# Difference Between Modern Liberalism and Classical Liberalism

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**Modern Liberalism vs Classical Liberalism**

The opinion about government power is one very remarkable difference between modern liberalism and classical liberalism. When someone is described as being liberal, you visualize him as a progressive, kind, supporter of [equality](http://www.differencebetween.com/difference-between-liberty-and-vs-equality/), and having a modern attitude. Well, this is how regimes or governments of democratic countries are perceived as they are opposed to regimes with [dictators](http://www.differencebetween.com/difference-between-dictatorship-and-vs-autocracy/) and are also different from [communist](http://www.differencebetween.com/difference-between-communism-and-vs-marxism/) governments. However, this is a rather simplistic explanation of the word liberalism, and things become very confusing when we talk about modern liberalism and classical liberalism. It was just liberalism until the arrival of the term **social liberalism** or modern liberalism. The liberalism in the 19th century was referred to as classical liberalism. Let us see what the real differences between classical liberalism and modern liberalism are.

**What is Classical Liberalism?**

Classical liberalism is a combination of civil [liberty](http://www.differencebetween.com/difference-between-freedom-and-vs-liberty/), political freedom, and economic freedom. Most importantly, classical liberalism considered that the government should be gone from people’s lives in order for them to enjoy the freedom and to form their lives without government intervention.

Though it was propounded even earlier in 18th century, classical liberalism was rather redefined in the 19th century in Europe in the wake of the industrial revolution and urbanization. It emphasized or harped upon limited role of the government, rule of law, freedoms of speech and religion, and importantly, free markets.

The personalities that contributed to the body of classical liberalism included economist Adam Smith, Thomas Malthus, and David Ricardo. The proponents of classical liberalism favoured very little role of the government with more and more individual freedom. Theorists made assumptions about human behaviour, which are as follows:

* Actions of individuals were motivated by their pain and pleasure as they were [egoistic](http://www.differencebetween.com/difference-between-egoism-and-vs-altruism/) in nature.
* People are calculating as they make decisions to maximize pleasure and minimize pain.
* People remain inert if there is no chance to increase pleasure or to reduce pain.
* So fear of hunger or chances of a great reward were the only [motivation](http://www.differencebetween.com/difference-between-motivation-and-vs-satisfaction/) for labour.
* Society was described as atomistic meaning it was no more than the sum of individual members.

 **Adam Smith**

**What is Modern Liberalism?**

Modern liberalism is a combination of social justice and [mixed economy](http://www.differencebetween.com/difference-between-market-economy-and-vs-mixed-economy/). Modern liberalism understood that chasing away the government’s power was doing more harm than good. This was understood because those who were in need had no one to support them as no power could intervene in the society as the government could. So, modern liberalism realized that in order to protect people’s rights, the government had to be involved. The government had to provide for the needy while making sure the higher burdens were placed on the wealthy.

As 19th century drew to a close, people were fed up with growing unemployment and lowering economic growth that led to disenchantment with classical liberalism. The deprivation and destitution of the working [classes](http://www.differencebetween.com/difference-between-ethnicity-and-vs-social-class/) and the struggle of organized labour for a more dignified life at par with those for whom they worked for presented conditions that were ripe for a new school of thought later referred to as **social liberalism** or modern liberalism. The [romanticism](http://www.differencebetween.com/difference-between-enlightenment-and-vs-romanticism/) of self-made men who worked hard to rise in stature in the society faded, and such instances became a thing of the past.

Modern or social liberalism favoured intervention by the government into economy. It, not just favoured the working classes, but also led to social activism in all walks of life. Modern liberalism emphasizes on labour laws, minimum safety standards in the industry, and minimum wages.

**John Stuart Mill – Contributor to Modern Liberalism**

**What is the difference between Modern Liberalism and Classical Liberalism?**

Changing circumstances and awakening of the poor and the oppressed led to changes in liberalism too. From the laissez-faire government to a government playing an active role for the welfare of the poor, there were many changes in the thinking of the liberals, which are reflected in the modern liberalism or social liberalism. Gone are the ideals of self-made men, as growing unemployment and destitution of the working classes make people realize that romantic ideas of working hard and making a place for oneself in high society is well-nigh impossible.

**Definition of Modern Liberalism and Classical Liberalism:**

• Classical liberalism is a combination of civil liberty, political freedom, and economic freedom.

• Modern liberalism is a combination of social justice and mixed economy.

**Government Power:**

• Classical liberalism viewed government power as a necessary evil.

• Modern liberalism recommends a far greater role of the government.

**Economic Preferences:**

• Classical liberalism liked taxation with low taxes, low or no tariff, etc.

• Modern liberalism liked high tax systems, many laws on businesses, high minimum wage laws, etc.