

## **Individualism Versus Selfishness-ism**

Adam Smith and F. A. Hayek had it right.



### **Sandy Ikeda**

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The citizens of a free society keep political power to a minimum and jealously protect individual rights. As a result a free society undermines legal privilege by removing the threat of aggression against upstarts of all kinds and preserves their autonomy. It offers the only lasting path to social progress and personal improvement for all people including those who, perhaps owing to accident of birth, may be the least well-off in society. The desire to understand how individual actions can promote the general welfare led Adam Smith to develop a theory of the free society based on the complementary forces of sympathy and self-interest.

### **Adam Smith on Selfishness and Sympathy**

In his 1759 book, *The Theory of Moral Sentiments*, Smith wrote:

How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it. Of this kind is pity or compassion, the emotion which we feel for the misery of others, when we either see it, or are made to conceive it in a very lively manner.

For Smith, our ability to imagine ourselves in the place of others—sympathy—is the key to understanding why we morally approve and wish to reward or morally disapprove and wish to punish others, as well as ourselves, for particular actions.

And hence it is, that to feel much for others and little for ourselves, that to restrain our selfish, and to indulge our benevolent affections, constitutes the perfection of human nature; and can alone produce among mankind that harmony of sentiments and passions in which consists their whole grace and propriety. As to love our neighbour as we love ourselves is the great law of Christianity, so it is the great precept of nature to love ourselves only as we love our neighbour, or what comes to the same thing, as our neighbour is capable of loving us.

So in a sense, while self-interest is like an accelerator for social progress in a free society, sympathy is the brake that helps us drive even faster.

### **True Individualism Is Not Narrow Selfishness**

Trying to preserve our individual rights to life, liberty, and property—the essentials of individualism—need not imply selfishness in the narrow sense. We can use the fruits of our freedom to help others as well as ourselves—and we do. (And evidently it makes us happier.)

But the equating of individualism with narrow selfishness persists in no small part because libertarians themselves sometimes profess an overly narrow form of individualism—one that has a “rugged, me-first attitude” at its core. (I’ve written and spoken about this before.) While I don’t think there’s anything inherently wrong with that view or the lifestyle it implies as far as it goes, the problem is that it doesn’t really get very far. Social, economic, and cultural development depends on the evolution of complex social networks among vast numbers of people, and they have a hard time forming under an atomistic kind of individualism.

F.A. Hayek writes in his important essay “Individualism: True and False” (pdf): “. . . the belief that individualism approves and encourages human selfishness is one of the main reasons why so many people dislike it. . . .”

Thus, in an article published in the *New York Times* just before Independence Day, called “The Downside of Liberty,” Kurt Anderson laments:

What has happened politically, economically, culturally and socially since the sea change of the late '60s isn't contradictory or incongruous. It's all of a piece. For hippies and bohemians as for businesspeople and investors, extreme individualism has been triumphant. Selfishness won.

The author raises points that may be worth pursuing another time. But what is relevant here is the equation, again, of individualism with narrow selfishness. He's wrong, of course. But I can understand why he and others might think that way, given what people on "our side" sometimes say. A cramped individualism lends itself to the notion that libertarians, insofar as we prize individualism, must indeed be antisocial.

(Now I also think that nothing is more effective in displacing Smithian sympathy with narrow selfishness than threats against our freedoms, or when, in the words of the Declaration of Independence, "a long Train of Abuses and Usurpations . . . evinces a Design to reduce [the people] under absolute Despotism. . . ." So trying to use political power to make us less selfish—though, say, takings and income redistribution—may have the opposite effect.)

### **True Individualism Is Pro-Social**

What does individualism in the tradition of Adam Smith mean? Here is F.A. Hayek again in the same essay:

What, then, are the essential characteristics of true individualism? The first thing that should be said is that it is primarily a *theory* of society, an attempt to understand the forces which determine the social life of man, and only in the second instance a set of political maxims derived from this view of society.

In other words, individualism is a way of seeing and understanding how we live together. Individualism is about how best to promote *social cooperation*. That is,

. . . there is no other way toward an understanding of social phenomena but through our understanding of individual actions directed toward other people and guided by their expected behavior.

What then is the correct meaning of selfishness in the context of individualism?

If we put it concisely by saying that people are and ought to be guided in their actions by *their* interests and desires, this will at once be misunderstood or distorted into the false contention that they are or ought to be exclusively guided by their personal needs or selfish interests, while what we mean is that they ought to be allowed to strive for whatever *they* think desirable.

(All emphases are in the original.)

True individualism, then, is the opposite of paternalism in that it *respects* each and every person's ability to make and evaluate her own decisions. That includes decisions on whether and under what circumstances to ask for or to give help, and what kind of help to ask for or to give, as well as whether that help was effective or not.

As a result in the history of mankind there has been no greater engine than liberty and individualism (rightly understood) for lifting the material lives of even the very poorest, as [this popular video](#) by Hans Rosling, professor of international health, brilliantly illustrates.

Now, there is a kind of broad selfishness which is indeed an essential part of individualism that, as Hayek says, is often misunderstood. He explains:

The true basis of his [the individualist's] argument is that nobody can know *who* knows best and that the only way by which we can find out is through a social process in which everybody is allowed to try and see what he can do.

That social process is competition in markets free from political privilege and legal barriers. Competition of this kind is a discovery procedure in which people look for ways, via sympathy, to mutually benefit one another. It doesn't lead to utopian perfection, but to consistent improvement in the general welfare and in individual self-actualization.

Individualism is a tried-and-true way of promoting social cooperation, not a call to shun it.