

Classical Liberalism and the Problem of Technological Change

April 20, 2018

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## Summary

The relationship between classical liberalism and technology is surprisingly fraught. The common understanding is that technological advance is complementary to the principles of classical liberalism - especially in the case of contemporary, information-age technology. This is most clearly on display in Silicon Valley, with its oft-professed libertarian (classical liberalism's kissing cousin) affinities. The analytical predicate for this complementarity is that classical liberalism values liberty-enhancing private ordering, and technological advance both is generally facially liberty-enhancing and facilitates private ordering.

This analysis, however, is incomplete. Classical liberalism recognizes that certain rules are necessary in a well-functioning polity. The classical liberal, for instance, recognizes the centrality of enforceable property rights, and the concomitant ability to seek recourse from a third party (the state) when those rights are compromised. Thus, contemporary technological advances may facilitate private transactions - but such transactions may not support private ordering if they also weaken either the property rights necessary to that ordering or the enforceability of those rights.

This chapter argues that technological advance can at times create (or, perhaps more accurately, highlight) a tension within principles of classical liberalism: It can simultaneously enhance liberty, while also undermining the legal rules and institutions necessary for the efficient and just private ordering of interactions in a liberal society. This is an important tension for classical liberals to understand - and one that needs to be, but too rarely is, acknowledged or struggled with. Related, the chapter also identifies and evaluates important fracture lines between prevalent branches of modern libertarianism: those that tend to embrace technological anarchism as maximally liberty-enhancing, on the one hand, and those that more cautiously protect the legal institutions (*for example*, property rights) upon which individual autonomy and private ordering are based, on the other.

This chapter proceeds in four parts. Part I introduces our understanding of classical liberalism's core principles: an emphasis on individual liberty; the recognition of a limit to the exercise of liberty when it conflicts with the autonomy of others; and support for a minimal set of rules necessary to coordinate individuals' exercise of their liberty in autonomy-respecting ways through a system of private ordering. Part II then offers an initial discussion of the relationship between technology and legal institutions and argues that

technology is important to classical liberalism insofar as it affects the legal institutions upon which private ordering is based. Part III explores how libertarian philosophies have embraced contemporary technology, focusing on “extreme” and “moderate” views - views that correspond roughly to liberty maximalism and autonomy protectionism. This discussion sets the stage for Part IV, which considers the tensions that technological change - especially the rapid change that characterizes much of recent history - creates within the classical liberal philosophy. The central insight is that classical liberalism posits a set of relatively stable legal institutions as the basis for liberty-enhancing private ordering - institutions that are generally developed through public, not private ordering - but that technology, including otherwise liberty-enhancing technology, can disrupt these institutions in ways that threaten both individual autonomy and the private ordering built upon extant institutions.

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