

# WHERE ARE EMANCIPATIVE VALUES TAKING US?

Emancipative values can be consistent with economic freedom, says **Winton Bates**

**T**he concept of emancipative values that I am using in this article was developed by Christian Welzel in *Freedom Rising*, a recently published book.<sup>1</sup> Emancipative values reflect concern about such matters as personal autonomy, respect for the choices people make in their personal lives, having a say in community decisions, and equality of opportunity.

Professor Welzel's research suggests that as a consequence of economic development, larger numbers of people have tended to adopt emancipative values in an increasing number of societies. As emancipative values have strengthened, more people have come to recognise the value of civic entitlements—such as the right to vote—and have used their growing material resources, intellectual skills, and opportunities to connect with others to take collective action to achieve such entitlements. The process has been ongoing, with greater concern being shown to promote more widespread opportunities—including greater opportunities for women, ethnic minorities and the disabled—as material living standards have risen and emancipative values have strengthened.

The question I address in this article is whether emancipative values are likely to continue to develop in ways that will provide better opportunities for people in wealthy countries to live happy lives. The research discussed below was motivated by a concern that emancipative values might be morphing into an 'entitlement culture' that could threaten economic freedom and material living standards. Were that to happen, it seems we could expect the future to bring increasing disputation over distribution of wealth, rather than greater and more widespread opportunities.

Perhaps it would be appropriate to make clear at this point that this article does not conclude that people in wealthy countries are about to fall into a dystopian abyss. My modest research efforts have left me feeling optimistic, but not complacent.

## The emancipation ladder

The central idea in Welzel's book is that a desire for emancipation from external constraints is deeply rooted in human nature. It stems from the ability of humans to make conscious choices and to imagine a less constrained existence.

Emancipative values remain relatively dormant when people are poor, illiterate and isolated in local groups. Under those conditions, people give highest priority to meeting their most basic needs. A society ascends a *utility ladder of freedoms* as material living standards improve and people adopt emancipative values and attain more civic entitlements. Ascending the ladder emancipates people from the constraints imposed by predation, persecution and poverty. It enables most individuals to enjoy greater opportunities, even if it does not ensure that their lives are blissful.

Emancipative values can also be viewed as an outcome of enlightenment humanism, a term used by Stephen Pinker, in *The Better Angels of Our Nature*, to encompass the ideas of thinkers like Hobbes, Spinoza, Descartes, Locke, Hume, Astell, Kant, Beccaria, Smith, Wollstonecraft, Madison, Jefferson, Hamilton and Mill.<sup>2</sup> As I see it, although those opinion leaders



Winton Bates is an independent researcher and writer on issues related to well-being and liberty.

did not necessarily see much merit in each other's ideas, members of the public have tended to assimilate a range of emancipative values as education and political discussion have exposed them to those ideas. Nevertheless, individuals obviously give differing weights to different emancipative values such as equality of opportunity and individual autonomy.

For individuals, ascending Welzel's utility ladder of freedoms is much the same as ascending the hierarchy of needs famously postulated by Abraham Maslow 70 years ago. However, Welzel's emancipation theory has the advantage of being able to explain movement up the ladder in terms of forces of social evolution as well as desires that are deeply rooted in human nature.

Much of Welzel's book is devoted to testing his emancipation theory, using data from the World Values Survey (WVS) to measure emancipative values. Among other things, his findings suggest:

- The sequence of change runs from emancipative values to civic entitlements rather than vice versa. The strengthening of emancipative values is explained by growth of action resources (wealth, intellectual skills and opportunities to connect with others) rather than civic entitlements such as voting rights.
- Education strengthens emancipative values at both the individual and societal levels; it strengthens emancipative values most strongly for individuals who live in societies with higher average education levels.
- As emancipative values become more widely shared, people become less preoccupied with their financial situation and life satisfaction becomes more closely related to the emotional state (happiness).
- Levels of life satisfaction tend to rise as life satisfaction becomes more closely related to the emotional state rather than material circumstances.

Welzel's emancipation theory seems to fit the facts well in terms of what we know about the ways in which values have changed and civic entitlements have expanded as living standards have risen. That poses the question of whether the process is likely to continue indefinitely.

*A society ascends a utility ladder of freedoms as material living standards improve and people adopt emancipative values and attain more civic entitlements.*

### The economic development process

People in wealthy countries can expect to experience increasing difficulty climbing further up the emancipation ladder if they seek 'entitlements' that impair the functioning of the market economy or if they adopt ideologies opposed to further economic growth. In the mid-1970s, Daniel Bell expressed concern in the *Cultural Contradictions of Capitalism* that this might happen.<sup>3</sup> More recently, on the basis of historical research for the United States, Britain, France and Germany, Benjamin Friedman has argued (in *The Moral Consequences of Economic Growth*) that precious features of high-income countries—such as tolerance of diversity, social mobility, commitment to fairness, and dedication to democracy—are at risk if their economies falter and their citizens' incomes stagnate.<sup>4</sup>

There is strong evidence that the chances of economic development are greatly improved when prevailing social values and ideologies support individualism, respect for others, and the right of individuals to use their resources for purposes they choose (i.e. economic freedom). This evidence comes both from economic history and from contemporary cross-country analyses.

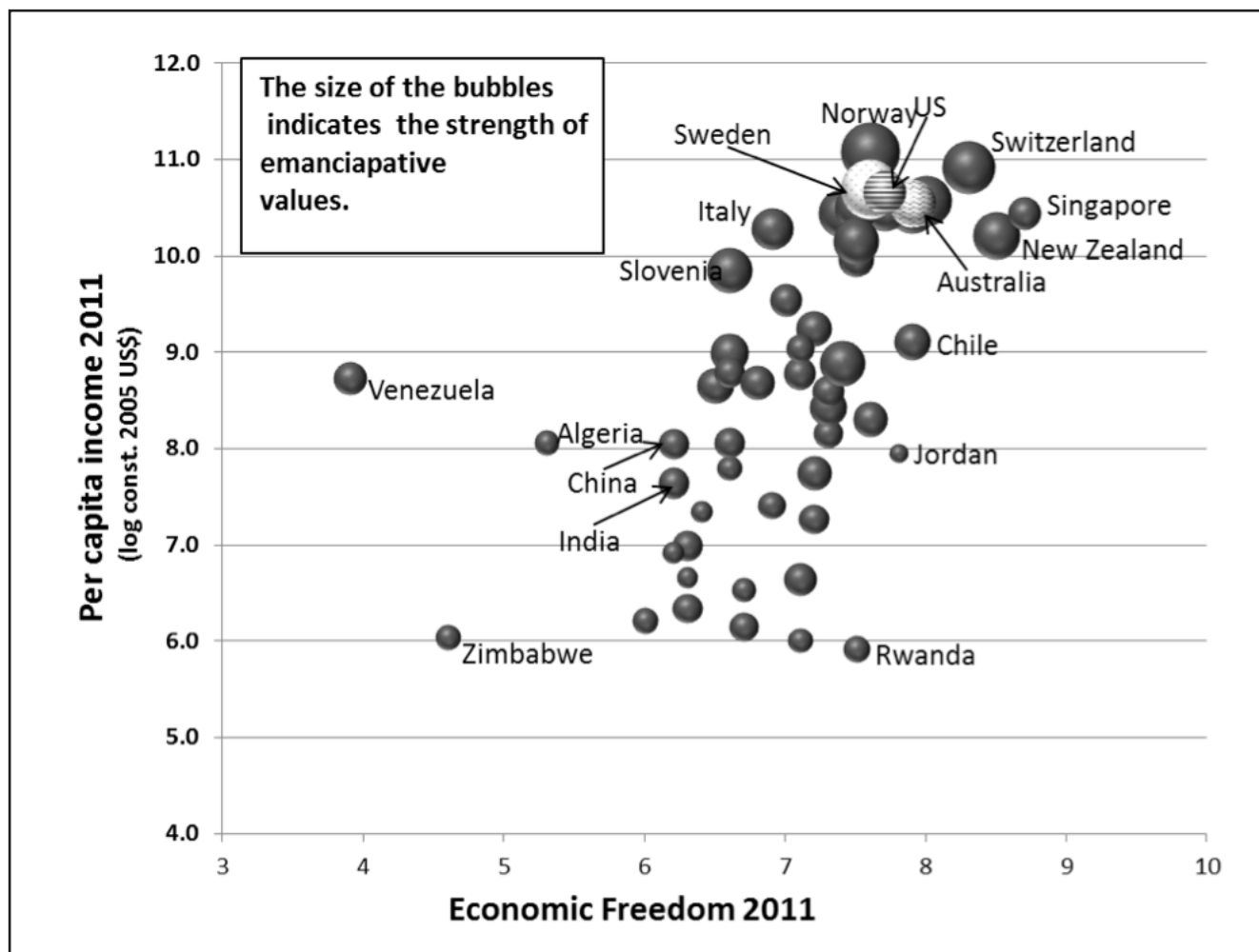
Some authors, including Welzel, emphasise the importance of geographical factors in attempting to explain why the process of economic development began in north-eastern Europe rather than in some other part of the world. However, to explain why the Industrial

Revolution began in that part of the world a couple of centuries ago, it is important to note that it was preceded by changes in norms and ideologies that legitimised systematic experimentation in the realm of technology as well as in science, and became more approving of innovation and markets.<sup>5</sup>

Research explaining current differences in per capita incomes in different countries suggests that a strong economic culture—with emphasis on interpersonal trust, respect for others, individual self-determination, and individualism—interacts positively with economic freedom in fostering economic development. In their research, Claudia Williamson and Rachel Mathers used regression analysis in an attempt to disentangle the impact

of economic freedom and economic culture, and on growth in per capita incomes.<sup>6</sup> The authors used the Fraser Institute's index as their measure of economic freedom and measured economic culture by constructing an index using WVS data. Their findings suggest that while economic freedom and economic culture are substitutes, the interaction between these variables has a positive effect on economic growth. In other words, economic freedom and economic culture are akin to inputs in a production function that determines national income levels.<sup>7</sup> While some countries with relatively high per capita income levels rely more heavily on the economic culture input (e.g. Sweden), others rely more heavily on economic freedom (e.g. Singapore).

**Figure 1: Economic freedom, average incomes, and emancipative values**



**Sources:** Economic Freedom of the World Project (Fraser Institute), [www.freetheworld.com/](http://www.freetheworld.com/); GDP per capita (constant 2005 US\$) (New York: World Bank), <http://data.worldbank.org/indicator/NY.GDP.PCAP.KD>; Christian Welzel, *Freedom Rising: Human Empowerment and the Quest for Emancipation*, online appendix (Cambridge University Press, 2013).

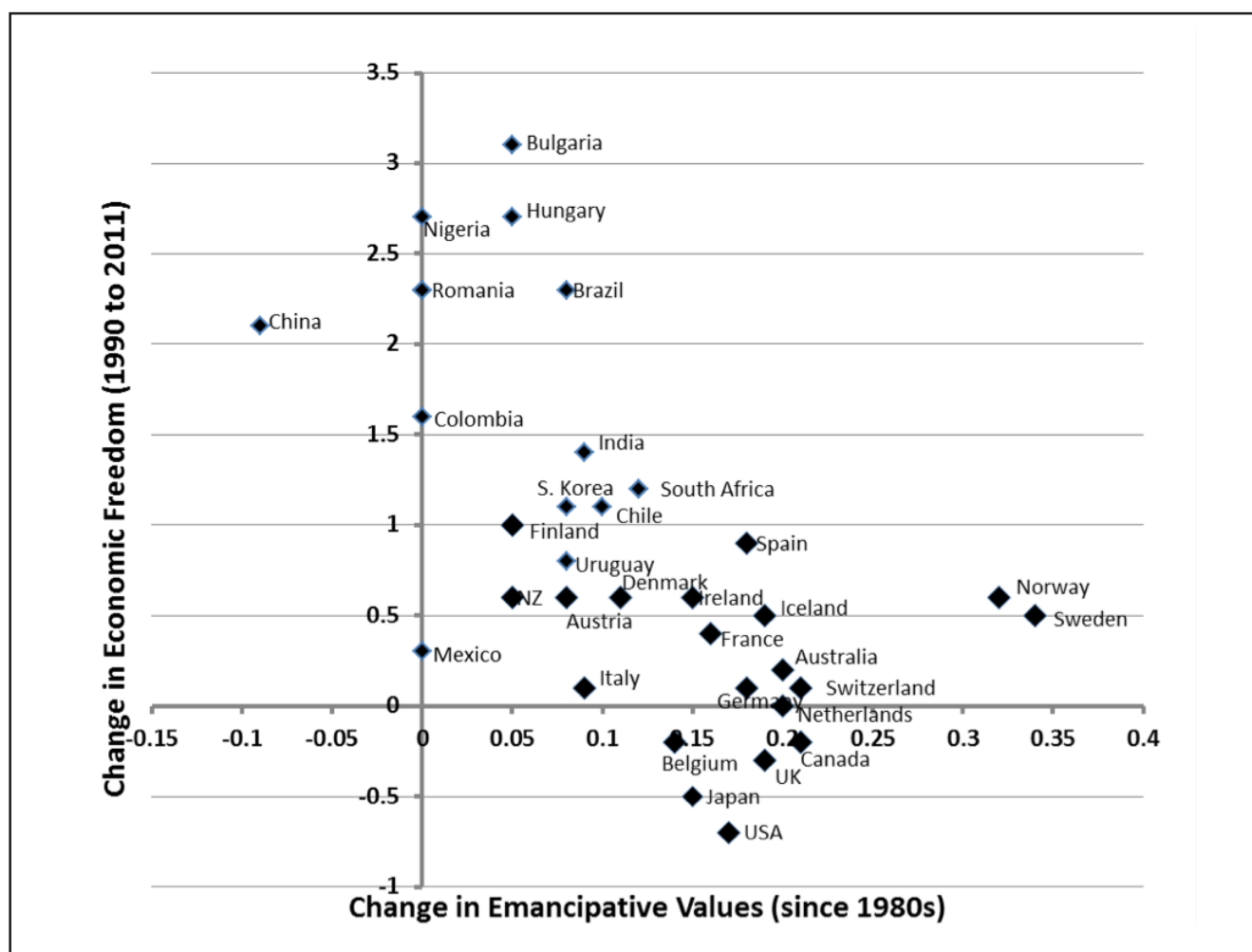
There is also evidence that some cultural characteristics tend to promote economic freedom. For example, Gizem Arikan tested whether countries in which values of citizens are more individualistic have smaller government (as measured by government spending as a percentage of GDP).<sup>8</sup> She found that individualistic societies do indeed tend to have smaller government.<sup>9</sup>

The relationship between economic freedom, average incomes levels, and emancipative values is summarised in Figure 2 for 54 countries for which comparable data are available.

Figure 1 shows a positive relationship between economic freedom and per capita income levels, and between per capita income levels and

emancipative values. Some of the outliers in the figure illustrate the direction of causation. For example, Rwanda has had relatively high levels of economic freedom for only a short period—the economic freedom rating in that country rose from 5.8 in 2001 to 7.5 in 2011—so it is not surprising that average incomes in that country are still very low. By contrast, Venezuela has not yet had sufficient time to fully adjust to the decline in its economic freedom rating from 5.7 to 3.9 over the same period. The relatively low strength of emancipative values in Singapore, compared to other countries with similar income levels, may be attributable to the fact that Singapore has been a high-income country only for a few decades.

**Figure 2: Is there a relationship between change in emancipative values and change in economic freedom?**



**Sources:** Economic Freedom of the World Project (Fraser Institute), [www.freetheworld.com/](http://www.freetheworld.com/); GDP per capita (constant 2005 US\$) (New York: World Bank), <http://data.worldbank.org/indicator/NY.GDP.PCAP.KD>; Christian Welzel, *Freedom Rising: Human Empowerment and the Quest for Emancipation*, online appendix (Cambridge University Press, 2013).

The relative weakness of emancipative values in the United States remains a puzzle to me. My first thought was that it was probably attributable to conservative values relating to personal choices (e.g. divorce, homosexuality and abortion), but it also applies to indicators of personal autonomy (e.g. the desirability of independence and imagination as qualities for children to acquire) and gender equality. Moreover, the relative scores of the United States are even lower in the Williamson-Mathers economic culture index and Arikan's individuality index.<sup>10</sup>

Where people have given high priority to economic growth, political leaders have tended to respond by adopting policies to promote economic freedom (at least during the decade covered by the analysis).

### Are rising emancipative values consistent with economic freedom?

It is clear from Figure 1 that emancipative values are generally stronger in countries with high economic freedom. However, that still leaves open the possibility that beyond some point there may be a tendency for economic freedom to decline as emancipative values rise if such values are associated increasingly with pressure for further government regulation—for example, to create additional entitlements for people deemed to be deserving of assistance, or to promote workplace democracy.

Figure 2 shows how economic freedom has changed with changes in emancipative values over the last few decades in 36 countries for which matching data are available.

If a trend line was drawn in Figure 2, it would appear to show a negative relationship between changes in emancipative values and economic freedom. That apparent relationship disappears, however, if we focus just on countries with relatively high incomes (per capita GDP above \$25,000 in US 2005 dollars) shown with larger diamonds. There is no obvious relationship between change in emancipative values and change in economic freedom in the

high-income countries. While the United States and Japan experienced a modest strengthening in emancipative values accompanied by a decline in economic freedom, Sweden and Norway experienced both a strengthening in emancipative values and an improvement in economic freedom.

The experience of Sweden and Norway goes some way towards persuading me that if there is a tendency for the expression of emancipative values to conflict with economic freedom, then the economic consequences will tend to unleash social forces to rectify the problem. However, it would be nice to have a better understanding of the mechanisms by which that might happen.

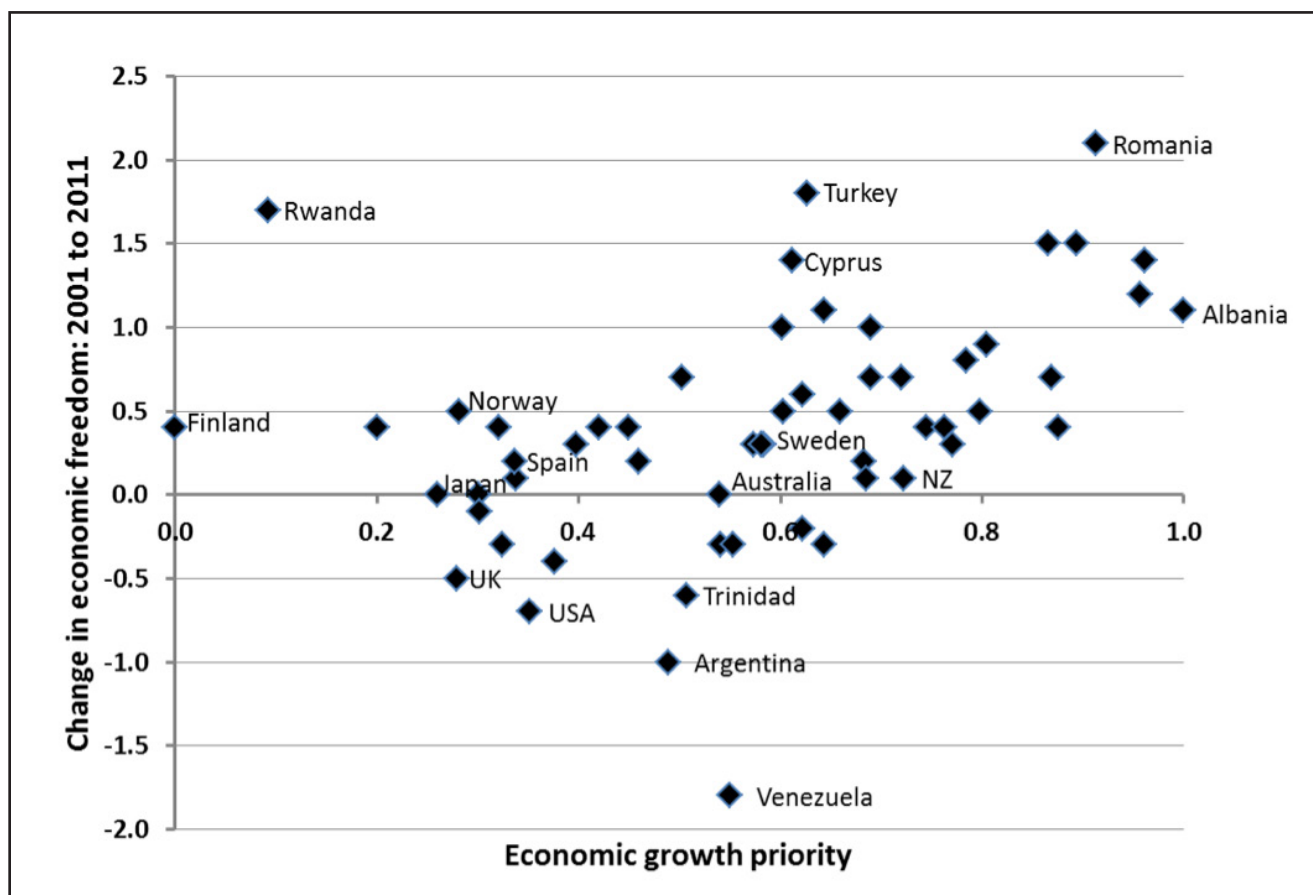
### What attitudes and ideologies promote economic freedom?

In an attempt to shed some light on this, four indexes were constructed to describe various characteristics of national economic ideologies using WVS data from surveys conducted around 2000 and during the first decade of this century. The indexes covered:

- **Economic policy attitudes.** This index incorporated such things as attitudes to competition, potential for hard work to lead to success, wealth accumulation, income inequality, government ownership, and increased government responsibility.
- **Relative confidence in major companies and government agencies.** It seemed that economic freedom would be more likely to increase in countries where people had more confidence in business than in government agencies.
- **Priority that people give to economic growth.** Survey respondents are asked to choose from four options what they consider to be the most important aim for the country over the next 10 years: a high level of economic growth; strong defence forces; people have more say about how things are done; and trying to make our cities and countryside more beautiful.



Figure 3: Relationship between economic growth priority and change in economic freedom



**Sources:** Economic Growth Priority (World Values Survey), [www.worldvaluessurvey.org/WVSONline.jsp](http://www.worldvaluessurvey.org/WVSONline.jsp); Economic Freedom of the World Project (Fraser Institute), [www.freetheworld.com/](http://www.freetheworld.com/).

- **Positive attitude towards scientific advances.** The index is based on the percentage in each country that perceives which scientific advances are likely to help humanity.

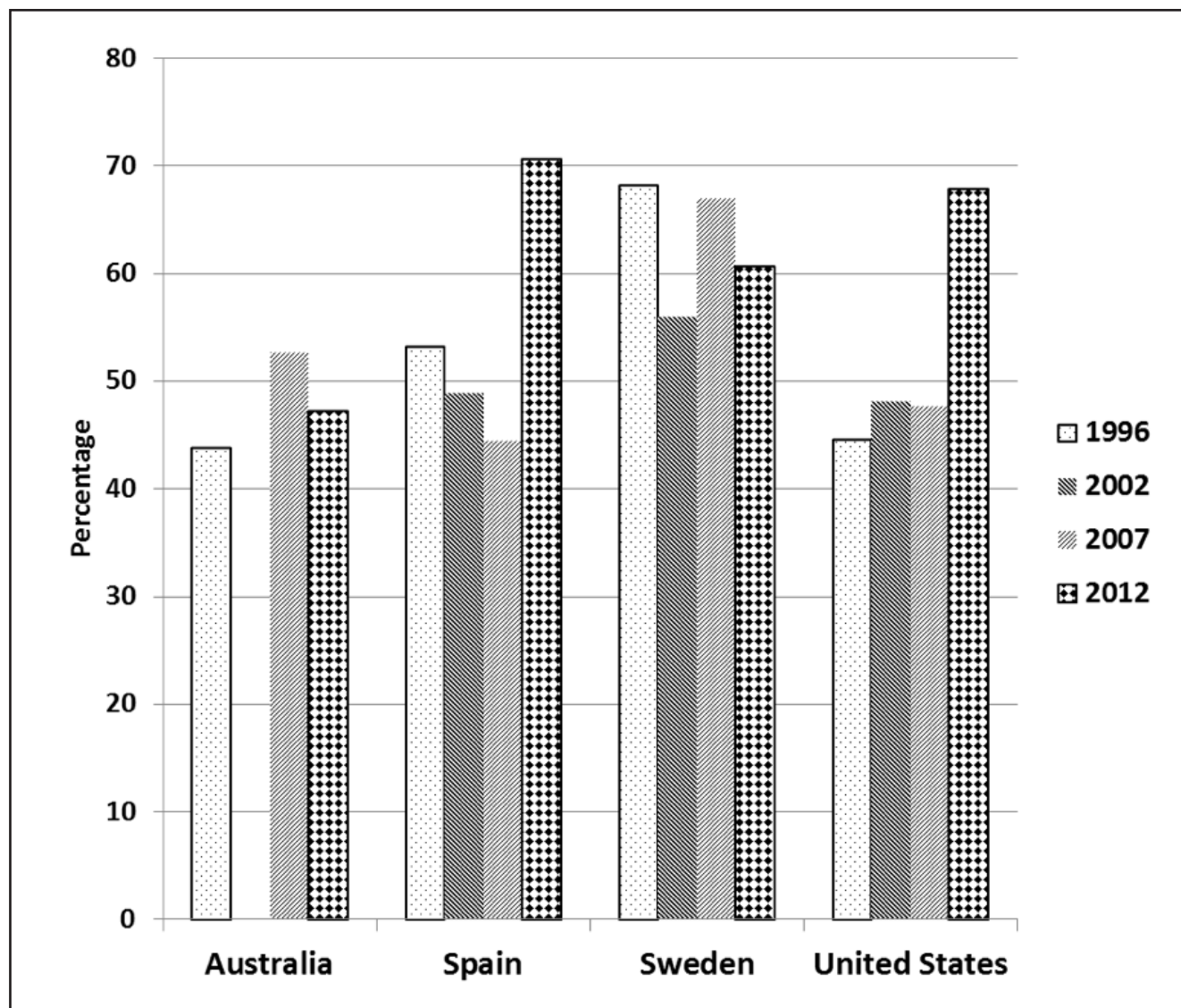
I expected that economic policy attitudes and relative confidence in business would be the most important factors explaining changes in economic freedom. I also expected that if people gave high priority to economic growth, that might tend to favour increased economic freedom. I wasn't sure whether positive attitudes towards scientific advances would be more likely to favour economic freedom or increased government regulation, but the variable seemed relevant in either case.

To my surprise, the regression analysis showed the priority people give to economic growth to

be by far the most important variable explaining changes in economic freedom from 2001 to 2011. This implies that where people have given high priority to economic growth, political leaders have tended to respond by adopting policies to promote economic freedom (at least during the decade covered by the analysis).<sup>11</sup>

The positive relationship between priority given to economic growth and change in economic freedom is evident in Figure 3. Some of the outliers in the figure are of interest because they show the importance of factors other than the prevailing growth ideology of the population—an obvious factor is political leadership—in causing changes in economic freedom. The figure suggests, for example, that the economic policies followed in Venezuela are out of line with the growth ideology of the population.<sup>12</sup>

Figure 4: Percentage who give highest priority to economic growth



Source: Economic Growth Priority (World Values Survey), [www.worldvaluessurvey.org/WVSONline.jsp](http://www.worldvaluessurvey.org/WVSONline.jsp).

### How has the priority given to economic growth changed in recent decades?

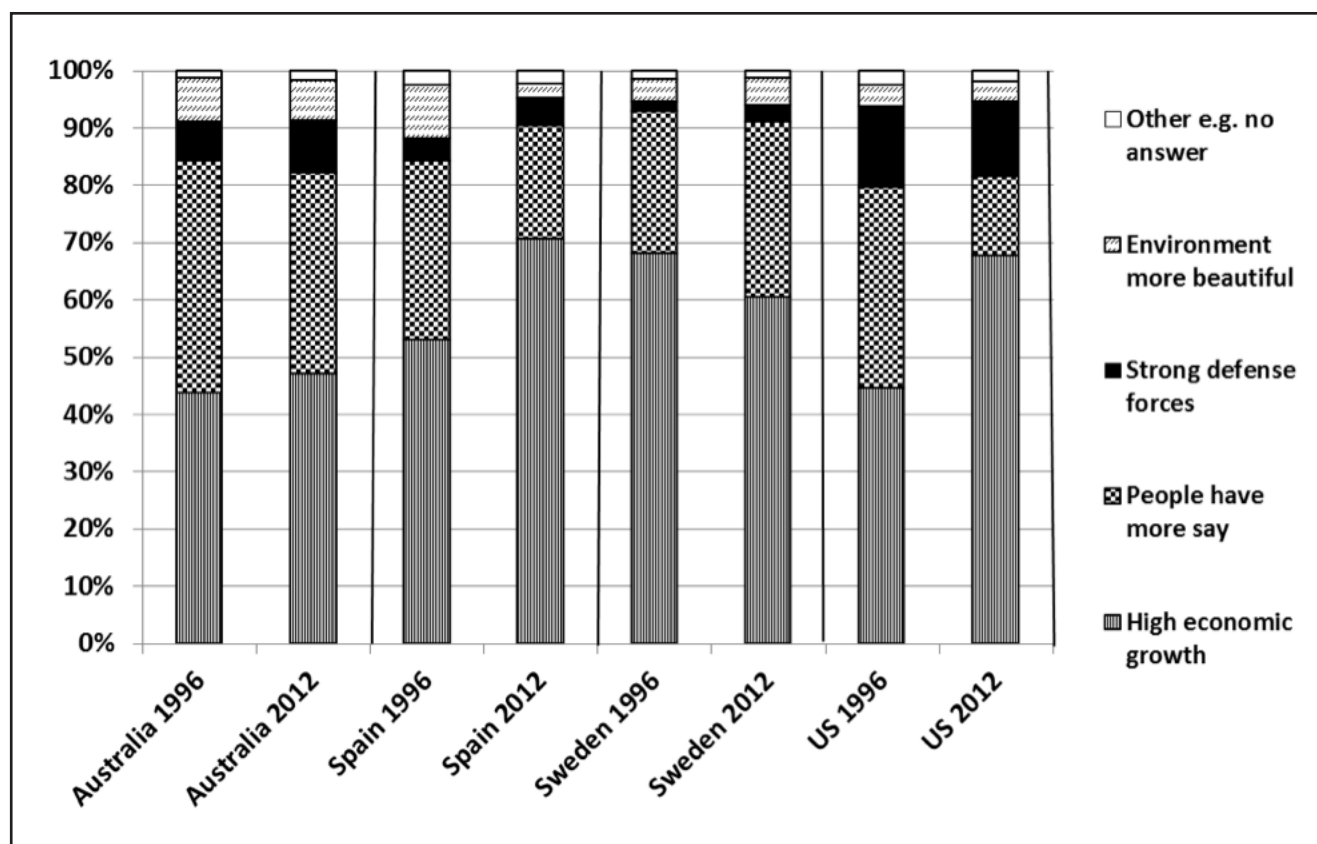
The focus of the following analysis is on the United States, Sweden, Spain and Australia because those are high-income countries for which data are relatively complete.<sup>13</sup> Figure 4 shows how the priority given to economic growth has changed over time for all four surveys for which data are available, and Figure 5 shows in more detail how priorities have changed since the mid-1990s.<sup>14</sup>

Figure 4 shows that people in the United States and Spain have tended to give markedly higher priority to economic growth in the latest survey

than in the first three surveys. Figure 5 suggests that the higher priority given to economic growth in those countries has occurred at the expense of a decline in priority given to people 'having more say.' The change in priorities presumably reflects a tendency for people in Spain and the United States to feel poorer following the global financial crisis.

The relatively high priority given to economic growth in Sweden in all four surveys is interesting in the light of the high and rising emancipative values in that country. It seems likely that priority given to economic growth in Sweden was lower

Figure 5: Recent priorities compared with those in the 1990s



Source: Economic Growth Priority (World Values Survey), [www.worldvaluessurvey.org/WVSONline.jsp](http://www.worldvaluessurvey.org/WVSONline.jsp).

during the 1980s, before an economic crisis in the early 1990s. WVS data on the aims of respondents indicates that priority given by people in Sweden to ‘having more say’ was certainly much higher in the early 1980s than in the mid-1990s.

The results of this analysis provide some grounds for optimism that voters in wealthy countries are capable of managing the tension between their non-economic social objectives (e.g. their desire to have more say) and their desire for the things that economic growth can buy. If there is a tendency for economic crises to arise as a result of the pursuit of non-economic objectives, the evidence suggests that public opinion is likely to swing back in favour of economic growth.

However, looking ahead, the ability of people in high-income countries to continue to enjoy the benefits of living in societies that provide widespread opportunities depends on a substantial proportion of the population of those countries

maintaining a fairly positive attitude towards economic growth. Given a continuation of the trend towards strengthening of emancipative values, much depends on the attitudes towards economic growth of people with strong emancipative values.

### Are people with strong emancipative values sufficiently supportive of economic growth?

Before looking at the evidence, I thought that people who have strong emancipative values would tend to give relatively low priority to economic growth because ‘having more say’ is one of the items Welzel used in constructing his emancipative values index. By definition, people who give highest priority to ‘having more say’ give lower priority to economic growth.

The focus of my analysis was on the extent to which the priority given to economic growth by people who hold emancipative values differs



from that of the population as a whole in wealthy countries. Except where indicated, the indicators selected correspond to components of Welzel's emancipative values index. Countries included in the analysis are those with relatively high incomes for which WVS data are available from the latest round of surveys (2010–14).

The results of the analysis suggest that, in general, the differences in economic growth priorities of people in different countries are more marked than the differences between different groups within countries.

There is no consistent pattern of difference between the priority given to economic growth by people who score highly in terms of most emancipative values and averages for the population as a whole. This finding applies to those strongly favouring personal autonomy, gender equality, and respect for choices that people make in their personal lives. Those who see protecting freedom of speech as particularly important tend to give lower priority to economic growth, along with those favouring giving people more say in government decisions.<sup>15</sup>

In countries where people have given high priority to economic growth, political leaders have tended to respond by adopting policies to promote economic freedom.

The analysis also included the growth priority of those who see environmental protection as having high priority since interest in environmental protection tends to increase as average incomes rise. (Environmental concerns are not covered in Welzel's emancipative values index.) The relevant question asks whether respondents consider protecting the environment should be given priority, even if it causes slower economic growth and some loss of jobs. As would be expected, given the wording of the question, those who consider protecting the environment should have high priority are less likely to give highest priority to economic growth. However, the differences are not huge—for example, the survey suggests that

while 47% of the overall population of Australia consider highest priority should be given to economic growth, 36% of those who consider protecting the environment should have high priority are still prepared to give highest priority to economic growth.

## Conclusions

There can be little doubt that over the past couple of centuries, the strengthening of emancipative values in many parts of the world has provided better opportunities for people to live happy lives. There is room for differences of opinion about what constitutes an emancipative value, but such differences are unlikely to alter the big picture. Economic development has led not only to improvements in material standards of living but also to greater personal autonomy, respect for the choices people make in their personal lives, opportunities for people to have a say in community decisions, and better opportunities for women and people who have previously been disadvantaged as a result of ethnicity or religion.

The research described above was motivated by a concern that emancipative values might be morphing into an 'entitlement culture' that could threaten economic freedom and material living standards. My research has left me feeling optimistic that if such a tendency exists, there is a good chance that it will be remedied by democratic political processes. The experience of Sweden and Norway since the 1980s suggests it is possible for emancipative values to strengthen in countries with extensive welfare entitlements while economic freedom is being restored. In countries where people have given high priority to economic growth, political leaders have tended to respond by adopting policies to promote economic freedom. The priority people give to economic growth tends to rise following economic crises.

Most importantly, given the potential for a continuation of the trend towards strengthening of emancipative values, there is not a consistent tendency for people with strong emancipative values to give lower priority to economic growth than other members of the populations of wealthy countries. This does not necessarily imply

these people believe governments should aim to maximise growth in per capita GDP as conventionally measured. I don't have concrete evidence, but I suspect that when non-economists say they want governments to give high priority to economic growth, what they have in mind is expansion of economic opportunity.

While these research findings provide grounds for optimism, it appropriate to end on a note of caution. There is no natural law that requires political leaders to respond by raising economic freedom when people give higher priority to economic growth. It is unlikely that such a relationship between public attitudes and policy responses would have existed 40 years ago. The observed relationship reflects the results of hard work by economists, research organisations including think tanks like the CIS, and enlightened political leaders. It is not difficult to imagine circumstances where governments might forget the lessons of the 1970s and once again seek to raise economic growth rates by imposing additional regulation.

## Endnotes

- 1 Christian Welzel, *Freedom Rising: Human Empowerment and the Quest for Emancipation* (New York: Cambridge University Press, 2013).
- 2 Stephen Pinker, *The Better Angels of Our Nature* (New York: Viking Penguin, 2011), 180.
- 3 Daniel Bell, *The Cultural Contradictions of Capitalism* (New York: Basic Books, 1976).
- 4 Benjamin Friedman, *The Moral Consequences of Economic Growth* (Vintage Books, 2006).
- 5 The important contribution of Joel Mokyr to such explanations has been discussed in Winton Bates, 'Is Progress History?' *Policy* 29:2 (2013), 42.
- 6 See Claudia Williamson and Rachael Mathers, 'Economic Freedom, Culture and Growth,' *Public Choice* 148:3–4 (2011); Rachel Mathers and Claudia Williamson, 'Cultural Context: The Productivity of Capitalism,' *Kyklos* 64:2 (2011).
- 7 Fitting a Cobb-Douglas production function to the Williamson-Mathers data seems to provide a plausible explanation of per capita income levels. See: <http://wintonbates.blogspot.com.au/2014/04/are-culture-and-economic-freedom.html>.
- 8 Gizem Arikan, 'Economic Individualism and Government Spending,' *World Values Research* 4:3 (2011).
- 9 Arikan also found that the effect of individualism on the size of government is more pronounced in societies with majoritarian elections and presidential systems.
- 10 Sweden has the highest score for each of these indexes. Expressed as a percentage of Sweden's score, the US score is 70% for emancipative values, 68% for economic culture, and 49% for individualism.
- 11 The estimated coefficients on 'economic policy attitudes' and 'relative confidence in business' had the 'wrong' sign and were not significantly different from zero. Leaving those variables out of the analysis made little difference to the estimated coefficients on other variables. The results of the revised regression model seeking to explain economic freedom in 2011 are as follows (with standard errors in brackets):

Intercept	1.250 (0.734)
Economic Freedom 2001	0.740 (0.081)
Economic growth priority	1.058 (0.377)
Science helps	0.449 (0.373)
Adj. R <sup>2</sup>	0.60
Number of observations	56

- 12 The low priority given to economic growth in Rwanda is associated with a very high priority given to 'strong defence forces,' presumably reflecting perceived external threats.
- 13 The 'aims of country' question has been included in surveys for New Zealand, but a high non-response rate may make the data unreliable.
- 14 The years shown in the charts are approximations—for example, 2012 corresponds to surveys conducted in 2010–14.
- 15 Results of the analysis are reported in some detail on my blog. See <http://wintonbates.blogspot.com.au/2014/06/do-people-with-strong-emancipative.html>.