

**9th Annual Liggio Memorial Lecture by Dr. Lenore T. Ealy: "Once More: Liberalism and Some Problems of Historical Transmission Between the Generations" (PLENARY) - \*Virtual Streaming**

***Introduction by Linda Whetstone, President of the Mont Pelerin Society and Atlas Network Chairman Emeritus***

"We must make the building of a free society once more an intellectual adventure, a deed of courage...." This call to action by F. A. Hayek has become one of the most popular quotations used to rally the time, talent, and treasure of those who still hold the free society as an ideal worthy of pursuit. But what do we do with this curious phrase, "once more"? How did the courageous adventure of the pursuit of the free society wane in the 20th century, especially in the nations where the conditions for freedom had been best realized? In the spirit of Leonard Liggio, this address will seek to explore the centrality of historical understanding to the progress and prospects for liberalism and will inquire whether it is time to reconsider the uneasy partnership between liberalism and democracy."

9<sup>th</sup> Annual Liggio Memorial Lecture  
Atlas Network Freedom Forum  
December 2021

## **Once More**

### **Liberalism and Some Problems of Historical Transmission Between the Generations**

Lenore T. Ealy  
Universidad Francisco Marroquín  
[lte@ufm.edu](mailto:lte@ufm.edu)

“We must make the building of a free society *once more* an intellectual adventure, a deed of courage....”

F. A. Hayek  
“The Intellectuals and Socialism” (1949)

Thank you, Linda. It is a great honor for me to be introduced by you, especially because I just heard your presidential address at the Mont Pelerin Society meeting in Guatemala, in which you recited the same familiar lines from Hayek’s essay “The Intellectuals and Socialism” that inspired my title for this talk.

I also want to express my thanks to Brad Lips and the Atlas team for inviting me to address this audience as the 9<sup>th</sup> presenter of the Annual Liggio Memorial Lecture. It is an honor to join my predecessors in remembering our friend and mentor Leonard Liggio.

If I looked to Hayek for the title of my remarks, it has been Leonard's historical and legal scholarship, his mentoring of countless scholars and political activists over the years, and his kind and pacific personality that have inspired the themes of my remarks.

I first met Leonard when I arrived at the Institute for Humane Studies as a summer research fellow in 1990, and Leonard was on hand as a mentor to the eight of us in residence that summer. In the following years I would participate in two of the remarkable summer history seminars organized by Leonard, where I encountered new ideas and forged life-long intellectual friendships. In 1993 I enjoyed participating with Leonard—as well as with my dissertation advisor John Pocock -- in a semester-long seminar at the Folger Library. Later, I would have the pleasure of working with Leonard through the board of The Philadelphia Society and, after he came to Atlas, as part of Dick Cornuelle's "kitchen-cabinet." But more on that in a moment.

This morning, I want to share with you some questions that have been on my mind about the relationships between liberalism and democracy, about the transmission of liberalism within the complex tapestry of historical experience, and about the roles of philanthropy and entrepreneurship in the evolution of social institutions.

The success of liberalism depends on doing more than merely *once more* getting our philosophical ideas right. We must also do more to understand how we best transmit to future generations not only our ideas but also the desire to participate in a living tradition of entrepreneurial liberalism.

So, what is the liberal orientation to being in the world and how do we generate, sustain, and renew the liberal tradition?

The liberal worldview rests on respect for the dignity of people and their capability to take responsibility for their own lives despite the challenges of the human condition. It also calls us to intellectual humility, respecting the limitations of human nature. Recognizing the necessity of social cooperation, liberal systems of self-governance (which we too often equate with “democracy”) require us to place additional constraints upon ourselves. Such formal constraints may be born in revelation (such as the “thou shalt nots” of the Biblical decalogue) or custom (as by the common law adjudication of disputes) or through legal theory (as in the philosophical principle of non-aggression). We may fix them in laws and constitutions, but as Alexis de Tocqueville observed, the principles and practices that sustain liberty are only realized in history when they become the “habits of the heart” of a people.

As the democratic age dawned, Tocqueville envisioned the possibility that democracies would drift away from freedom. As the democratic age may be coming to a close—I will leave to each of you to consider the symptoms of this demise—Tocqueville’s concerns continue to haunt us. For what comes in the wake of democracy? Tocqueville thought it would be some form of despotism, and history seems to be realizing his prophetic fear.

We hoped that the advance of democracy over colonialism would bring advances in human freedom. Nevertheless, history has revealed to us story after story of promising democratic starts that soon gave way to illiberal dictatorships. In Africa and Latin America, especially, “democratic” processes continue to bring socialist-minded leaders to power. Why does this happen? Are young democracies fragile because they have bad ideas, bad institutions, or is it because new democratic citizens have not yet cultivated the deeply rooted and intergenerational habits of self-constraint that democratic governance requires?

And what of the so-called liberal democracies of Europe and the U.S., which are no longer drifting but rushing headlong into softer despotisms? Why does a

nation such as the United States, where liberty, equality, and prosperity blossomed, become a welfare-warfare state guided primarily by social democratic values?

Where do we go from here? If the experience of Europe is any guide, established liberal democracies are going to be followed by some form of global governance structures managed by “enlightened” technocrats and humanitarians who know better what is good for the rest of us.

Is such constitutional drift inevitable? Is the advance of liberty always to be just a short ride up one side of the ferris wheel, followed as rapidly by the descent and a need *once more*, as Hayek says, to push the wheel back to the ascending motion? Does our liberal philosophy help us understand how we might escape such cycles of history? Perhaps we need “the historical way of thinking” to help guide us through the end of democracy and to discover a more steadily ascending path for human flourishing.

In a 1992 essay on “The Importance of Political Traditions,” Leonard Liggi reminded us that historical study is essential to our understanding of contemporary political and cultural problems. He described how the nations of South America and North America developed so differently after 1492, even though both had

inherited the legal and political institutions of medieval Europe. Quoting the legal historian Harold Berman, Liggio observed that even where democracies thrived in the Americas they largely abandoned “the law-creating role of the judiciary” and exalted the role of legislatures. Only the U.S. Constitution, with its deliberate recourse to medieval English institutions staved off democracy’s drift for a while (1992: 13, 27-28)

Such study of comparative historical institutions is essential to the advance of liberty. But how much more might the historical way of thinking, rooted in humility and curiosity about our place in the flow of time, improve the ways we live out our liberal principles? Can the historical way of thinking deepen our theory of human action? Can it help us better sustain the liberal tradition?

### ***The historical way of thinking***

The English historian Herbert Butterfield was the teacher of my teacher John Pocock. He was also the author of *The Whig Interpretation of History* (1931), in which he called upon the historian to try to understand human action in its own historical context and contingency. He argued that historians must avoid presentism, interpreting the past as if the actions of its actors aimed at us.

To approach our lives with historical awareness is to be open to exploring both the continuities and the discontinuities we have with the past. Through the historical way of thinking we come to better know ourselves; we learn to participate in keeping alive the traditions that are the core operating systems of our civilizations; and we prepare ourselves to recognize when either drift or revolutionary conditions necessitate creative and courageous action.

Good historical inquiry can also help us declare decisively that some ideas and institutions are more conducive to human betterment than others. Refusing to take a “Whiggish view” of history, as if we can see the causal steps in time’s arrow, invites us to delve more deeply to understand the processes by which historical institutions and civilizations rise and fall.

In the Rede Lecture he delivered at Cambridge University in 1971, Butterfield speculated on *The Discontinuities between the Generations in History: Their Effect on the Transmission of Political Experience* (emphasis added). In this essay he imaginatively explored the question of how a people loses liberty.

*It seems that liberty is greatly prized by those who are struggling for it or who have recently lost it. But those who have inherited it come to depreciate*

*it; for it can be a bother and an inconvenience. Some people are bored with anything of the sort; and at any rate the other man's freedom, everybody else's freedom, can be a nuisance to any of us.*

*More important still, once you possess liberty you acquire the feeling that that particular problem is behind you, and you turn your real longings now to something else, something which is all the more valuable to you because you do not possess it. Having set your heart on this further object, you can convince yourself that liberty is mere luxury, and then it becomes very easy to surrender to a Messiah who says he will give you the thing that you are now really wanting.*

*It becomes all the more easy in that you are siding with a winner—for the time being, you gain your object and the loss of liberty falls on the other party. In reality, this liberty that is being sacrificed is the freedom to choose your objective in the next stage in the story—it is the thing that brings men closest to a mastery over their own destiny (19).*

Let's look at that last sentence again. For Butterfield, the freedom to choose our objective in the next stage in the story is the liberty that is meaningful.

### *What of Hayek's Utopia?*

It has occurred to me to ask: does Butterfield shed light for us on Hayek's puzzle in his essay on "The Intellectuals and Socialism" as to why socialism gains momentum across the generations, and why he asserts that liberalism must be made to appeal *once more*?

Let's look at Hayek's statement in the larger context:

*We must make the building of a free society once more an intellectual adventure, a deed of courage. What we lack is a **liberal Utopia**, a program which seems neither a mere defense of things as they are nor a diluted kind of socialism, but a truly **liberal radicalism** which does not spare the susceptibilities of the mighty..., which is not too severely practical, and which does not confine itself to what appears today to be politically possible.*

My intellectual journey with classical liberalism began with Hayek's "The Use of Knowledge in Society," so it is hard for me to admit that I have struggled with the use we have made of "The Intellectuals and Socialism" in our community. My concerns are many, but essentially I think Hayek stumbled here over the

fundamental challenge of reconciling liberalism as political philosophy and liberalism as a tradition of lived experience.

As readers of Hayek, we know that when men believe with a fatal conceit that they have the capacity to plan a Utopian renewal of the world, trouble often begins. The classical liberal certainly believes that working for social and policy reform to advance the freedom and prosperity of more people is necessary, but I think Hayek missteps when he suggests that what we need to win people these reforms is “a liberal Utopia,” a comprehensive program that can compete for public opinion with the socialist Utopias on offer everywhere.

A Utopia is, of course, No Place. And aren't our hopes for liberalism that we can do more to make our lives better in This Place? What led Hayek to call for a Utopian vision for liberalism?

In “The Intellectuals and Socialism” Hayek proposed that socialist ideas appeal to a certain type of historical actor he calls intellectuals, the “professional secondhand dealers in ideas” whose influence over public opinion in the modern world has grown so strong that they have become “the governing force of politics.” Hayek does not attribute evil motives to the intellectual class but observes how the

visionary character of socialist Utopianism serves as a powerful pull to the young. And so, he proposes, liberalism needs some form of similar imaginative vision.

For over 70 years now, classical liberals have read Hayek's essay as a sort of recipe for how to advance "the philosophical foundations of a free society." We talk about the "structure of social change," as if we have a linear formula for converting ideas into policy, and we have built up an extensive network of organizations seeking to counter the entrenched influence of the intellectuals. Nevertheless, we have not seemed to loosen the allure of collectivist ideals.

So, what if Hayek's call for a liberal intellectual class bearing the standard for a "liberal Utopianism" misses the mark? What if liberalism must in fact be transmitted between the generations through a living tradition of political and entrepreneurial experience rather than pulled forward by an unrealizable Utopian vision? Wouldn't this possibility actually align better with Hayek's trenchant insights about spontaneous orders, the evolution of social institutions such as law and language, and the indispensable centrality of local knowledge in the processes of social cooperation?

There seem to remain tensions in classical liberal thought between the need for liberal *idealism* and the necessity of liberal *action* grounded in that freedom we all should have *to choose our own objective in the next stage in the story*. What if it

is not a liberal Utopianism but a deeper understanding of the roles of culture and community in the processes of historical change that will better help us attract future generations away from socialism's redemptive promises of security, solidarity, and salvation? Can we invite people step-by-step onto a path of different, more liberal oriented, choices? I think so, but this is more likely to happen in community than in the trenches of political warfare.

### ***What is the role of the practical men?***

In Hayek's essay there is another actor who appears briefly to whom we have not paid much attention. This is the "the practical man of affairs." Hayek is not very generous here to the practical men, suggesting that their "deep distrust of theoretical speculation" attracts them to what is "politically possible" instead of engaging them as supporters of the more "systematic policy for freedom" worked out by scholars.

Here we enter a debate enjoined by Liggio's longtime colleague Murray Rothbard. For decades, Rothbard called for a strategy of building up a libertarian "hard core" to advance the political goals of liberalism. Disdaining gradualism in theory, this hard core would hold out for only radical changes. Rothbard properly noted that "ideas do not spread and advance by themselves, in a social vacuum; they must be adopted and spread by *people*, people who must be convinced of and

committed to the progress of liberty.” He thus argued that “the advancement of liberty requires a *movement* as well as a body of ideas” (1977, 2).

Unfortunately, the strategy of advancing a “radical general system” through a Utopian liberal movement sits in philosophical and practical tension with the necessity people face to make a living and make a life in the world.

Is there a better way to understand the processes of historical change? A simple public choice analysis suggests that intellectuals gain influence in part because they capture the social institutions that provide them a living. From the platforms of the universities, the media, and the halls of legislative power they become the largest voice in public affairs. It is in their interest to shore up their influence in these institutions by excluding their critics.

Perhaps this, more than the Utopian appeal of socialism, accounts for the reason that since the early 20<sup>th</sup> century liberal scholars have found it increasingly difficult to make a life or a living in the institutions that shape public opinion. This meant that their continued work has depended on the build-up of new institutions, and thus, ironically, upon the philanthropy of the practical men of affairs, the successful entrepreneurs who made their livings through the daily work of creating value by meeting the material and cultural demands of consumers.

In focusing too much on the limitations of the practical men and their tendencies to settle for gradual reforms in politics over radical revolutions, Hayek and Rothbard both seem to pass over the indispensable and strategic role of the entrepreneur in effecting the changes in society that people will either adopt or ignore in the marketplace.

Classical liberals scholars have, of course, deeply analyzed entrepreneurship, and we often celebrate the entrepreneurs among us. In this audience we often recount the remarkable story of Sir Anthony Fisher's life, for example, admiring the young entrepreneur whose concerns with the advance of collectivism in Britain led him to discover the writings of Hayek, to learn new methods of chicken farming from Baldy Harper, and ultimately to found the institutions that would give birth to the Atlas Network.

But we need to more deeply theorize the role of entrepreneurs in shaping the evolution of social institutions. Through their innovations and services to people, entrepreneurs shape the very landscape within which people *choose their objectives in the next stage in the story*. And so it matters very much what the entrepreneur believes about the nature of men and the nature of his power in the world, especially when he turns to philanthropic causes.

Why do some practical men—Anthony Fisher, Pierre Goodrich, Manuel Ayau—readily see how collectivism constrains liberty and decide to devote their entrepreneurial energy and philanthropy to combat it? And why are so many more seduced by the humanitarian impulse that partners with malinvestment in constructivist social change?

Far from dismissing the practical men, liberalism needs to understand how to draw more of them into delving beneath the shadows and mirrors of public opinion into deeper conversations about full scope of liberty and its benefits.

For over a decade, I had the pleasure of working alongside Dick Cornuelle in thinking through some of these challenges. Much as Leonard Liggio called our attention to the need for a deeper understanding of the Western legal tradition, Dick called for classical liberals to better understand humanity's very deep needs for community, which underscores the prominent and problematic role of philanthropy in the Western tradition.

In 1991, after the fall of the Berlin Wall, Dick published an essay called “New Work for Invisible Hands” proposing that with the collapse of Soviet Communism, classical liberals would immediately need to confront the social democracy that had crept across the West by working “*to understand voluntary social process as completely as we understand market process.*”

This meant we had to try to understand and advance the role of a philanthropic enterprise better informed by liberal principles, rooted in the belief that people must have freedom to choose their objectives in the next stage in the story and recognizing that community is something that emerges when “people come together to accomplish things that are important to them and succeed.” Only through creative entrepreneurship to connect more people to the market order could we present “credible visions of alternatives to the failing programs of centrism.” (1996, 10-11, 32-33).

In the decades since Cornuelle wrote those lines, we have made some progress along these lines. As Brad Lips catalogues in his new book, *Liberalism and the Free Society in 2021*, many of you are already in the business of finding entrepreneurial solutions for human betterment. But we still seem to be struggling to put the whole package together, to align our language and theory and practice into distinctively liberal strategy that can stand against, and hopefully even turn, the prevailing winds of socialism that bear down upon us.

This brings us full circle to the problem of “once more.” Why does it seem that liberalism is once more slipping behind instead of gaining momentum? In part, I think it is because, often in the name of philanthropy, our liberalism has

become too entangled with the constructivist forms democracy took in the 20<sup>th</sup> century, to the point that we, too, talk instrumentally about the theory and logic models of social change. But this is the very road to serfdom.

Hayek knew that to choose one's government did not ensure liberty. And as Vincent Ostrom reminded us: "Tocqueville's concern about Majority Despotism arises when those who exercise the prerogatives of Government attempt to cope with all the problems of life, sparing people the cares of thinking and the troubles of living" (26). Can we wrest back those responsibilities of community from today's Leviathans?

The hubris of "liberal democracy" spread a false and even Utopian humanitarianism across the world in the 20th century.

Today we need a renewed vision of liberal constitutionalism. We have to embrace the hard work of spreading the ideas and institutions of limited government and rule of law, as we always have. And, more importantly in my opinion, we must offer a truly humane and historically perceptive vision that advocates the moral necessity of treating people as *free to choose their own objectives in the next stage in the story*.

As my colleague at UFM, Ramón Parellada, put it recently, in reflecting on the latest wave of government reactions to the pandemic:

*People know how to take care of themselves. They are not stupid. They choose what suits them best according to their current situation, the moment of their life and the place where they are. To think that the government knows more than they do is fatal arrogance.*

But we see such fatal arrogance all around us today. With social justice as the end, and “theories of social change” shaping the means, the NGO-industrial complex fueled by modern philanthropy-- and its partnership with the liberal democratic administrative state-- has largely deconstructed the constitutional arrangements and cultural restraints that define free societies. We need to look more critically upon this new hero called the “social entrepreneur” and his goal of promoting reform, often without counting the monetary or moral costs. That is the way not to Utopia but to Apocalypse.

In drawing my remarks to a close, I want to leave you with one big thought and a challenge.

The thought is this: The transmission of a liberal tradition must be a task of meaningful and iterative historical action toward human betterment rather than the pursuit of utopian dreams.

As Brad Lips puts it:

*“The future belongs to the advocates of authentic liberalism—open and entrepreneurial, inclusive and generous. We seek no end-state Utopia, but we know that it’s through the iterative innovations of free people that societies will continue to enjoy improving standards of living and more opportunities to pursue happiness”* (Lips, 178).

What are tradition and culture but the ideas, institutions, and habits of the heart that emerge from the iterative innovations and choices that people make in communities?

The advance of liberty needs a stable community of people, extending through the generations, who help one another discharge their responsibilities in light of the general principles of freedom.

So, we do have to teach the young these general principles and help them practice their application. I believe no educational institution is doing this better right now than UFM, which is why I am honored to be joining the administration there. But even the teaching of general principles can take us only so far, because they don’t always tell us exactly what to do.

In the complex social systems in which we live, we often face difficult choices with no one right answer. Each of us faces serious responsibilities and has to make a living in the world, fulfilling commitments to the diverse little platoons we make. Learning how to balance these responsibilities and to discharge them cannot be the work of ideas alone. It requires participation in a community bearing these principles in a robust tradition of lived experience and the wisdom of the “practical men” among us.

Classical liberals have long been the ardent champions of the creative powers of entrepreneurship. But more than ever we need to explain the difference between the unpredictable, kaleidic dynamism of a truly entrepreneurial world and the constructivist dreams of “social change.” More than ever, we need the courage NOT to be Utopian.

We do need to cast a hopeful vision that can help the practical men, the entrepreneurs and policymakers among us, act on the first anthropological and moral principle of liberalism: that humans can live with the freedoms and the responsibilities of choice, even in conditions of uncertainty and risk.

Because we are human beings, constrained by limited resources and given only a limited time to act in this world, Utopian movements have a certain appeal to us. But they do not serve us well.

Because we are human beings, constrained by limited resources and given only a limited time to act in this world, we need to understand the choices our ancestors faced and how their choices shaped the freedoms and the possibilities now open to us. And we need friends and mentors beside us in the flow of our lives to help us make the next best choices we can, hopefully in light of liberal principles.

On most days, the best any of us can do is to find the next logical step from where we are.

And herein is the challenge with which I want to leave you.

I told you at the beginning of my remarks about the important role Leonard Liggio played as a scholar and a mentor to so many of us. For Leonard, we were not replaceable cogs in a *movement*, but members of a *community* of persons bearing the image of God and having unique endowments.

Every good mentor I have ever had connected me to a tradition and then challenged me to extend and deepen it in order to accomplish the things I am uniquely here to understand and to do.

So I ask you now to think about your mentors? Who inspired you to join the adventure of living for liberty? Who has connected you to community, held you accountable when necessary, and helped you find the courage to move forward when the way looks cloudy?

And I challenge you to tell me: whom you are mentoring? With whom are you sharing the stories and lessons and ideas that shape your life's work? Are you helping a younger person take up their own role in the story?

This is how liberty will be transmitted through the generations, so be like Leonard, build these bridges!



## Bibliography

Cornuelle, Richard C. (1965). *Reclaiming the American Dream: The Role of Private Individuals and Voluntary Associations*. New York: Random House.

\_\_\_\_\_. (1983). *Healing America*. New York: Putnam.

\_\_\_\_\_. (1991). "New work for invisible hands: A future for libertarian thought." *The Times Literary Supplement*. April 5, 1991.

\_\_\_\_\_. (1996). "De-nationalizing Community," *Philanthropy*

Cowen, Tyler. (2003) "Entrepreneurship, Austrian Economics, and the Quarrel Between Philosophy and Poetry." *The Review of Austrian Economics*, 16:1, 5–23.

Ealy, Lenore T. (2013). "Can Civil Society Save Us?" *The Freeman*. August 28, 2013. Accessed March 20, 2019 at <https://fee.org/articles/can-civil-society-save-us/>.

\_\_\_\_\_. (2014). "The Intellectual Crisis in Philanthropy," *Society*, Vol 51, No 1 (Jan/Feb 2014), 87-96. doi:10.1007/s12115-013-9741-2.

\_\_\_\_\_. (2011). "Richard C. Cornuelle and the Revolution of Social Responsibility," *Society*, Vol 48, No 6, 510-516.

Ealy, Lenore T. and Steven D. Ealy (2006). "Progressivism and Philanthropy." *The Good Society* (15): 35-42.

Hayek, F. A. (1949). "The Intellectuals and Socialism." *The University of Chicago Law Review*. Spring 1949: 417-20, 421-23, 425-433. Reprinted in George B. de Huszar, ed., *The Intellectuals: A Controversial Portrait*. Glencoe, Illinois: The Free Press, 1960.

Liggio, Leonard. (1992). "The Importance of Political Traditions." *Johannesburg: Free Market Foundation*. pp 12-32.

Lips, Brad. (2021). *Liberalism and the Free Society in 2021*. Arlington, Virginia: Atlas Economic Research Foundation.

Ostrom, Vincent. (1997) *The Meaning of Democracy and the Vulnerability of Democracies: A Response to Tocqueville's Challenge*. Ann Arbor: University of Michigan.

Rothbard, Murray N. (1977). Toward a Strategy for Libertarian Social Change. Private Memorandum. Accessed at December 2, 2021, at: <http://davidmhart.com/liberty/AmericanLibertarians/Rothbard/Strategy/1977TowardStrategyLibertarianSocialChange.html>

\_\_\_\_\_. (1994). "A New Strategy for Liberty." Rothbard-Rockwell Report (October 1994). Accessed December 2, 2021, at: <http://davidmhart.com/liberty/AmericanLibertarians/Rothbard/Strategy/1994NewStrategy.html>

Shackle, G.L.S. (1979). *Imagination and the Nature of Choice*. Edinburgh: Edinburgh University Press.

Vaughn, Karen I. (2018 [1994]). "Can democratic society reform itself? The limits of constructive change." In Boettke, Peter J. and David L. Prychitko, *The Market Process*. Arlington, Virginia: Mercatus Center, pp. 229-243.