

## Unit 6

# Liberal Perspective on Development

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### Learning Objectives

After going through this unit, you will be able to:

- understand the concept of liberalisation;
- explain the pre-conditions for the rise of the liberal state; and
- critically discuss the liberal perspective and the emergence of neo-liberalism.

## 6.1 Introduction

With roots in European Enlightenment, liberalism developed in the 19<sup>th</sup> century in the West. In the present day, liberalism is widely regarded as one of the most influential modern political ideologies. The term was first used by Spanish, French and English writers with a negative connotation. It was aggressively used to refer to the people with radical or progressive opinion. It soon lost its negative meaning and became a respectable political label. Most people would now like to be called “liberal”, which implies, “to be open-minded”, “to be generous, and tolerant”, “prepared to sacrifice self-interest for the public good”, “concerned to approach every issue from an impartial and rational standpoint”, and “not the least influenced by prejudice and superstition”. Such people oppose authoritarian laws and practices that would put particular social groups in a situation of disadvantage. People with a liberal outlook support the right to free speech, the right to picket and protest, and the rights of women, homosexuals, prisoners, refugees, and the rights of all marginal communities.

In this unit we seek to understand the concept of development from the liberal perspective. Beginning with the basic ideology of liberalism and the extent of power intervention of the state in terms of economic and political control over business and the role of the state in a liberal economy, we go on to developing a critique of the liberal perspective and the emergence of neo-liberalism. We conclude with evolving a framework for comprehending development from the liberal perspective.

## 6.2 Liberalism as an Ideology

Liberalism has provided a unique perspective on social, economic and political development. It set out an ideology that has shaped history, and in recent times has made a major come back in the form of neo-liberalism to influence the future course of human development. Human history, over the past two

hundred years or so, has been, in a sense, one of struggle between supporters of economic liberalism (committed to the principle of the 'self regulating market') and the defenders of 'society' (who have sought to regulate the way in which labour is engaged with capital, the exploitation of nature, and the money market). The struggle has proliferated in the political and ideological domains. Each of the two conflicting perspectives has come out with definite concepts, theories and ideologies, and techniques to realise the respective visions of society. The struggle over the virtues of a 'flexible' labour market and the threats which they pose to livelihoods continues. The leading perspectives on development, namely the Marxist and the Liberal, differ on the interpretation of social inequality and the methods to secure justice for the victims of unequal economic, social and political arrangements. The argument has built on the issue of the scope of market prices. More specifically, the question of relevance here is whether the market forces should be allowed a free reign or there should be a regulation on them. The difference is whether development should be reduced to growth in productivity and per capita income or should it be perceived in a broader perspective in terms of empowering the common people and securing distributive justice for them.

Ideologically, liberalism has stood out in opposition to the socialist ideals over the past two centuries. It offers us a distinctive vision of society, about freedom and free competition in the field of economic entrepreneurship, and of the role of the state in the control of production and in the promotion of free citizenship.

As a political ideology, liberalism is opposed to any form of political absolutism, be it monarchy, feudalism, militarism or communitarian. It stands for a social and political atmosphere in which authoritarian demands are resisted and the fundamental rights of the individuals and groups, such as the right to private property, free exercise of religion, speech and association, are promoted.

The philosophical foundation of classical liberalism was shaped in the writings of David Hume, Jeremy Bentham, and John Stuart Mill. These thinkers constructed the social contract theory based on the idea that human beings are guided by enlightened self-interest, rationality, and free choice, and the idea of free development of the individual self in a free atmosphere with minimum of state control. Liberalism was the guiding principle enshrined in the economic doctrine of *laissez-faire*, which means free promotion of entrepreneurship in production and trade, and in the social and political doctrines of liberty and democracy.

### 6.3 Streams of Liberal Thought

The liberal school of thought in the economic, social, and political fields is not monolithic; rather there are divergent streams of liberal thoughts, particularly on the question of individual freedom vis-à-vis the state.

#### Box 6.1: Major Doctrines Influencing Liberalism

"Liberalism never constituted a unified and consistent doctrine. It has, rather, been an amalgam of different doctrines, including the *Recht Staat*, the defense of individual freedom and basic rights, the recognition of pluralism, representative government, the separation of powers, the limitation of the role of the state, rationalistic individualism, and capitalist market economy" (Torfing 1999: 249).

Some liberals put more emphasis on economic freedom and allow greater government intervention in moral life (the political philosophy embedded in Thatcherism and Reaganism is taken as an example in this line) while others uphold the idea of minimum state intervention in all walks of life. The latter theoretical position is often known as libertarianism.

Libertarianism has its roots in the writings of the seventeenth-century English political philosopher John Locke, who emphasised the priority of individual rights to life, liberty and property, and the elimination of coercive intervention by the state, which is taken as the prime violator of liberty. Above all, individual liberty is an identifiable marker of conservative thought (the guiding ideology of the British Conservative and American Liberal parties). American philosopher Robert Nozick (1974) and the economist Friedrich Hayek are among the modern protagonists of libertarianism in their respective fields. Nozick argues in favour of reducing the role of the state to a mere "protection agency" for the citizens. Hayek (1944, 1982), holds that the ideal economic and political arrangement and interpersonal relationships are modeled on market exchanges, the role of the government is reduced to maintaining order and providing public services that involve formidable initial capital services. The libertarian ideals have found strongest support in the United States wherein conservatism and neo-liberalism are easily blended. In essence, libertarianism calls for human action not guided by any form of determinism.

Liberal beliefs often contradict those of socialism and conservatism. Tom Paine's radical liberalism, based on the idea of a minimum government involvement in the economy, is close to socialism; whereas the overriding concern of other liberals to uphold the rights of private property draws them close to conservatism. The early liberalism of Paine and others was progressive because it aimed to liberate individuals from traditional political constraints. They wanted government to be confined, in John Locke's words, to the role of an 'umpire', which would impartially safeguard individual freedom and rights. It was thus believed that citizens would be offered maximum opportunity to shape their own future.

Liberalism continued to be associated with progressive social trends even after the erosion of the power of the aristocracy. However, from the end of the nineteenth century, liberals began to encourage the growth of government initiatives. Liberals now argued that individual freedom was diminished by poverty and unemployment which stemmed from uncontrolled *laissez faire* capitalism. Hence the need for the government to assume a larger role in social affairs, and in the elimination of economic constraints upon personal liberty.

Liberals always believed that doing away with political and economic constraints on individual behaviour would lead to moral improvement throughout society. Individual liberation, according to this viewpoint, is the key to social progress. Individuals who lead a free and independent existence are likely to acquire virtues such as self-reliance, prudence, tolerance and respect for the rights of others. These virtues are often described as 'bourgeois' since they are typically displayed by economically successful groups in capitalist society.

Liberalism has been allied with the progress of the capitalist world. Its subscribers seek to remove restraints upon the capacity of individuals to participate economic competition. They have argued that the economic independence associated with capitalist regimes also breeds a sense of moral independence. Liberals, in this sense, can be said to favour a process of "embourgeoisment" in which everyone will eventually adopt attitudes compatible with a competitive economy.

The history of liberalism reveals a succession of strategies to extend rights which, it is judged, will secure the economic and moral independence of individuals. The different versions of liberalism foresee a one-class society consisting of self-governing citizens. The liberal ideal of a community is where despite inequalities of wealth, self-discipline and mutual respect are upheld.

## 6.4 Evolution of Liberal State

In the nineteenth century, commercial interests in England were specifically geared to limit the powers of the state and to establish parameters within which business activity could remain more or less untrammelled. The state proposed 'cooperation' and started controlling the movement of capital for the 'public interest'. The liberal state at this stage was not a *laissez-faire* state but one in which interventionism was required to create or maintain the conditions for private accumulation of wealth. It also demanded the involvement of the bourgeoisie in the public sphere.

The extension of capitalism tended to reduce earlier mercantilist notions of state economic activity and the political control of trade. Instead, public action on economic matters consisted largely of the construction and management of legal, fiscal, monetary and financial frameworks for the autonomous self-regulating operations of the allocative mechanisms constituted by the markets of land, capital and labour (Poggi 1978: 115). The liberal state thus played an important role both in the economy and in social life. Wolfe (1997) suggests, "the accumulative state's role during this period of expansion was to: define the broadest parameters of economic activity, preserve discipline in order to increase production, adjust macro-economic conditions, provide direct subsidies to private industrialists, and to fight wars". Moreover, the new bourgeoisie in Britain were quick to turn to Parliament to reform and unify the existing localised forms of social control which did not fit well with the requirements of an emerging capitalist society.

Notions of equality and civic rights, despite the thrust on individualism ingrained in liberalism, paved the way for increased demands and participation of the disadvantaged and the disenfranchised. Social and political demands from an increasingly large group of the population inevitably confronted business with a potential threat in a political system where government power was gained by voting strength. In the final analysis, however, democratisation did not come in the way of the advancement of the capitalist economy but it helped integration of the forces (the working class in particular) which, according to Marx, should have forced the disintegration of the capitalist order.

Throughout the nineteenth century the extension of formal liberal rights in conjunction with deepening social disparities broadened the debate on the question of equality. In several European countries the rights to association and trade unionism were extended to the working class in order to broaden the base of social justice, although amidst opposition from the proponents of *laissez-faire*. The extension of citizenship to the lower classes was given the special meaning that as citizens the members of these classes were entitled to a certain standard of well-being in return for which they were only obliged to discharge the ordinary duties of citizenship (Bendix 1964). Such developments marked a move away from the radical individualism of the liberal state. The development of the modern, increasingly powerful state during the latter part of the nineteenth century, however, had induced conflicting responses from businessmen over the extent to which the state should actively secure the basis of successful capital accumulation through increased economic interventionism in the market. At the beginning of the twentieth century, the economy did not seem to be fully operating on the model enshrined in the paradigm of liberalism. Firms were larger, production was concentrated, liability was more limited, and the functions of corporate ownership and management became more distinctive, particularly as demands for protection of home and markets that were stimulated by foreign competition increased. The First World War shaped capitalism in a way that differed considerably from the liberal design. In England, for example, by the end of the war the state combined and controlled the railways, guaranteed profit margins and had assumed a major role for insurance. It was also the largest employer and

produced the major part of national output. In the period between the two World Wars cooperation between the state and the business interests was the dominant guiding principle of social management. After the Second World War there was a clear shift, both in Europe and America, towards the welfare state.

## 6.5 Addressing Social Inequality

Liberal thinkers do not accept that inequality is inherent in society, rather it is treated as socially constructed. Inequality is, therefore, liable to be addressed and removed. Since individuals are born free and equal, ideally the state ought to be run with the consent of those on whom its authority rests. The liberals, along with the conservatives, nurse a strong distaste for socialist egalitarianism. Both favour a system of free economic competition in which individual talent and enterprise are appropriately rewarded. Rewards, according to them, should be equal because people strive with the same degree of skill and effort to provide for their material comforts. They dismiss the socialist ideal that individuals should be rewarded on the basis of need rather than merit as unjust. Neither the conservatives nor the liberals are prepared to sacrifice liberty for the sake of social equality. The liberal position on the question of inequality may be presented in the following words:

The liberal society cannot be an egalitarian society, since freedom includes the freedom to make headway or to fall back, and Liberals cannot agree to resist the energetic in the interest of the leisurely. On the contrary we should try to ensure equality of opportunity, accepting the implication that some who seize opportunities will go further and further than those who do not (Watson 1957: 192).

However, modern liberals share the necessity of maintaining some redistributive justice with the socialists. They concede that gross inequalities could impair the freedom of the people who are condemned to life of hardship and poverty. For this reason they endorse a programme of social welfare. They acknowledge that the welfare of the people is actually a form of liberty in as much as it liberates men from social conditions which narrow their choices and thwart their self-development. Thus, according to them, some attempt by the government to create a more equal society may safeguard rather than undermine individual freedom. While addressing the question of inequality, the liberals seem to be in a dilemma since they want both individual freedom and some element of state control to ensure distributive justice, which in turn is taken as a precondition to liberty.

## 6.6 The Welfare State

The role of the state in a liberal economy assumed a new dimension after the wide circulation of the influential writings of the English economist John Maynard Keynes (1883-1946). Keynes critiqued the liberal idea on the ground that an unregulated economy would tend to move towards full employment and thus would ensure social equilibrium or stability. Shifting from the *laissez-faire* argument of "zero role for state", Keynes (1936) argued that equilibrium could be established before reaching that point, i.e., a society can achieve full employment by stimulating aggregate demand with active state intervention. In case full employment results in inflation, the state should act to reduce aggregate demand. Government intervention, in both cases, should be in terms of controlling tax (fiscal) policy, government expenditure, and monetary policy (changes in interest rates and the supply of credit). The great depression of the 1930s ravaged the capitalist world and in a desperate attempt to come out of depression it searched for new ways of how state powers could be conceived and deployed (Harvey 1989: 128). Keynesian economics assigned an important role to the state of managing demand and securing the conditions

of mass consumption. The “new conception” was put into practice by new welfare states. The establishment of these welfare states depended upon the achievement, that followed years of struggle, for balance of power between the large-scale corporate sector, organised labour and the state. Keynesianism dominated liberal economic thought and economic policies at least for three decades after the Second World War. The economic policies of most western states were guided by an urge to generate employment and to meet the basic needs of education, health, housing, civic amenities and others by adhering to a disciplined tax regime. Development policies stemming from Keynesianism helped in the consolidation of western capitalism both internally and externally. Internally, the economically weaker sections of society were integrated to the liberal social, economic and political arrangement while externally, the western capitalist world succeeded in consolidating its position vis-a-vis the socialist block. In the second half of the twentieth century, thus, the role of the state in meeting the welfare needs of the common people in advanced industrial societies was increased as a well-worked out policy of social stability.

#### Reflection and Action 6.1

In your opinion, to what extent should the state intervene in the social and economic affairs of an individual?

## 6.7 Emergence of Neo-Liberalism

In the post-War period, even as the western states were realising the importance of welfare as an element in public policy, there was recognition of the need for slackening the role of the state in order to facilitate free movement of technology and capital. The most prominent neo-liberals are libertarians, enthusiastic advocates of the rights of the individual that are sometimes against those of the coercive state. The chief protagonists are Milton Friedman, Friedrich Hayek, and Robert Nozick. Friedrich A Hayek, for example, is known for his anti-Keynesian monetarism. A strong advocate of *laissez-faire* economics, Hayek (1944) argues that centralised economic planning threatens liberty and therefore creates conditions for serfdom. He later explains that collectivism is a threat to individual freedom (see Hayek 1982).

The ideals of classical liberalism, based on the idea of *laissez-faire*, reappeared in the 1980s in the form of liberalisation or globalisation of production, distribution and consumption arrangements. Over the past couple of decades there has been some retrenchment in state welfare in a range of western societies, particularly after Reaganism in the USA and Thatcherism in the UK in the 1980s, with increasing privatisation of welfare services and support for private provision dependent on the ability to pay, rather than upon need.

Towards the end of the twentieth century, much as in the nineteenth century, one of the major battle lines of politics has been between the apostles of economic liberalism and those who favour intervention to “protect society”. Lately the proponents of protectionism have become more influential again. This is the substance of the so-called “third way” which came to be much talked about at the end of the 1990s. It stands in the position that was once occupied by socialists and it has brought together newly elected left-of-centre leaders in Europe — Tony Blair in Britain, Lionel Jospin in France, Gerhard Schroeder in Germany, and Clinton in the United States. The “third way” could be interpreted as a balancing act to take care of the backwash effects of a great leap forward of capitalism. Industrialisation is a precondition of development, which is understood in terms of economic progress, end of traditional values, rise of rationality, removal of mass poverty, spread of liberty and citizenship.

The social scientists are worried about the negative impacts of the neo-liberal phase of development. Castells (1996) argues that in the new era of capitalist growth the focus would shift from industrialisation to the network of information and knowledge. The 1998-99 World Bank report mentions that the “differences in some important measures of knowledge creation are far greater between rich and poor countries than the difference in income.” Certainly, the decline of the manufacturing sector and the rise of service and knowledge-based sectors in industrialized countries will pose new questions for development analysts and policy makers in future.

Extending the critique of neo-liberal development, Kitching (1989) comments that “development is an awful process”; for Cowen and Shenton (1996) development means “ameliorating the disordered faults of progress”. Much of development efforts go into ameliorating the problems of poverty, environmental degradation and social disorder. “Development” is often equated with programmes for the relief and welfare of poor communities or displaced populations.

The international agencies monitoring globalisation (the World Bank, in particular) are now increasingly laying stress on the integration of poor communities into the global system. Social scientists are engaged in suggesting means to achieve global integration. Chambers (1989), for example, suggests a participative approach to facilitate the involvement of people in the developmental plans made for them and to empower them in the process. Chambers has been largely responsible for promoting what is now a large global network or movement concerned with “Participative Rural Appraisal” (PRA) or “Participative Learning and Action” (PLA), including idealistic precepts such as “handing over the stick” to poor communities to allow them to design and run their own development projects. In the Indian context, we see that processes like economic liberalisation, democratic decentralisation and participatory development are being experimented at the same time.

## 6.8 Criticism of the Liberal Perspective

C B MacPherson, (1966) has criticised liberalism on the ground that it promotes “possessive individualism”, meaning individuals with little social or collective concerns. The socialist critique of the liberal perspective is based on the interpretation of inequality and social justice. It has been argued that the economic order, characterised by inequality would promote further inequality and social injustice in an atmosphere of free market competition. The criticism of classical liberalism also came from within the liberal circle; Keynes, for example, came out with a critique of the classical liberalism of Ricardo, Mill and Bentham, and proposed state-welfarism for the protection of the working class’s interests. Sociologists have critiqued the idea of the individual autonomous self as absurd; they have also rejected the possibility of neutral rule which would guarantee the promotion of equal opportunities for all, a precondition of individual liberty. Historically, there has never been a free-market economy, absolutely free of the control of the state. Even now when in the 1980s and 1990s neo-liberalism has made a strong comeback, pushing the idea of state-welfarism to the back seat, there have been renewed talks on the protection of the rights of victims of neo-liberal economics.

The liberal approach has devised an elaborate arrangement of labour control which entails “some mix of repression, habituation, co-option and co-operation, all of which have to be organised not only within the workplace but throughout society at large” (Harvey 1989: 123), and is supported by the formation of dominant ideologies. The liberal approach that consolidated capitalism worldwide has passed through “regimes of accumulation”, to borrow Boyer’s (1990) phrase. According to Boyer, the “regimes of accumulation” designates “the set of regularities that ensure the general and relatively coherent progress

of capital accumulation, that is, which allow for the resolution or postponement of the distortions and disequilibria to which the process continually gives rise" (Boyer 1990: 35). A "regime of accumulation", Lipietz writes, "describes the stabilisation over a long period of the allocation of the net product between the transformation of the conditions of both the conditions of reproduction of wage-earners. A regime of accumulation thus implies the co-ordination of the activities of all sorts of social agents, or in other words institutionalisation, in the form of 'norms, habits, laws, regulating networks and so on that ensure unity of the process ... [and] ... This body of interiorised rules and social processes is [what is] called the mode of regulation" (Lipietz, cf Harvey 1989: 122). The liberal approach has thus been accompanied by an elaborate arrangement for legitimizing and reproduction of the economy, embedded in a legal and social arrangement that facilitated reproduction of the self-regulated economy or the liberal economy.

The triumph of the free market economy was possible not by cutting the state down to size but with an elaborate social, cultural and political arrangement under the patronage of state and an elaborate arrangement of management of the labour force. Hollingsworth and Boyer (1997: 2) have aptly referred to this mechanism as "social system of production".

Antonio Gramsci's idea of hegemony and Foucault's idea of bio-power can be used to construct a critique of liberalism.

#### Box 6.2: Hegemony

Hegemony means leadership, authority or dominance established by one state or social group over others. It involves exercise of power or force by the dominating state or social group to establish itself or its ideology which is met with resistance and repression by those on whom these are being established.

In the past two centuries liberalism turned out to be the hegemonic ideology of western capitalism. Without sacrificing corporate interest the western states have gone for more and more democratisation and political participation of the downtrodden and marginalised in order to integrate them into the capitalist social order. Gramsci and Althusser would suggest that the western state worked in the social and cultural fields for the ideological integration of the class forces.

In a critique of the functioning of the modern liberal state, Michel Foucault (see Dean 2001) has argued that to govern would now mean to cultivate, facilitate and work through the diverse processes that were to be found in this domain exterior to the institutions of government. One key domain in which these processes are constituted is "bio-politics". Bio-politics refers to politics concerning the administration of life, particularly as it appears at the level of populations. Bio-politics must then also concern the social, cultural, environmental, economic and geographic conditions, under which humans live, procreate, become ill, maintain health or become healthy, and die.

Foucault has charted out the history of the transition of the mechanism of governance from governance through absolute power to govern through economic management and by granting more and more autonomy to people. Bio-politics then first meets quite distinct forms of political rationality and knowledge concerned with the role of commerce in civil society. In Foucault's assessment, the classical English political economy in the first quarter of the nineteenth century aimed at optimisation of the life of the population. Thomas Malthus, for example, discovered the relation between the processes that impel the growth of population and those natural ones that provide subsistence for the increasing quantity of human life; the linkages between scarcity and necessity. The bio-economic reality discovered and enshrined in the work of



English political economists of the early eighteenth century helped generate new norms of government in order to optimise the life of the population. The new norms entailed government through the economic realities, commercial society and the market; they also entailed a concern to govern efficiently, to limit waste and restrict cost, a concern with what Benjamin Franklin called “frugal government”.

According to Foucault, liberalism may be understood as a critique of excessive government. It should be approached, however, not only as a critique of earlier forms of government such as police and reason of state, but of existing and potential forms of bio-political government. Liberalism thus criticises other possible forms that the government of the processes of life might take.

According to Foucault, liberalism retains a concern with security and advances a novel conception of the objective of government as “setting in place mechanisms of security whose function is to assure the security of those natural phenomena, economic processes, and the intrinsic processes of population”. Foucault suggests that liberty has been used as a condition of the economic and biological security of the citizens by the liberal state. While liberalism would adopt a legal and parliamentary framework, this is less due to an affinity with juridical thought than because of law’s generality and exclusion of the particular and exceptional, and because through the parliamentary system, liberalism permits the participation of the governed in liberal government. Indeed, Foucault seems to suggest that liberalism has more affinity with the norm than with the law. This is because, first, it constantly seeks a norm of good government in the changing balance between governing too much and governing too little and second, it employs mechanisms that strive to stabilise and normalise subjects in such a way that they exercise freedom in a responsible and disciplined manner.

Liberalism thus participates in and fosters the “society of normalisation”. In its emphasis on the formation of the responsible exercise of freedom as necessary to the security of autonomous processes of economy, society and population, liberalism multiplies and ramifies what Foucault calls “dividing practices”, that is practices in which “the subject is either divided inside himself or divided from others”. Moreover, the history of liberalism shows how a range of liberal techniques can be applied to those individuals and populations who are deemed capable of improvement and of attaining self-government (from women and children to certain classes of criminals and paupers).

Foucault’s account of liberal governmental formations suggests a complex articulation of the issues of bio-politics and sovereignty. It is an articulation of elements of the shepherd-folk game concerned in its modern form to optimise the identities of the life of the population and normalise the identities of individuals within it, and of the city-citizen game in which the individual appears as an active and responsible citizen within a self-governing political community and within commercial society. In this balancing act that modern liberalism has thrived by mastering the mechanisms of disciplining and subjugation of the citizens, although the main objective of ideology was to promote liberty. Nevertheless, while liberalism may try to make safe the bio-political imperative of the optimisation of life by deploying the notion of rights and framework of law it has inherited from forms of sovereign rule, it has shown itself permanently incapable of arresting the emergence of forms of knowledge that make the optimisation of the life of others.

#### Reflection and Action 6.2

What are the major limitations of the liberal perspective of development?

## 6.9 Conclusion

Liberalism, as a perspective of development, has to be understood in a broader framework, in terms of its economic, political and social meanings. The modern day political ideologies and economic and social policies primarily flow from liberal perspective. Historically, liberalism has been put to use for the unhindered growth of capitalist economy and the capitalist social order. A close look at the genealogy of the liberal perspective of development would disentangle how the power relations, the legal system and the social and cultural elements have been put to use for the expansion of the principles of the free market economy worldwide. Although there has been more and more democratisation and empowerment of the common people in all countries with the recognition of the principles of equality, fundamental rights and justice, the liberal state has, in the ultimate analysis, bailed out capitalism from periodic crises and restored it to a strong foundation. The Marxist paradigm of a base-superstructure relationship is thus reinstated. The idea of pure *laissez faire* has never been practicable because capital has always needed some kind of support from the state. The state has historically worked out strategies to facilitate the uninterrupted growth of capital and has successfully accommodated the labour force into the capitalist social order by working in the ideological, social and cultural spheres. In the past couple of decades liberalism has made a strong comeback in the shape of neo-liberalism and it is now out to operate on a wider global scale. The hegemonic neo-liberalism is provoking new ideas and new movements for the protection of the working class and the other victims. The phenomenon of globalisation and its social, cultural and political implications thus have to be examined at global scale.

Although classical liberalism was shaped in the writings of economic theorists, it slowly dispersed into of social, political, etc. streams of thinking as well. The present unit depicts liberalism as it exists in different streams of thinking. It examines the evolution of liberal state as well as the different issues such as inequality, role of state, etc. as addressed by liberalists. Also we made an attempt to examines the neo-liberal ideas and how is it different from liberal views. Finally, a critical appraisal of liberal theories is conducted.

## 6.10 Further Reading

Cowen, M. P. and R. W. Shenton. 1996. *Doctrines of Development*. Routledge: London

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