

CLASSICAL LIBERALISM AND INTERNATIONAL RELATIONS

Classical liberal ideas apply between states as well as within states, explains **Edwin van de Haar**

Questions of war and peace, or foreign policy in general, are among the most dramatic issues in politics. It is no wonder that classical liberal think tanks publish papers and articles on international affairs. Often these are reactions to current issues. They hardly ever clarify how their points of view relate to classical liberalism as a political philosophy. This begs the question: Does a classical liberal approach to international relations exist?

This article will argue in the affirmative, that it is possible to judge current foreign policy standpoints from a classical liberal perspective and to develop a classical liberal foreign policy agenda. Based on a study of four important classical liberal thinkers, David Hume, Adam Smith, Ludwig von Mises, and Friedrich Hayek, it will show that classical liberalism is applicable in international as well as domestic politics.¹

Academic international relations theory is dominated by American-style liberalism, which has much in common with European and Australian social democracy. One effect of this is the equation of liberalism with Immanuel Kant and Woodrow Wilson inspired calls for a world federation of the brotherhood of man, cosmopolitanism, a belief in the goodness of people and the possibility of abolishing war, optimism about the peace-enhancing outcomes of increased intergovernmental international organisation, international free trade, and so forth.²

Classical liberals often disagree on its precise definition, but most regard classical liberalism as the political theory characterised by a firm belief in individualism, negative freedom, non-religious natural law, spontaneous order, a limited state, and the rule of law.³ In this article these ideas will be briefly introduced and then applied to international relations, thus sketching the contours of a classical liberal approach to world politics. In the process it will become clear that liberalism in the American sense differs substantially from classical liberalism.

Individualism and freedom

For liberals the individual is of ultimate value, which entails that politics must serve the greater benefit of individual people. The basis for the classical liberal idea is its view on human nature: what are individuals capable of, physically and

Dr Edwin van de Haar is a Lecturer in International Relations at the Ateneo de Manila University in The Philippines. His book *Classical Liberalism and International Relations Theory: Hume, Smith, Mises, and Hayek* is forthcoming with Palgrave Macmillan.

Endnotes for this essay can be found at www.policymagazine.com.

rationally; what are their fundamental urges and natural instincts; and how do they relate to other humans? One feature is that classical liberals take man as he is, not as he should become. They start theorising from a realistic assessment of man's abilities. Man is seen to be governed by an interplay of passion and reason. Human intellectual capacities can be impressive, but are always limited: reason is not omnipotent, particularly not when processing information or attempting to predict or plan complex societal phenomena. Human reason is an important tool for individuals to adapt to change, but reason is incapable of permanently overcoming certain innate natural traits. Human nature is frail and ultimately, as Hume famously argued in *A Treatise of Human Nature*, 'man is and ought to be the slave to the passions.' Human beings are not destined to wrongdoing in a moral sense, but they do tend towards it. Only a few are always prone to unlawful behaviour, but a much larger group can be 'seduced from the more important but more distant interest, by the allurements of the present though often very frivolous temptations. This great weakness is incurable in man.'⁴

Classical liberals take man as he is, not as he should become.

The classical liberal view on human nature is not just some unfounded normative choice, easily replaceable by any other view. These old but crucial insights are increasingly supported by research in the fields of evolutionary biology and neuroscience, which point out that struggle, competition, the protection of honour, and tribal and ethnic conflict remain crucial elements in explaining both individual and group behaviour.⁵

Humans are not angels, Madison famously argued in the *Federalist Papers*. One important consequence of this observation is the impossibility of rooting out the causes of friction and conflict between people. Since state action is human action, this means it is also impossible to get rid of war. Depending on the circumstances military conflict can sometimes be prevented or minimised, but as such it can never be completely abolished from

international affairs, just as the best possible law system (however defined) cannot abolish crime in a domestic political setting. Classical liberals argue that efforts to achieve perpetual peace are destined to end in failure and they distance themselves from the endless stream of utopias the history of ideas has produced.

The ultimate goal of classical liberalism in international relations is the same as in domestic politics: to maximise individual freedom for all people. Individuals fare best when they can *freely* deal with the challenges and opportunities in life. Classical liberals define freedom as an area of non-interference by others individuals and the state. In the classical liberal view, winning back and expanding this freedom is one of the most important tasks, especially in the modern (Western) world. Historically, this call for freedom found an expression in the rejection of imperialism and colonialism. For example, Hume and Smith were strong supporters of American independence, and Hayek and Mises supported decolonisation in the twentieth century.

Wars have a negative effect on human freedom in several ways, but they are an inevitable feature of human nature.⁶ Therefore, the relevant question for classical liberals is not how they can be abolished, but how they can be dealt with.

Natural law

One part of the answer is provided by the natural law foundation of classical liberalism. Its aim of achieving the greatest individual freedom is based on the concept of natural rights. Every individual has the right to life, liberty and property—and respect for these rights is crucial for a just order. It enables humans, who are after all social beings by nature, to live together and cooperate. The laws of nature are a set of rules aimed to preserve and protect natural rights and to achieve social justice.⁷

There is much discussion over natural law, which goes beyond the purposes of this article. In international relations, the most obvious link between natural law and classical liberalism is found in the latter's support for the 'just war tradition,' which is associated with natural law thinkers such as the Dutch scholar Hugo Grotius. Put briefly, the just war tradition limits the grounds for warfare to a number of justified

causes and sets rules for the ways to fight wars. As such the aim is to minimise international conflict. Hume's writings contain many examples of his embrace of the just war tradition; Smith ended the *Theory of Moral Sentiments* explicitly praising Grotius; while Hayek applied just war principles in his numerous commentaries on world events, such as his condemnation of American inaction in the Iran-hostage case of the late seventies and his support for the British in the Falklands War of 1981.⁸

The nation and the limited state

Liberalism is the political expression of individualism, yet cooperation of individuals in groups is valued positively. For classical liberals the nation, or the country, is the largest group in society which is the object of human passion, both positive in the sense of national pride and negative in the sense of shame and humiliation. Hume noted that few men are entirely indifferent to their country, and both he and Adam Smith underlined that humans sympathise more with people to whom they are close than with strangers or foreigners. Feelings for the nation are strong, natural motivational forces for individuals.⁹

This also applies in the age of modern states and nationalism. Despite the atrocities committed in the name of national glory throughout the twentieth century, Mises and Hayek never predicted nor called for the end of the nation state. Mises thought that language was the essence of nationality, and with the fragmentation of the polyglot Austro-Hungarian Empire in mind he argued that multi-language countries were doomed to failure. His solution was an increase in possibilities for individual self-determination and group secession, but not in the expectation that this would lead to a world without sovereign states.¹⁰ Hayek saw the nation as a prime source of human bonding and individual loyalty, but recognised the negative aspects of nationalism. He valued the nation, but nationalism was a poison, not least because he saw a strong relation between nationalism and imperialism.¹¹ After all, it is a small step from thinking good about one's country to trying to rule and civilise allegedly inferior others. Often, although certainly not in all cases, the nation as a group is politically organised as a sovereign state. In the classical liberal view,

states are the most important actors in international relations.

To maximise individual freedom the state should only have a limited number of tasks. The state is an important protector of natural rights, but history has shown that it is also the biggest abuser of these rights. The principle of the rule of law intends to protect the negative liberty of individuals. Classical liberals think the state can best be bound by a combination of constitutions; separation of the legislative, executive and judicial powers; and the limitation of positive law.

In international affairs this means that states should be cautious about concluding and ratifying treaties and other forms of positive law. These are often binding commitments that are very hard to change or to get rid of, with a large possible negative impact on individual freedom.

Attempts to build a better world by establishing international organisations and regimes are rejected.

Some international agreements may be useful to smooth the working of the international society of states, or to settle practical matters. But the dangers of overregulation are just as real in world politics as they are in national politics. Besides some specific cross-border issues, the classical liberal rule of thumb is that there is no need for international state action if there is no domestic state task.

Consequently, attempts to build a better world by establishing international organisations and regimes are rejected. Mises and Hayek were strong critics of the League of Nations and its successor the United Nations, and Hayek was a fierce critic of the International Labour Organization. Their main concern was that these and other organisations were taking up tasks they should not perform, just like overactive states in national circumstances. Social constructivism is bad, no matter at what level it is performed.¹²

This is not to say that classical liberals see the nation-state as the only possible form of political organisation internationally. In some cases a

society of coexisting states will not come about. Mises and Hayek thought that the experiences in interwar Europe showed that exceptional measures were needed. They supported the creation of a European Federation, as long as it would be a strictly limited state. A European superstate with many tasks performed at the central level was opposed by both. It is therefore likely that they would disapprove of the current European Union. Mises was an active member of the Pan-European Movement for some time and Hayek supported federalisation as the *ultimum remedium* in special circumstances throughout his life. In the 1970s he even tried to get support from leading Israeli politicians, including Moshe Dayan and Teddy Kolek, for a plan to federalise Jerusalem.¹³

Spontaneous order

The belief in spontaneous order is a defining characteristic of classical liberalism. The idea that you do not need a central authority explicitly laying down rules to create order was best summarised by the Scottish Enlightenment thinker Adam Ferguson: ‘the result of human action but not human design.’ The most common example of a spontaneous order is the free market, but as Hayek was keen to point out, it also includes the development of moral rules, language, customs, and traditions.

Spontaneous order in international relations takes a few forms. Most importantly, classical liberals realise that in an international world without a supreme arbiter, the balance of power is an important ordering mechanism. States differ in their military power, and preventing one state from dominating or ruling over the others is therefore important. States form alliances to prevent domination by others, as was the case in the Cold War. These alliances will change depending on the circumstances. To keep a balance, sometimes minor wars must be allowed and certainly not everybody’s natural rights can be safeguarded at all times. Yet more often the balance works to stabilise international order and allows many more states and people to survive or increase their freedom.¹⁴ Hume thought it was ‘founded so much on common sense and obvious reasoning.’¹⁵

Classical liberals strongly endorse free trade in international economics. Their ideal is that of completely free trade without any governmental interference. Contrary to perceived common wisdom, classical liberals do not expect trade to promote peace. Actually, Hume and Smith recognised a strong relation between trade and war. Trade relations are often troubled and richer countries can spend more money on belligerent action.¹⁶ Trade is unable to get rid of the numerous other causes of warfare such as conflicts over religion or geography; for example, the 2008 war between Russia and Georgia.

Another prominent feature of the classical liberal embrace of capitalism in international relations is the call to stop all forms of development aid. Under the influence of the ground breaking work of development economist Peter Bauer, Mises and Hayek rejected aid from its inception, arguing that dependence on foreign donations is no solution for developing countries. Western countries should not feel any guilt about the sorry state in many former colonies, given the collectivist policies of most of their leaders. Only a real policy change towards capitalism and liberalism would bring improvement.¹⁷ The experience in a number of Asian countries confirms the validity of these views.

Conclusion

This brief overview of how classical liberalism’s foundational principles apply to international relations makes clear there is far more to liberalism in international relations than commonly thought. Classical liberalism aims at maximising individual freedom, which requires international order. Given human nature, it is pointless to aim for abolishing human conflict by establishing a utopian world federation. In an inevitably imperfect society of states, stability depends on an interplay of just war, the balance of power, and a minimum of international law and organisation. Even the expansion of trade, necessary as it is, will be unable to guarantee peace. The classical liberal foreign policy agenda is one of change, calling for the abolition of all trade barriers, many international treaties, international organisations, and development aid. Maximising individual freedom is the right classical liberal goal at all political levels, everywhere in the world.

Endnotes

- 1 This article is based on Edwin van de Haar's *Classical Liberalism and International Relations Theory: Hume, Smith, Mises, and Hayek* (New York and Houndmills: Palgrave Macmillan, 2009, forthcoming). Please refer to the book for additional references, further context and analysis. Methodology is discussed in chapters one, two and seven.
- 2 The literature is huge. Prominent examples are M. W. Zacker and R. A. Matthew, 'Liberal International Theory: Common Threads, Divergent Strands,' in *Controversies in International Relations Theory: Realism and the Neoliberal Challenge*, ed. C.W. Kegley (New York: St. Martin's Press, 1995), 107–150; Michael Doyle, *Ways of War and Peace: Realism, Liberalism and Socialism* (New York and London: W.W. Norton & Company, 1997); Tim Dunne, 'Liberalism' in *The Globalization of World Politics: An Introduction to International Relations*, eds. J. Baylis and S. Smith (Oxford: Oxford University Press, 2005), 185–201.
- 3 See for example John Gray, *Liberalism* (Buckingham: Open University Press, 1995), 45–77; Norman P. Barry, *On Classical Liberalism and Libertarianism* (New York: St. Martin's Press, 1987), 1–43; Robert Higgs and Carl P. Close, *The Challenge of Liberty: Classical Liberalism Today* (Oakland: The Independent Institute, 2006), xii–xxii; Hannes Gissurarson, *Hayek's Conservative Liberalism* (New York and London: Garland Publishing, 1987), 10–41; David Conway, *Classical Liberalism, The Unvanquished Ideal* (Houndmills: Macmillan Press, 1995), 1–24.
- 4 David Hume, *A Treatise of Human Nature* (Oxford: Oxford University Press, 2000), 266; David Hume, *Essays: Moral, Political and Literary* (Indianapolis: Liberty Fund, 1987), 38.
- 5 Stephen P. Rosen, *War and Human Nature* (Princeton and Oxford: Princeton University Press, 2005); Bradley A. Thayer, *Darwin and International Relations: On the Evolutionary Origins of War and Ethnic Conflict* (Lexington: University of Kentucky Press, 2004).
- 6 As made abundantly clear by Robert Higgs, see for example his *Depression, War And Cold War: Studies in Political Economy* (Oxford: Oxford University Press, 2006).
- 7 See for example Douglas B. Rasmussen and Douglas J. Den Uyl, *Liberalism Defended: The Challenge of Post-Modernity* (Cheltenham: Edward Elgar, 1997), 37–59; Frank van Dun, 'Natural Law: A Logical Analysis,' *Etica & Politica* V:2 (2003).
- 8 Van de Haar, *Classical Liberalism*, chapters 3,4,6,7.
- 9 Hume, *Treatise*, 79, 317; Adam Smith, *The Theory of Moral Sentiments* (Indianapolis: Liberty Fund, 1982), 299; also Edwin van de Haar, 'David Hume and International Political Theory: A Reappraisal,' *Review of International Studies*, 34:2 (April 2008), 225–242.
- 10 Ludwig von Mises, *Nation, State, and Economy: Contributions to the Politics and History of Our Time* (New York and London: Institute for Humane Studies & New York University Press, 1983), 39–40, 82.
- 11 Friedrich Hayek, *Studies in Philosophy, Politics and Economics* (New York: Simon and Schuster, 1967), 143.
- 12 Mises, *Nation, State and Economy*, 90–91; Ludwig von Mises, *Omnipotent Government: The Rise of the Total State and Total War* (Grove City: Libertarian Press, 1985), 292–294; Friedrich Hayek, *The Road to Serfdom* (London: Routledge, 1997), 176.
- 13 Mises, *Omnipotent Government*, 43–49; Friedrich Hayek, *Socialism and War: Essays, Documents, Reviews*, ed. Bruce Caldwell, *The Collected Works of F. A. Hayek*, vol. X (Chicago: Chicago University Press, 1997), 161–164; F. A. Hayek, Letter to the Editor, *The Times* (London, 21 April 1985).
- 14 Herbert Butterfield, 'The Balance of Power,' in *Diplomatic Investigations: Essays in the Theory of International Politics*, eds. H. Butterfield and M. Wight (London: Allen & Unwin, 1966), 142–144.
- 15 David Hume, *Essays*, 337.
- 16 R. A. Manzer, 'The Promise of Peace? Hume and Smith on the Effects of Commerce on War and Peace,' *Hume Studies* XXII (1996), 369–382.
- 17 Mises, *Omnipotent Government*, 290–292; Friedrich Hayek, *The Constitution of Liberty*, (London: Routledge, 1993) 322, 366–367.