

## Book Review

# Why Liberalism Failed, by Deneen, P. J.

Gary D. Lynne<sup>1\*</sup>

### Book details

*Why Liberalism Failed*

Patrick Deneen

New Haven: Yale University Press (2018; paperback and Kindle ed., 2019). Library of Congress Control Number: 2017937443

ISBN: 978-0-300-22344-6 (hardcover: alk. paper)

ISBN: 978-0-300-24002-3 (pbk.)

<sup>1</sup> Professor Emeritus, University of Nebraska - Lincoln

\*Corresponding author: glynne1@unl.edu

Contemporary chaos in the political economy of many Western democracies has led to both political scientists and economists (especially the institutional economists), to question whether classical liberalism emanating from the Enlightenment really works. It has also put into question the mainstream political and economic science which supports it. D. W. Bromley, using Institutional Economics framing, points out how “(mainstream) Economics ... is just political ideology in disguise (quote in the review by Lynne, 2021).” It is because of the ideological stance that a person is, and has to be free to choose as, a self-interest only maximizer (as in Single Interest Theory, SIT, in mainstream Microeconomics), in the notion of possessive individualism (first identified as the problem by political scientist C. B. Macpherson in the 1960s: See Lynne, 2021). Deneen, also using Political Science framing, is also in effect pointing to possessive individualism as the problem. Behavioral Economics (BE) framed research needs to engage the problem, in something akin to a Manhattan project focused on developing a better economic theory, moving beyond SIT.

The problem is that classical liberalism – leading to both progressive (mainly cultural) liberalism and conservative (mainly market, neo-) liberalism – conceives each person “... as rights-bearing individuals who could fashion and pursue for themselves their own version of the good life. Opportunities for liberty were best afforded by a limited government devoted to ‘securing rights,’ along with a free-market economic system that gave space for individual initiative and ambition (Kindle ed., p. 1).” Sounds like SIT. Deneen then delivers the blow, in that while it was launched “... to foster greater

equity, defend a pluralist tapestry of different cultures and beliefs, protect human dignity, and, of course, expand liberty, in practice generates titanic inequality, enforces uniformity and homogeneity, fosters material and spiritual degradation, and undermines freedom. Its success can be measured by its achievement of the opposite of what we have believed it would achieve... (resulting in) our political, social, economic, and moral crisis (p. 4).” Bromley also sees the crisis of capitalism, driven by the failure in virtue ethics, failure in the institutions. The new Behavioral Economics (BE) based Dual Interest Theory (DIT) in *Metaeconomics* (see the reviews by Frantz, 2022; Lester, 2021) provides a placeholder for virtue ethics. BE based DIT represents the ethics embedded in the institutions (including government) and community (including religion), in the notion of an empathy based ethics embedded in the other (shared, yet internalized within the own-self)-interest which serves to temper the ego based self-interest. Further BE based testing of DIT is needed, especially looking into the matter of how being free to choose self-interest relates to ethics and virtue.

Deneen claims liberalism made the mistake of moving away from “the ancient reliance upon virtue... loosening of social bonds in nearly every aspect of life – familial, neighborly, communal, religious, even national – (and) reflects the advancing logic of liberalism ... the source of its deepest instability (pp. 29-30).” The pre-liberal frame supposedly better facilitated tempering the more primal self-interest with what is virtuous. As Bromley says, it is about the ethics: BE based DIT brings ethics explicitly into the analytical framework, fa-

ilitating the null hypothesis that shared other-interest, which holds the ethical system, is not a force in the economy. All the BE based empirical testing of DIT to date has resulted in rejecting the null, and, indirectly, rejecting SIT. More BE based testing is needed.

And, no matter the form, “Liberalism . . . culminates in two ontological points: the liberated individual and the controlling state (p. 38).” The irony is that being free to choose ultimately must be assured by government. Individualism requires statism and statism requires individualism. It is because both conservatives and progressives favor each person being free to choose: “Although conservative liberals claim to defend not only a free market but family values and federalism, the only part of the conservative agenda which has been continuously and successfully implemented during their recent political ascendance is economic liberalism, including deregulation, globalization, and the protection of titanic economic inequalities. And while progressive liberals claim to advance a shared sense of national destiny and solidarity which should decrease the advance of an individualist economy and reduce income inequality, the only part of the left’s political agenda that has triumphed has been the project of personal and especially sexual autonomy (p. 63).” The tempering by community and culture has been lost, exacerbated by globalization, and technology, the latter including the political technology of government.

The Deneen take on technology is profound: “... technology is itself our culture – or anticulture, a tradition-destroying and custom-undermining dynamic (pp. 96-97) . . . (and especially destructive) . . . a completely new form of political technology (was also needed) that made possible a technological society ... the modern republic – posited on the rejection of the key premises of ancient republicanism (p. 101) . . . emphasis on private pursuits over a concern for public weal, and an acquired ability to reconsider any relationships that limit our personal liberty . . . (p. 102) ... premised, from the very start, on a false definition of liberty. . . (p. 109).” Modern technology removes the need for the other: The shared other-interest no longer plays a substantive role, especially lacking local influence, not accommodated by the political technology facilitating classical liberalism. A new political technology is needed. BE based DIT suggests said new technology must facilitate an empathy politics – which naturally arises in a 4-6 party system – rather than the ego (self-interest only) politics of the 2-party system. More BE testing of said proposition is needed.

Ironically, liberalism also undermines liberal education: “An education fitting for a *res publica* is replaced with an education suited for a *res idiotica* . . . a ‘private’ and isolated person. . . (but need *res publica* in order to have true) liberty (as it) is not a condition into which we are naturally born but one we achieve through habituation, training, and education—particularly the discipline of self-command (p. 112).” Self-command reflecting the shared other-interest is lost, as the autonomous person maximizes self-interest only utility (as

in possessive individualism). BE based DIT posits a liberal education better ensures an empathy based ethics represented in a good and ethical other-interest essential to tempering the primal excess of the self-interest: BE testing is needed.

The new aristocracy – the *res idiotica* – claim to be the only ones who are “industrious and rational (p. 135),” with making of wealth justifying the keeping of said wealth and taking power. The other option of “querulousness and contentiousness” (p. 135) of the aristocrats represented in 17th century monarchy/religion/business which classical liberalism disavowed has now been replaced with a meritorious aristocracy. Citizenship in the democracy has also, then, been degraded, arising from (p. 155) “. . . liberalism’s relentless emphasis upon private over public things, self-interest over civic spirit, and aggregation of individual opinion over common good (p. 155).” A truly functional democracy, involving more than just the aristocracy “. . . is not simply the expression of self-interest but the transformation of that what might have been narrow interest to a capacious concern for the common good (p. 177).” It is ultimately about the other (shared)-interest, which faces huge challenges because “. . . liberalism’s apologists regard pervasive discontent, political dysfunction, economic inequality, civic disconnection, and populist rejection as accidental problems disconnected from systemic causes, because their self-deception is generated by enormous reservoirs of self-interest in the maintenance of the present system (p. 180).” BE based DIT posits an essential role for the concern with the common good in tempering the excesses of narrow self-interest, challenging the present system: The proposition needs further BE testing, with the liberalism and SIT focus on only self-interest put under scrutiny.

Yet, there are features of (classical, and even cultural and neo-) liberalism which work far better than the alternatives in fascism and communism. So, Deneen points to the need for a better political (and Bromley wants a better economic) theory to help find the best “ism” which “. . . begins with fundamentally different anthropological assumptions . . . building on the fact of human relationality, sociability, and the learned ability to sacrifice one’s narrow personal interest not to abstract humanity, but for the sake of other humans (p. 196).” Related matters suggested by the JBEP Book Review Editor: “Does contemporary behavioral economics perhaps restore the theoretical balance of private interest and common/social values? . . . does the inner conflict between these interests within the liberal paradigm offer fruitful directions for the development of behavioral research?”

BE suggests, as represented in DIT, quite different anthropological assumptions, with the possibility that relationality including a bit of sacrifice in both domains of interest is essential to a balanced life and the best “ism.” BE holds the potential to provide a better theory – perhaps it is DIT – for guiding the search for the best “ism.” BE, such as represented in DIT, better ensures moving economics away from being an ideology of self-interest only, like is SIT, toward an ideology only about what works best, based on sufficient reason (after

Bromley), empirically based. BE can shift attention to empirically addressing the inner conflict (which DIT posits is primal) in the search for the best balance in the joint private-interest public(common/social)-interest. And, as BE based DIT posits, finding the best balance requires reflection – which perhaps can be nudged. So what reflection, and is it best to nudge it, or not?

Regarding what reflection, Deneen wants to reflect using empathy based religion to build the core of the shared other-interest, especially from the Conservative Catholic (Reminder: The Enlightenment disavowed much of it) frame, and nudge the system back onto that moral and ethical ground. Bromley wants to reflect using a secular visible hand to change (in effect, nudge) flawed institutions, like bringing back empathy driven loyalty between employee and employer. Loyalty is a key part of the shared other-interest, with the outcome being better pay and working conditions tempering possessive individualism, more in line with the BE based DIT framed search for the best, optimal inequality. BE research is needed to empirically test said reflections, including testing for the role of the nudge relative to the role of mandates (e.g., vaccination as a shared other-interest) and control, and the role of government as supposed representative of the shared other-interest in both nudging and control. And, for more elaboration on *Why Liberalism Failed* and how to fix it, pointing to more BE research questions, see [tinyurl.com/liberalismdidnotfail](https://tinyurl.com/liberalismdidnotfail).

## References

- Frantz, R. (2022). “Review of Lynne, G. D. 2020. *Metaeconomics: Tempering Excessive Greed*. New York: Palgrave Macmillan.” *Journal of Behavioral Economics for Policy* 6(1).
- Lester, D. (2021). “Review of Lynne, G. D. 2020. *Metaeconomics: Tempering Excessive Greed*. New York: Palgrave Macmillan.” *Journal of Behavioral and Experimental Economics* 91.
- Lynne, G. D. (2021). “Review of Bromley, D. W. 2019. *Possessive Individualism: A Crisis of Capitalism*. New York: Oxford University Press.” *Journal of Behavioral and Experimental Economics* 95.