

What is Classical Liberalism?

Classical liberalism is a philosophy that arose in the European Enlightenment and that served as a foundation for the political system of the United States. It emphasizes the autonomy of the individual and the responsibility of self-government. Freedom is seen as a key human right expressed as freedom of speech, religion, association, trade, and so on, and its achievement is thought to contribute to social progress.

Classical liberalism is identified with 17th and 18th century writers such as John Locke, Adam Smith, and Thomas Jefferson, and in the modern era by Nobel Prize-winning economists Friedrich Hayek, Milton Friedman, and James Buchanan. Classical liberals are not conservative or liberal in the modern use of these terms but can be found in both political parties.

While these thinkers share some common perspectives, they may disagree about particulars. For instance, Adam Smith—the founder of economics—strongly promoted classical liberalism as a philosophy but his policy recommendations at times deviated from laissez-faire or complete freedom in markets. As two examples, Smith found compelling reasons to advocate public education for the poor and interest rate ceilings to prevent financial market speculation.

While the assumptions and ideas of classical liberalism must be explored, students are free to draw their own conclusions about the desirability or feasibility of this approach to understanding and dealing with markets and current policy debates.