**Liberty and Equality in Political Economy:**

**From Locke versus Rousseau to the Present**

**Nicholas Capaldi**

**Loyola University New Orleans**

**And**

**Gordon Lloyd**

**Pepperdine University**

**CHAPTER SUMMARIES**

**Introduction**: the nature and role of narratives.

**Chapter One: John Locke and the Three Pillars of Liberty**

The difference between ancient and modern thinkers. How Locke is a modern thinker. The majorcomponents of the narrative: the technological project (control of nature for human benefit); market economy; limited government; rule of law; culture of personal autonomy. Locke’s theory of labor and its relation to property as an expression of the technological project; his defense of a market economy, limited government, the rule of law, and the importance of individuality (Protestant notion of the relation of the individual to God). How economic, political, and religious liberty are connected.

**Chapter Two: Jean Jacques Rousseau and the Three Pillars of Equality**

Interpreting Rousseau as a critic of Locke. The Rousseau narrative rejects the technological project, criticizes the market economy as source of inequality, understands government as a potentially unlimited expression of the General Will, and maintains that membership in the political community should be one’s ultimate loyalty, not religious membership. The voice of the people is the voice of God.

**Chapter Three: Chapter Three: Adam Smith and the System of Natural Liberty**

 The shared philosophical orientation of Hume and Smith. The relation of Smith to Hume and to Locke and Rousseau. The division of labor a form of the technological project. The natural system of liberty in a market economy. The role of the Invisible Hand as a response to the Rousseau challenge of relating the individual to the community. Controversy over how Smith understands the potential role(s) of government. Understanding Smith on individuality - formerly known as the “Adam Smith problem.” The (in)adequacy of Smith’s response to Rousseau and his ‘correction’ of Locke..

**Chapter Four: The Arrival of the Liberty Narrative in America**

 The influence of Locke, Smith, Hume, and Montesquieu on the creation of the United States as a commercial republic. Madison’s *Federalist* 10 and 51 on the role of government in an extended commercial republic. The U.S. *Constitution.* The ‘Founding’ and the two narratives. How to secure the three pillars of liberty by controlling faction.

**Chapter Five: The French Revolution and the Socialist Alternative**

 The difference between the American and French Revolutions – clash of the two narratives. The evolution of the various French Constitutions. The ‘French’ Enlightenment Project and the origin of the idea of a social technology. The socialist appropriation and ‘correction’ of Rousseau and the Enlightenment Project (Owen, Saint-Simon, and Proudhon).

**Chapter Six: The Evolution of the Liberty Narrative in Nineteenth Century Continental Thought: Tocqueville, Kant and Hegel**

 Tocqueville’s critique of Rousseau and the French Revolution and his endorsement of ‘democracy’ in America. The argument for self-interest rightly understood as a response to the Rousseau challenge of relating the individual to the community. Kant’s reinterpretation of individual autonomy through the categorical imperative; Kant’s use of Smith to develop a theory of history in which market economies lead to perpetual peace. Hegel’s take on Smith and Kant – the technological project as the spiritual quest of modernity

**Chapter Seven: Mill’s Place in the Liberty Narrative**

 Mill’s correction of Locke and Smith in the light of the critique by French socialists. The extension of Tocqueville’s warning about the tyranny of the majority (democracy). A new definition of the relationship between economics and politics. A new defense of individuality and liberty as limited government in the light of Kantian autonomy. Why the equality of women is an issue in political economy.

**Chapter Eight: The Scientific Socialism of Marx and Engels**

Correction of the Rousseau narrative that accepts the technological project and the reinterpretation of the narrative in light of the Hegelian conception of history. Socialism becomes scientific – theory of surplus value and the historical dialectic. The equality narrative becomes the revolutionary narrative. The relation of the individual and community understood as class conflict.

**Chapter Nine: Charles Beard, The Progressives, and Roosevelt’s New Deal**

 Charles Bead’s historical reinterpretation of the U.S. Founding introduced the Rouseau/Marx narrative into American intellectual life. The ongoing debate between Hoover and Roosevelt reflects the Locke/Rousseau divide as applied to public policy in the U.S. during and after the Great Depression. The Progressives’ ‘correction’ introduces the regulatory state to the American scene.

**Chapter Ten: Keynes and Hayek: The Road to Serfdom**

 Keynes attempts to bridge the gap between the two narratives, but in the end supports the equality narrative. Hayek’s *Road to Serfdom* as a critique of Keynes and a revival of the liberty narrative. Hayek on the philosophical and practical impossibility of socialism as a form of public policy. Hayek ‘corrects’ previous defenders of the liberty narrative.

**Chapter Eleven: Locke and Keynes Arrive in the Twentieth Century US: Galbraith, Harrington, Friedman, and Rawls**

 Galbraith on environmental socialism, not as a response to poverty, but as a policy for an affluent society. Harrington on the meaning of liberty and equality for the other America; economics is subservient to morality. Friedman and the return of the Lockean narrative. Friedman ‘corrects’ Locke in a positivistic direction. Rawls and the new egalitarian orthodoxy which builds on Rousseau’s social contract..

**Chapter Twelve: Hayek and Oakeshott: Making a New Case for Liberty**

 Hayek and Oakeshott critique the philosophical foundations of scientism (positivism) and the idea of a social technology. They provide a different (Hume, Kant, and Hegel) philosophical foundation. Spontaneous order. The crucial role of the rule of law. Civil association as a new understanding of individuality in the light of Kantian autonomy. Why the ongoing debate between the two narratives is a major part of our intellectual inheritance.

**Chapter Thirteen: Thomas Piketty: The Apotheosis of Rousseau and the French Revolution**

 A new economic analysis of the current relation between the rate of return on capital and economic growth is meant to prove the present impossibility of closing the inequality gap. Inequality is condemned in the name of the French Revolution and the work of Rawls. Piketty suggests a new form of global economic management. This marks a return to the socialism of the nineteenth century.