

Liberal Read

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Exploring the intellectual battlegrounds of liberalism: *Liberalism and Its Discontents*

BOOK REVIEW

Francis Fukuyama

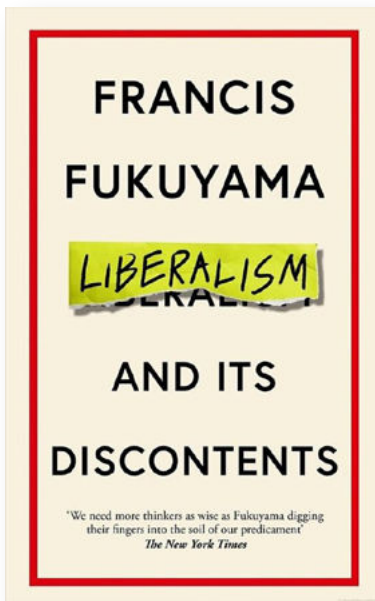
Liberalism and Its Discontents

by Nataliia Bovkun

A series of crises has put many liberal ideas under question. Inspired by a popular commercial concept, Liberal Reads are packaged in an easily accessible format that provides key insights in 30 minutes or less. The aim of Liberal Reads is to revisit and rethink classical works that have defined liberalism in the past, but also to introduce more recent books that drive the debate around Europe's oldest political ideology. Liberal Reads may also engage critically with other important political, philosophical and economic books through a liberal lens. Ideological discussions have their objective limits, but they can still improve our understanding of current social and economic conditions and give a much needed sense of direction when looking for policy solutions in real life problems.

Liberal Read

Exploring the intellectual battlegrounds of liberalism



Liberalism and Its Discontents is the latest book by Francis Fukuyama, the most celebrated liberal thinker of our time. The author applies his rigorous analytical approach to the challenges faced by liberal democracies today and offers a nuanced and insightful analysis of the sources of discontent and potential solutions to these problems. He puts forward a convincing and laconic argument regarding the unchanged relevance of liberal democracy despite the criticism he has been facing in recent years.

Although liberalism has not experienced the same level of collapse of confidence that communism did in the late 20th century, it has nonetheless faced significant challenges. Fukuyama's book examines a range of obstacles to liberalism, such as the growth of populism, nationalism, and authoritarianism, in addition to the implications of economic and technological developments for liberal societies. The book offers a critical assessment of the current state of liberal democracies and proposes strategies for addressing the discontents that threaten their stability and legitimacy.

Based on his extensive expertise in political theory and history, Fukuyama delves into the roots of liberal dissatisfaction and suggests potential remedies for tackling these difficulties. In New York Times Book Review, Joe Klein stresses that *Liberalism and Its Discontents* "[is] a rare thing: [an] academic treatise that may actually have influence in the arena of practical politics."¹

The ideas of this book are crucial for leaders from different ideological backgrounds and worth engaging in debates. In his review for *Washington Monthly*, John Halpin mentioned that the book is "an eloquent and eminently sensible defense of liberal freedom and pluralism that should be read and debated by leaders and activists across the ideological spectrum. This clearly written and concisely argued book highlights Fukuyama's lifelong examination of the political theories and systems that shape human history and in turn get shaped by its developments."²

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- 1 Joe Klein, Francis Fukuyama and Yascha Mounk Wonder, Is Democracy Finished?, New York Times Book Review, 2022, <https://www.nytimes.com/2022/05/13/books/review/francis-fukuyama-liberalism-and-its-discontents-yascha-mounk-the-great-experiment.html>
 - 2 John Halpin, Moderation in the Name of Liberty is No Vice, Washington Monthly, 2022, <https://washingtonmonthly.com/2022/04/03/moderation-in-the-name-of-liberty-is-no-vice/>

From liberalism to neoliberalism: A classical liberal debate

How do we define liberalism? According to Fukuyama, "classical liberalism is a big tent encompassing a range of political views that nonetheless agree on the foundational importance of equal individual rights, law, and freedom."³

Although neoliberalism has been praised for promoting economic growth and efficiency, it has also been criticized for exacerbating inequality, eroding social safety nets, and increasing the power of multinational corporations.

Fukuyama argues that the rise of neoliberalism provoked a strong opposition to and discontent with capitalism itself as people began to question the notion that the market could solve all problems and the idea that individualism was the only notion with significant value.

The notion that liberalism can safeguard fundamental human dignity, which originated in Europe during the era of the French Revolution, has been incorporated into the constitutions of liberal democracies worldwide in the form of the "right to dignity." This principle is enshrined in the fundamental laws of various countries, including Germany, South Africa, and Japan.

According to the perspective of Fukuyama, economic liberalism, which originated in the 19th century and emphasized the principles of a free market, individualism, and minimal government intervention, has evolved into a more radical form of neoliberalism in the latter half of the 20th century.

As per Fukuyama's view, neoliberalism is distinguished by its emphasis on deregulation, privatization, and globalization. This ideology is based on the notion that the market should serve as the primary means of resource allocation with government intervention kept to a minimum.

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Fukuyama argues that the rise of neoliberalism provoked a strong opposition to and discontent with capitalism itself as people began to question the notion that the market could solve all problems and the idea that individualism was the only notion with significant value. As an example, the author notes the following: "The result of a generation of

neoliberal policies was the world that emerged by the 2010s, in which aggregate incomes were higher by the 2010s, in which aggregate incomes were higher than ever. However, inequality within countries has also grown enormously."⁴

Fukuyama's analysis of the evolution of liberalism into neoliberalism and its subsequent critiques provides insight into the complex and dynamic interplay among individualism, community, the market, and the state in liberal democracies. By tracing the historical development of economic liberalism from the 19th century to the late 20th century,

³ Francis Fukuyama, "Liberalism and its discontents", 2022, chapter 1 "What is Classical Liberalism?"

⁴ Francis Fukuyama, "Liberalism and its discontents", 2022, chapter 2 "From Liberalism to Neoliberalism"

Fukuyama highlights the evolution of this ideology into neoliberalism with its emphasis on deregulation, privatization, and globalization.

While economic liberalism emphasized the importance of individual liberty and autonomy, neoliberalism took these principles to an extreme by advocating for a market-driven approach to all aspects of society.

Moreover, a critical theme in Fukuyama's analysis is the tension between the market and the state. Economic liberalism sought to limit the role of the state in the economy, but neoliberalism took this role to an extreme by advocating for the wholesale dismantling of government regulation and intervention. The consequences of this approach have been controversial, with a few scholars arguing that it has led to economic growth and increased individual freedom, whereas others contend that it has resulted in rising inequality, social dislocation, and environmental degradation.

In summary, Fukuyama's work highlights the ongoing challenges and dilemmas inherent to liberal democracies as they strive to strike a balance among individualism and community and the market and the state. As such, it offers a valuable framework for understanding the complex and multifaceted nature of contemporary politics and economics.

Is liberalism becoming increasingly polarized?

Fukuyama asserts that the left and the right threaten liberalism. The left is rejecting liberalism in favor of identity politics and a focus on group rights over individual rights. Alternatively, the right is rejecting liberalism in favor of authoritarianism and a focus on national identity over individual freedom.

The author contends that the rise of populism and nationalism in many parts of the world is a reaction to the failures and limitations of liberal democracy, particularly in addressing economic inequality, cultural identity, and the rise of new technologies. He argues that liberal democracy has become very closely associated with globalization and technocracy and has lost touch with the concerns of ordinary citizens.

The author poses that the question at hand raises an important issue about the nature of liberal societies and the relationship between individual autonomy and the common good. It asks: "One might ask, what is so terrible about a society where individuals seek to actualize themselves in diverse ways, from yoga to healthy diets to Soul Cycling, as long as they do not violate Rawls's principle of justice and prevent other individuals from actualizing themselves? In what way is this a threat to liberalism rather than an implementation of liberal ideas?"⁵

Two distinct issues arise in response to this question. The first is concerned with the potential negative impact of the belief in individual sovereignty, which is deeply rooted in liberalism. This view holds that the primacy of the individual can undermine other forms of communal engagement and diminish the public spiritedness necessary for the success of a liberal society as a whole.

The second issue runs counter to the first, as certain individuals may find that the concept of individual sovereignty, which is extolled by liberalism, falls short of their expectations.

5 Francis Fukuyama, "Liberalism and its discontents", 2022, chapter 4 "The Sovereign Self"

For example, Rawls argues that people will recognize that external factors, such as racism and patriarchy, heavily influence their inner selves and that autonomy can only be achieved through individual instead of group action. Moreover, the assumption that rational individuals will accept the principles of the original position overestimates human rationality and is not supported by empirical evidence.

Thus, these two issues highlight the complexities and dilemmas inherent to the emphasis of liberalism on individualism and the tension between individual sovereignty and communal engagement as well as the need to balance individual and group autonomy. These debates also underscore the importance of recognizing the limitations of rationality and the potential pitfalls of a value-neutral approach, because liberalism seeks to remain relevant and responsive to the evolving needs of society.

Liberalism needs to be adapted to better address the concerns of working-class people left behind by globalization, and it needs to better address the challenges posed by identity politics and emerging nationalism.

One of the strengths of the book is Fukuyama's willingness to engage with opposing viewpoints and question his assumptions. He does not simply dismiss the arguments of those who disagree with him. Instead, he seeks to understand where these views are coming from and to find a common ground.

On the one hand, Fukuyama argues that the rise of identity politics on the left threatens the core principles of liberalism such as individualism and universalism. Identity politics emphasizes the collective experience of historically oppressed groups, which can be at odds with the individualistic focus of liberalism. In certain cases, identity politics has also led to a rejection of the idea of a shared national identity and a focus on group identity instead, which can erode the sense of social cohesion necessary for liberal democracy to function.

On the other hand, Fukuyama proposes that the rise of right-wing populism and authoritarianism threatens liberalism. Populist movements frequently emphasize the will of the people over the rule of law and individual rights, and they can undermine democratic institutions such as the judiciary, the media, and civil society. Meanwhile, authoritarian regimes entirely reject the principles of liberal democracy and can use force and repression to maintain their hold on power.

In general, the left and the right can undermine the principles of liberalism and the health of liberal democracy is dependent on striking a balance between individualism and collectivism and on maintaining the rule of law and democratic institutions.

The challenge of addressing identity politics

Francis Fukuyama explores the challenge of identity politics to liberal democracy. He argues that although identity politics has emerged as a response to historical injustice and inequality, it threatens the principles of liberalism and democratic governance. He notes that identity politics poses a challenge to liberalism, because it focuses on group instead of individual rights and can lead to a fracturing of society along identity lines. Identity politics initially emerged to fulfill the promise of liberalism, which preached a doctrine of universal equality and equal protection of human dignity under the law. Thus, identity politics makes the implementation of liberalism in such societies challenging.

Identity politics has become a form of tribalism that emphasizes group identity over individual rights and the common good. This notion can lead to a breakdown in the sense of shared citizenship and the belief in a common fate that underpins democratic societies.

Furthermore, identity politics tends to focus on narrow interests and grievances, which can lead to the lack of concern for broader social and economic issues that affect all members of society. This can result in the fracturing of political discourse and failure to address common challenges.

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Identity politics frequently relies on the essentialist and deterministic views of identity, which can be problematic and limiting. Instead of recognizing the complex and fluid nature of individual identities, identity politics frequently reduces individuals to fixed categories that may not fully capture their experiences and perspectives.

Despite these challenges, Fukuyama acknowledges the need to address historical injustice and inequality, which have created the conditions for the rise of identity politics. He suggests that a more inclusive form of liberalism that recognizes the diversity of individual experiences and seeks to address systemic inequalities may reconcile the tension between identity and democracy.⁶

Fukuyama's analysis of identity politics in *Liberalism and Its Discontents* highlights the tension among individual rights, group identity, and the common good in liberal democratic societies: "Liberalism with its premise of universal human equality needs to be the framework within which identity groups should struggle for their rights." Although identity politics has emerged as a response to historical injustice and inequality, it challenges the principles of liberalism and democratic governance.

The necessity of an updated form of nationalism

Fukuyama suggests that a need exists for a new kind of nationalism that is compatible with liberal democratic values. Liberal states are perfectly justified in granting different rights to citizens and non-citizens, because they lack the resources or the right to protect rights universally.

In particular, if national identity is based on fixed characteristics, such as race, ethnicity, or religious heritage, it becomes a potentially exclusionary category that violates the liberal principle of equal dignity. Therefore, although no necessary contradiction exists between the need for national identity and liberal universalism, nonetheless, a vital potential point

6 Francis Fukuyama, "Liberalism and its discontents", 2022, chapter 6 "The Critique of Rationality"

of tension exists between the two principles. Under these conditions, national identity can become aggressive and exclusive nationalism, as it did in Europe during the first part of the 20th century.

For this reason, liberal societies normatively should not recognize groups based on fixed identities such as race, ethnicity, or religious heritage. Nevertheless, this becomes invisible occasionally, and liberal principles fail to apply. National identity is a social construct that can be shaped to support instead of undermine liberal values.

Traditional forms of nationalism, which are frequently based on ethnicity or religion, can be exclusionary and divisive, which leads to conflict and war. He suggests that a new form of nationalism should be based on a shared sense of identity and common values instead of on blood or soil.

Fukuyama identifies three critical components of this new form of nationalism, namely, a sense of national identity, a commitment to shared values, and a willingness to contribute to the common good. He argues that these components can be fostered through various institutions such as schools, the media, and civil society organizations.

Furthermore, Fukuyama suggests that this new form of nationalism should be compatible with liberal democratic values such as individual rights, rule of law, and democratic accountability. He argues that a healthy nationalism can support and strengthen liberal democracy by promoting a sense of belonging and shared purpose.

As Fukuyama acknowledges, building a new kind of nationalism will be difficult and will require addressing the underlying economic, social, and cultural factors that contributed to the rise of populism and nationalism. A more inclusive and equitable society, in which people feel they have a stake and a voice, can help create the conditions for the emergence of a healthy nationalism. A liberal society can precisely incubate innovation, technology, culture, and sustainable growth that will determine future geopolitics.

Addressing the concerns of the working class: A necessity

Fukuyama argues that liberalism has failed to address the concerns of the working class, who feel left behind by globalization and the increasing inequality it has brought. He suggests that liberals need to find means for adapting the liberal economic model to better serve the interests of the working-class people while maintaining the core principles of individual freedom and democracy.

The economic policies of the last few decades have contributed to a rising inequality and a decline in economic mobility. This scenario has led to economic insecurity and frustration among the working class, who feel that the political establishment is not addressing their concerns.

Furthermore, cultural changes that occurred the last few decades have contributed to a sense of alienation and displacement among the working class. The increasing diversity and cosmopolitanism of liberal societies can make working-class people feel left behind and disconnected from the mainstream culture.

The solution to these challenges is to develop policies that address the economic and social concerns of working-class people. Efforts toward this goal may entail enacting

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various measures such as allocating resources toward education and skill development, establishing safety nets for marginalized groups, and tackling economic disparity. Another aspect to consider could be recognizing the importance of national identity and cultural cohesion while respecting the diversity of individual experiences.

Addressing the concerns of the working class is essential for preserving liberal democracy. Failure to do so can lead to frustration and disillusionment among the working class, which can fuel the emergence of populism and the erosion of liberal democratic norms.

The significance of institutions in liberal democracy

The health of liberal democracies is dependent on the strength of their institutions such as independent judiciaries, free press, and civil society organizations. Fukuyama suggests that democratic institutions are essential for several reasons. First, they provide a check on the power of the government and prevent

the abuse of power by political leaders. Second, they ensure that all citizens have equal political rights and that their voices are heard in the political process. Third, they foster trust and cooperation among citizens and between citizens and the state.

The author highlights the crucial role of various democratic institutions, such as the judiciary, press, and civil society organizations, in upholding democratic values. These institutions serve to hold political leaders accountable for their actions, facilitate access to accurate information for citizens, and provide a dynamic platform for public discourse and scrutiny of ideas and values.

Furthermore, the author underscores the fundamental nature of the rule of law as a key democratic principle. The rule of law ensures that all individuals, including those in power, are subject to the same laws and that no one is exempt from them. This helps to prevent abuses of power and promote transparency and accountability in governance.

A weakening of these institutions or an erosion of their legitimacy can lead to a breakdown of democracy and the rise of authoritarianism. As such, he emphasizes the importance of protecting and strengthening democratic institutions to ensure the continued success of liberal democracy.

Final thoughts

Liberalism and Its Discontents is a crucial and timely read that makes a significant contribution to the ongoing discussions on the future of liberalism. The book offers a unique outlook on liberal debates by examining the difficulties encountered by liberal democracies in the

21st century and presenting novel solutions for tackling them. Although a few readers may find it demanding, the book is highly rewarding for those interested in comprehending the present political environment and the trials confronting liberal democracies globally.

Several general liberal principles may help to manage these different forms of diversity. In the first place, classical liberals need to acknowledge the need for government and move on from the neoliberal era in which the state was demonized as an inevitable enemy of economic growth and individual reform.

Acknowledge the significance of robust and all-encompassing national identities while simultaneously valuing the diversity of individual experiences is imperative for liberal democracies. To achieve this, reconfiguring the existing economic policies may be needed with a view of redressing inequality while prioritizing the promotion of social cohesion and fostering shared values.

The success of liberal democracy is dependent on the ability of political institutions to adapt and respond to changing circumstances. Becoming more agile and flexible in the face of new challenges, such as the rise of new technologies and the changing nature of work, is a point of momentum for liberal democracies.



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