

# *On Liberty*: the Greatness and Limitation of Mankind

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## Introduction

*On Liberty* by John Stuart Mill was first published in 1859, and then became greatly influential and well-received world-wide. Introduced to it in the lectures, I took interest in reading this 100-page book, and decided to base my essay on it. The book itself goes on without many examples, but about 150 years after the publication, in many aspects it is still very closely related to things happening today. In no way would I be able to give a comprehensive illustration of what this book is about, but rather, I would like to take the pieces that touched me during my reading out, and to discuss the questions inspired. And I guess this is what reading a classic is usually about: people of different backgrounds read different things out of it, and the richness of the text enables everyone to think more about what they haven't know.

The book is divided into five parts: introduction, on the liberty of thought and discussion, on individuality, as one of the elements of wellbeing, on the limits to the authority of society over the individual and applications. The theme of the book is about the right of living a life of liberty for an individual, and how this right can be exercised confronted with the need of the society as a whole. People should have the right to choose the way of life they want to lead, to express their thoughts and feelings, and to escape from the tyranny of any kind, given that the exercise of the right does not impede the exercise of the same rights of others. Everyone, no matter he or she is on the side of the majority or of the minority, should be guaranteed the same right. The problem here is generally philosophical, but since economics is often referred to as a subject of secular wisdom, we would be able to discuss many of the questions mentioned by fitting them into the framework of economics. Thus, here we would be talking about what is and what should be the shape of utility function of an individual, how the utility maximization problem of one affects that of another, and how the society aggregates the welfare of individuals to get the best for the whole.

## What do people want

Do the needs of people diverge or converge? And at what stages are we? In Econ 1, principles of economics, we talk about normal goods and inferior goods,

substitutes and complements. Once I was taking an environmental economics course back in China. The professor led us through a discussion about the emerging demand of privately-owned vehicles in some cities, and there was one comment she made that I remembered clearly: "Americans use automobile for everyday life, so rich people in China would think that why cannot us? Even if the public transportation in China is more convenient, people still demand more of the private vehicles." Put this into Econ 1 language, it is just that public transportation and private vehicles are substitutes, and public transportation is inferior good while private vehicle is normal good.

However, one needs to notice that the classification of these goods is a result of the shape of the utility function, but the classification itself says nothing about how this preference is formed. In usual problems we take the utility function as given and do the maximization problem directly, but there are times when we go back to think about the origins of the preferences. As human beings, we are social animals with interactions with all people around us, and interactions through other medium with people not directly nearby. John Mill puts it like this: "If a person possesses any tolerable amount of common sense and experience, his own mode of laying out his existence is the best, not because it is the best in itself, but because it is his own mode. Human beings are not like sheep; and even sheep are not undistinguishably alike." I completely agree with the statement, but the definition of "tolerable amount of common sense and experience" is of one's judgement in the first place.

Take China as an example, there are big cities of tremendous size and with areas as prosperous as any great cities in the world, while there are areas (usually residence of minority ethnic groups) very under-developed, where people live a rather original but hard life. Some people who usually enjoy all the convenience and comfort provided by the city go to the countryside during the vacation and then suddenly become amateur of the lifestyle there. They would say that they hope that those places would be as they are forever with the peace and pastoral spirit. But I doubt seriously whether this is the wish of the people who actually live there. In many of those places, people have no income source but tourism, education is not as widely available as in other places, and they do not really have a choice of life.

How is this example related to my argument above? The first point I want to make is that that people are mainly alike. Man wants a life with food, clothes, good environment and opportunities of making choices. More advancedly, one needs safety, respect and self-realizations. It is only when all those basic needs are met are we good to say that we allow for and respect people's own mode. In this sense, we would say that people's desire converges. A countryman comes to the city and gets to know what life has to offer and then he would naturally want the same for himself. Then comes the second point: how do we figure out what we want? Besides the essential needs coming from our nature, we learn from each other, and we also learn from the time we live in. The emperor of the past would not put flush toilet into his utility function, since it did not exist in his times. There is progress over time and there is variation across people in the same era. The last point which I think is also the point of Mill is that only when people are provided with food enough to eat, would they be able to choose

whether they want steak or salad. From this perspective, I feel that choices or "liberty" is in some sense a luxurious good.

## What "should" people want

After the positive question we just discussed, then comes the normative question about the "correctness" of want. Do people really know and who would judge what is the "correct" desire?

In Angus Deaton's new book about the great escape in human history, the essential question addressed is health, since no one has the chance of enjoying life if there is no life at all. For a sick person, the enjoyment is not completely gone but definitely severely compromised. In his book, he also emphasizes that "what people want" may not coincide with "what people should want". Smoking is detrimental to one's lung and the whole respiratory system, but people still smoke because of the pleasure it brings, or just because of addiction. Nowadays, Marijuana is the new topic of debate, with some people saying that it serves as a substitute for cigarette without causing addiction. But even if we ignore the negative externality because of increased burden on the health care system and the cost of "second-hand smoking", should we let people smoke just because they want to?

Back to the question about formation of utility, people usually think that they know what they want, but actually it has been implicitly affected by many factors. Besides the influence of the other people, there are many sources of information provided by entities of interest. Those entities could have good intention or not. One important source of influence is from education. Education shapes most people's landscape of knowledge and also the way of thinking. We are taught to appreciate something instead of others, and we are taught to follow the common rules of human society. From the perspective of providing "equal start" to everyone, education is an important measure of reducing inequality. Besides this, as a common tradition, political preaching is also a part of education. Another source that could not be overlooked is the power of medium. Mill talks about the liberty of the press in his book, in defense of people's freedom of speech. I agree with the point, while on the other hand, the press, as a collective opinion broadcaster, might suffer from the accuse of "tyranny of the majority" as pointed out by Mill. In real life, behind the press stands the groups of money and power, and businessman and politician have their own motives. One example is the advertisement on junk food. People in the U.S. suffer from obesity a lot, but junk food is still everywhere. On the one hand, the cheap food is able to provide people with enough calories at an affordable price, which is a good thing, while on the other hand, imbalanced diet would result in many health issues. People are taught to like junk food, to appreciate fast food, and this is beneficial to the companies running those food stores without taking into account the negative externality they cause to the society, or the adverse health outcomes to the consumers.

Although in principle we can say that we should guarantee people's right

of making choices as long as the need does not impede the right of others, but in reality it is a very hard problem to determine what is proper and what is not. Also, the standard usually varies according to the specific situation at a specific time. "Properness" is a subtle thing. Patriotic education is necessary at the time of war, but nationalism at other times might not be very proper, or at least need to be treated with caution.

## Limitations of information and cognition

Do you know enough to make decision? Human beings have limitations on what they know, so nobody can claim that he or she knows everything. Knowing something is always a relative comparison, instead of an absolute level. In science, especially, where endeavors are built one on another, we can have a concrete example. At the ages of Newton, people thought that they knew about what is the physical law of motion and universal gravity. But a few years later, Albert Einstein was able to go beyond the Newton world and develop general theory of relativity to show more possibilities.

Time has come to the age where the industrial world is developed and natural science also make great progress in areas like genetics. Still, on many important aspects of life, we barely know anything: how to cure cancer for example. For economics, the problem is even more complicated since cost-benefit analysis is based on both the scientific facts and proper rules of the society, and we are not sure about either. People say that the more you know, the more you do not know, and I think that is the true situation today.

One case to study is some recent events happening in China. In the past few months, many parades and protests broke out regarding the growing and importing genetically modified food and building PX plants in Chinese cities. The views are divided, even among my friends on the Chinese Twitter. The first thing to point out that no consensus has been reached on the safety of genetically modified food. People on one side argue that genetically modified crops have been grown worldwide, and are often more productive and are in no sense inferior to the so-called organically grown ones. If China refuses to grow the crops itself, it has to import from other countries or spend more growing the organic food, which is not reasonable. On the other side, people insist that it is dangerous to experiment on real people using the indefinite genetically modified food, since some adverse effects would take time to reveal and it would be too late to stop it then. For the PX plants, the reasoning is clearer: some says that the plants are not toxic and Paraxylene is a very important chemical industry product that is used in almost every aspect of our life, and refusing to build the plants would result in both an increase in product price and loss in jobs locally. Others insist that they do not want polluting plants in their backyard.

There are several questions to address here. The first question is: are genetically modified food and PX plants really dangerous? Then, if they truly are, to what extent? After knowing the costs of these projects, we also need to know the foregone benefits: could we really afford overruling them? In economics, we

always talk about trade-offs. Resources are scarce: natural resources on earth, people's lives, and working hours. We could not get all good things together. And before making the tradeoff, we at least need to know the real cost and benefit. This sounds like a minor condition, but actually it is a real problem to all human beings. Because of this uncertainty, labor economists need to calculate the returns to education, macroeconomists need to figure out the cost of inflation. As individual, we may not know those numbers because of the limitations of our cognitive ability and scope of knowledge; the same applies to the human kind as a whole. Things are not self-proved, and that is why we have economists, lawyers and consultants. And we are far from knowing even the least of what should be known to make wise decisions. In addition, uncertainty is always present and understanding and correctly knowing probabilities is an even harder task.

## Who should participate and benefit

Are we ever discussing general equilibrium effect?

In macro, we always equalize the social planner's problems with competitive equilibrium in the absence of all kinds of distortions. We assume that we know the entity on whom we base our discussion. We have a social planner trying to solve a social welfare maximizing problem and make the best decision for us all.

In *On Liberty*, Mill says that "A time, however, came, in the progress of human affairs, when men ceased to think it a necessity of nature that their governors should be an independent power, opposed in interest to themselves. It appeared to them much better that the various magistrates of the State should be their tenants or delegates, revocable at their pleasure." Whether this statement is true or not, I am not quite sure. In my own view, the relationship between the government and the people is like agent and principal. The principal would like to do things himself in order to maximize his own utility, but could not do that due to several reasons. Thus he delegates the task to the agent and use different methods of incentives to achieve the best, since the agent could have his own objectives and interests.

If the voting rule is majority voting, then the government chosen is the representative of the majority. This is the real-life social planner we have, but whether this social planner would make the best decision or not is still a question. The first problem is the voting process. In reality, even if democratic countries like U.S., election could be manipulated, or put in another way, "majority" in real life may not be the group of people who outnumber other groups, but outweigh other groups in terms of income or political power. The president candidate needs to run for office, which is not free. The people behind him are likely to benefit the most when the campaign is successful. Even if we have a truly justice election process and the representative of the majority is elected out, we may still suffer from the problem of "tyranny of the majority ". In order to maximize the social welfare, the social planner need to put different weights on different groups of people. Even if he puts the same weight on all

individuals, the form of utility function is also of the majority, thus the welfare of the minority might not be correctly represented. And to allow for choice of people of different preference is the main point of Mill in this book.

But before all these happen, we need to think about the question I raised at the beginning of this section: are we truly talking about general equilibrium results? Put aside the equivalence of social planner's problem and competitive equilibrium, we still need to make sure that we include all markets and all people. U.S. has always been a place built and operated by immigrants, and many of its great achievements are exactly because of this. Myself, as a graduate student here, also benefit tremendously from the openness of the country. But the future of this country depends on who would be the participants in the country. In the new act of California, the enrolment score threshold is higher for Asian students than others. This act intends to protect the welfare of the minority group of disadvantaged group, but the real consequence of the act goes beyond that. High-skill migration to the U.S. might be discouraged, and also there is a question about fairness to the Asian students. Are they truly the advantaged group? Should people be awarded for hard work or not?

If we go beyond this, then for each country to make its decision, they are maximizing the welfare of the people in the own country, or the welfare of the people in the own country whom they care about. For China, does it take the welfare of the African countries into account when it is making its own decision? I think no. Almost by definition, we are doing partial equilibrium analysis, always. And this is a complication in addition to the dynamic decision problem and the incomplete information problem.

## On human nature

Self-control is hard for an individual and also for a group of individuals.

Still on the "tyranny of majority" by Mill: "The 'people' who exercise the power are not always the same people with those over whom it is exercised; and the 'self-government' spoken of is not the government of each by himself, but of each by all the rest. The will of the people, moreover, practically means the will of the most numerous or the most active part of the people; the majority, or those who succeed in making themselves accepted as the majority; the people, consequently may desire to oppress a part of their number; and precautions are as much needed against this as against any other abuse of power." "Minorities, seeing that they had no chance of becoming majorities, were under the necessity of pleading to those whom they could not convert, for permission to differ."

Further, I would like to investigate the problem in a specific context. Are people always good-intentioned? If not, the "tyranny" could be real tyranny when no proper constraints are put on.

During the Cultural Revolution in China in the last century, horrible things blown out, and seemed to blow out of nowhere. But is this true? Are all those

maniac things only because of political fanaticism? The answer is no. Chairman Mao started the Cultural Revolution (and the political power was definitely the culprit), but the fanatic things were done by all the ordinary people. People suddenly felt that they could disregard the previous social orders, and ignorance and sloth became virtues instead of shame overnight. People with higher positions were thrown over regardless of their previous achievements or personality: being on the high position itself was a sin. From peasants in the countryside to students and professors in college, nobody could escape from the chaos. The tyranny started from the political power of Chinese Communist Party, but then it grew to a tyranny of many things. People outside that historical period find it hard to understand the madness, and people from that historical period are not willing or not able to speak about it. Tyranny of political power is hard enough to deal with, and tyranny from our own hearts is more dreadful.

But who should be punished after all these happen and all damages done? There is a paragraph by Mill that I agree a lot with: "A person may cause evil to others not only his actions but by his inaction, and in either case he is justly accountable to them for the injury. The latter one, it is true, requires a much more cautious exercise of compulsion than the former. To make any one answerable for doing evil to others is the rule; to make him answerable for not preventing evil is, comparatively speaking, the exception." It is not justice to do the unjust thing, and it is not justice to remain silent when seeing the unjust thing. But why still people do this and people are not punished for this? First reason is the practical reason: there are just so many things happening and so many people. Second is social psychological: it is hard for an individual to fight against evil, especially when the evil is of a larger group. People have the right to steer away from this and protect themselves, and this is part of "liberty" that I deem necessary. Surely we should award and appreciate the ones who stand out and fight, but this should not be a requirement.

Another example I want to give is based on a famous novel and also film: the Reader. It is a short one and the plot is not complicated but I enjoyed reading it a lot. The story is about difficulty of the generation in German after World War II in dealing with the past and the present. A boy name Michael meets and falls in love with a mid-aged woman named Hanna, and they kept the relationship as lovers for a period before Hanna disappears. Then several years later, Michael becomes a student in law school and gets to witness a trial about war criminals, where expectedly encounters his former love Hanna, standing on the opposite side on the court. Hanna serves as a guard during the Holocaust in Auschwitz of occupied Poland, and is accused for not letting out the group of Jewish women during a fire, resulting their deaths. During the trial, Michael discovers Hanna's secret of being illiterate, and in struggle, he does nothing to help Hanna out by revealing this fact. Hanna is convicted and sentenced to life in prison. After that, Michael sends tapes to Hanna reading books, and Hanna manages to learn how to read and write by herself through those tapes. Hanna wrote to Michael about this, but due to complicated feelings of Michael, he does not respond. After 18 years, Hanna is about to be released, but after meeting with Michael, she commits suicide the day before the release.

The book is viewed as a metaphor for many reasons. The first reason for

me is that it says how people are involved with each other in life. Hanna and Michael are persons from different generations, and maybe from different worlds as well (Michael's father is a philosopher while Hanna is illiterate), but their lives intersect. This was the reality in that period of Germany, but it is true in every period of time and every place in the world. People in a generation are drawn into craziness or wrongdoings, and generations that follow need to confront the fact and live with it even if they do not directly enter into it. The second point for me is that this confrontation is difficult, for any individual. Hanna cannot face the fact that she is illiterate, and she is ashamed of it so much that she would rather go into the prison for more years. Michael falls in love with Hanna, but he feels awkward about it and does not want to let his fellow classmates know. And then in the court, he does not take measures to save Hanna because he does not want to make public his past relationship with Hanna. After Hanna is put into prison, he tries to come to terms with his feelings for Hanna, and sends her the books, but he is still not brave enough to affront all the missing years and love, which is the key factor that causes Hanna's suicide. What he does is atonement, but not an exhaustive one. In the process, he has to first understand his feelings and origins of his feelings, face up to it, and then figure out how to deal with it. The third point, which I think is the most important point is that in certain circumstances, it is extremely hard to tell what is the correct thing to do. Hanna is accused of not letting the Jewish women out during the fire, and angry people on the court why she does that. Hanna poses the question to the crowd and the judge, that what is the correct thing to do then. She has been guarding those women for a period of time, and that is job or duty no matter it is a justice thing to do or not (it is actually not because she is aware that those women will be killed). Now the fire comes and she needs to make the choice of letting them go or not. If yes, then why would she be guarding them in the first place? If no, she is directly letting them to be killed by fire. The judge could not answer the question, neither could the jury. The last point is cruel but is real: people wear out in the course of making judgement, because it is a greatly energy-consuming thing to do. At the beginning of the trial, the jury is enthusiastic and is extremely angry about the evil deeds. Then as the time goes by, everyone becomes exhausted and numb and only wishes the whole things to end. And this is the right reaction for human being: we cannot constantly live in pains, physically or mentally, and somehow we need to relieve ourself: growing numb is one way.

After all these long descriptions and discussions, I just want to say that human nature is complicated. In different eras in different corners of the world, we face tragedies old and new, and people seek ways to live. Based on all the complication human nature, it is a real challenge to define and implement liberty.

## What should we do before genius come

In *On Liberty*, Mill talks about the right of the ordinary people and also talks about the role that elites play in the society. I like the following quote very much:

"Persons of genius, it is true, are, and are always likely to be, a small mi-



nority; but in order to have them, it is necessary to preserve the soil in which they grow.”

By coincidence or not, my favorite Chinese writer, Luxun, has a paragraph which is very similar. He gave a speech in 1924 in a university in China on literary criticism, and I would like to translate part of his words here to illustrate my shared opinions and feelings.

”I see that there has been a great exhortation in the literary about the born of geniuses. This in turn proves two things here: first, there is no genius in contemporary China right now, and the second is the disdain of the existing arts. Are there truly geniuses ever? Maybe, but neither other people nor me have seen it. Based on the claim, not only that we do not have geniuses, but also the masses which the geniuses grow from.

”Geniuses are not monsters living and growing in wilderness by themselves, but the kind of people that merge from the ordinary crowd. Without the crowd, no genius would ever come out. Once Napoleon once visited the Mountain Alps, and said:’I’m taller than the Alps!’ This is for sure a majestic claim, but do not forget that behind him stood the soldiers. If there were no soldiers, and Napoleon was captured by enemies from the other side of the mountain, then what he did and what he said were no longer heroic but maniac. Thus, I would say that before the geniuses come, maybe we should first cultivate the masses suitable for the emergence of geniuses. That is like we need fertile lands for large trees or pretty flowers: in this sense, good soil is even more important than trees or flowers. Flowers and trees need rich soil, just as Napoleon needed soldiers.”

In my view this is exactly the spirit of *On Liberty*. In addition to expect and worship the extraordinary, it is even of greater significance to respect and support the ordinary. The strong find ways to protect their liberty themselves, and it is the weak that need more of support and help to defend their liberty. And one of the most important measure is through education:

”Every extension of education promotes it, because education brings people under common influences, and gives them access to the general stock of facts and sentiments.”

”Society has had absolute power over them during all the early portion of their existence: it has had the whole period of childhood and nonage in which to try whether it could make them capable of rational conduct in life.”

And I think that is why labor economists spend so much time and effort on figuring out the return to education and social mobility. Of course, as pointed out in the previous discussion, how education is carried out and what are supposed to be truly essential things that we think that everyone in the society should be equipped with is a question of debate. And this is a common questions in all similar discussions: it is hard enough to find reasonable arguments and ideas, and it would be even harder to connect to the reality and implement it, since there are just so many frictions abstracted away in the theoretical ar-

gument.

## Epilogue

People have limitations and the world is complicated. We must admit and respect the fact. We expect no perfect man. Leo Tolstoy said: “All happy families are alike; each unhappy family is unhappy in its own way.” Similarly, perfect people can only be “the” perfect one, but imperfect people could be imperfect in many senses. It is actually the imperfection that enables a diverse and interesting world for us. The struggle of mankind, due to the limitations, the awareness of the limitations and the desire to transcend the limitation, is what is lovable about a person, is the engine of development of the society, and is the eternal theme of philosophical and social science discussions.

I am not sure if this is a proper essay for the course of History of Economic Thoughts or not, but I feel that I learnt a lot from the book *On Liberty*. I would like to end the essay with a quote from Goethe:

“All theory is grey, but, ah my friend, the glad golden tree of life is green.”