the wealthy new middle class!



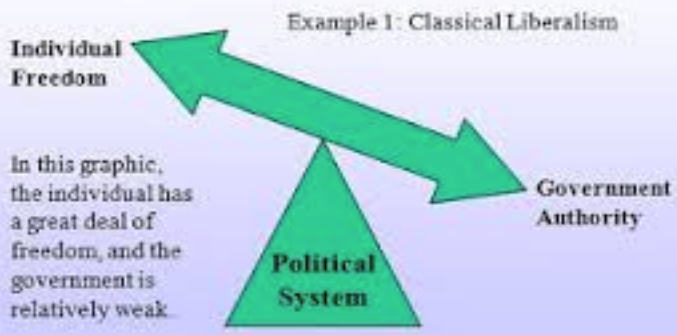
WITHOUT interference from that pesky government

# The Emergence of Individualism in Europe



The only fair is laissez-faire.

## Government Authority



## THE CLASSICAL LIBERAL TRADITION

