

# MISUNDERSTOOD LIBERAL THINKING: CRITIQUE OF THE TEXT REFLECTIONS ON LIBERALISM BY HENRY RAMOS ALLUP

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## Abstract

The objective of this paper is to conduct a critical analysis of Henry Ramos Allup's text entitled "Reflections on Liberalism," which explains the essential foundations of this school of thought and raises a series of questions about its fundamental principles and premises. From a social democratic perspective, Allup attempts to differentiate himself from classical liberalism and Soviet Marxism, thereby advocating a third way expressed in social democracy, which is ultimately another form of socialism. His thinking reflects the prevailing ideas of a large part of the intellectual and political classes in Venezuela and Latin America, who have always been opposed to liberalism. The analytical-synthetic method, hermeneutics, and heuristics were used to interpret the text. It is concluded that although the book is a systematic work on the fundamental principles of liberalism, the author falls into a series of clichés and criticisms that show some misrepresentations of liberal principles based on an interpretation from a social democratic socialist standpoint.

**Keywords:** Ramos Allup, Liberalism, social democracy, socialism, collectivism.

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## Introduction

The objective of this work is to carry out a critical analysis of Henry Ramos Allup's text entitled "Reflections on Liberalism," an extensive work that begins by studying the historical origins of liberal thought and continues through to more contemporary discussions and debates. Ramos Allup is the Secretary General of the Acción Democrática political party in Venezuela, which belongs to the Socialist International.

He is a social democratic leader, which means that his analysis and assessment of liberalism are not positive. He makes various criticisms throughout the text that are worth discussing. Liberal thought has enjoyed little receptivity among Venezuelan and Latin American intellectuals, especially in recent decades.

Instead, collectivist currents and socialism in its different forms have enjoyed greater renown among academics from various disciplines, including historians, economists, political scientists, and other social scientists. There is a great deal of misunderstanding about the real foundations of liberalism, although Ramos Allup's text acknowledges the study of an extensive bibliography aimed at discussing its essential points.

The author is a follower of the so-called third way, which criticizes both Marxist socialism, or real socialism, and liberalism because neither addresses the needs of societies. In the global and Western context, schools or thinkers defending classical liberalism are becoming increasingly scarce, and new generations of intellectuals continue to search for alternatives to liberal capitalism or "neoliberalism."

To carry out this work, the analytical-synthetic method was used, together with hermeneutics and heuristics for the interpretation of the text. In times of economic crisis, liberalism loses strength in the face of the supposed inability of the market to spontaneously solve problems. Societies increasingly demand statism from their authorities, which gives rise to anti-system groups gaining more ground.

The West needs to reevaluate the legacy of liberal thought. The guarantee of individual rights and political and economic freedom are principles that must be defended. Despite all its imperfections, liberalism has brought prosperity. It is not a utopia or an ideology without basis

in reality; it is the best antidote to collectivist groups that seek to undermine freedoms in the name of an ambiguous idea of “social justice.”

### **Liberalism in Ramos Allup’s text**

Like any work that seeks to explain what liberalism is, it starts with its definition so as not to give rise to ambiguities. After tracing the historical origins of the concept and explaining how it first emerged in practice before receiving its official name in the 19th century, Ramos Allup states:

...there is no single liberalism, but rather liberalisms. As we have noted, we are specifically concerned with examining “broad” liberalism, the core, not its ramifications, the philosophical, economic, and political school of thought based on the individualist theory of natural rights, which encompasses freedom and property in particular; which adopts equality as its premise, understood as equality before the law and equality of opportunity (never that of fortunes or the enjoyment of ), which entails—and defends—material inequalities; which proclaims free economic competition and free competition between individuals, even between unequal participants, regardless of considerations about the status of the competitors; which presupposes that competition thus conceived is the engine of development and progress; which affirms the existence of the market as an irreplaceable instrument for the transmission of spontaneous information, the allocation of resources, and the distribution of wealth; which affirms the thesis of the constitutional state materialized in an uncontrolled and extracontrolled “minimal state,” with limited, divided, and decentralized powers that do not interfere with the activity of individuals; which maintains the need for a legal order constituted by clear, constant, a priori rules difficult to modify, guaranteeing individualism and property based on economic and political freedoms at their service; that affirms the need for freedom to exist above or even to the detriment of democracy and even at the expense of the egalitarian principle and the majority decision-making rule on which democracy is based (Ramos, 2019: 509-510).

This broad explanation is a fairly complete definition, and the extensive bibliography used by Ramos Allup allows him to partially understand the fundamental principles of liberalism. Based on a core set of common ideas, it is possible to arrive at a precise idea without losing sight of the fundamental principles of liberalism. John Grey states in this regard:

Despite the rich diversity that liberalism offers to historical research, it would be a mistake to assume that the many varieties of liberalism cannot be understood as variants of a small set of precise themes. Liberalism constitutes a single tradition, not two or more traditions or a diffuse syndrome of ideas (Gray, 1986: 9).

To avoid confusion, it is always good to clarify the liberal ideal and understand its origin and tradition. With regard to the relationship between liberalism and democracy, liberals do not oppose a democratic system, but they do assert that there are certain inviolable rights for both rulers and society in general. Such approaches led to the emergence of liberal democracy, based on the separation of powers, individual rights, and limits on state power.

The cardinal points of liberalism are reflected in this definition: freedom, property, equality before the law, limited government, and competition. However, the equality of opportunity mentioned by Allup is not guaranteed by equality before the law.

Opportunities are not only something given in society; they are also created by the individual actions of people. As the author points out, free competition is proposed even at the cost of different conditions and material inequalities. This point is criticized by all those who oppose liberal thinking, as free competition is supposedly not possible in the context of, for example, large capital companies with businesses that are just in their initial phase.

This justifies protectionism to level the playing field and ensure fair competition. This is a common approach among social democrats and Marxists: the concentration of wealth is always condemned and is the result of an imperfect and unequal system, not really of the greater effort or innovation of some people over others.

Criticism of the Austrian School of Economics is evident in Allup's text; they are really the main current defenders of classical liberalism. They are the ones who have most sought to question the foundations of socialism as an oppressive system and to defend individual freedom in the face of the threat of growing state interventionism.

In this regard, Allup criticizes Hayek's positions on state intervention in individual freedom:

It should be clarified that, for Hayek and liberals who share his line of thinking, coercion constitutes any form of external pressure on the individual, particularly that exerted by the state, on which he emphasizes his criticism, but he does not consider with the same seriousness the various forms of pressure exerted by some individuals against others because of differences resulting from pre-existing economic, social, aptitude, and even hierarchical advantages/disadvantages, as these are generally considered an inevitable and even desirable result of biological inequalities (Ramos, 2019: 571).

Certainly, Hayek considered state interventionism a threat to freedom, arguing that the welfare state in Europe would inexorably lead to socialism (Hayek, 2008). Political and economic freedoms were associated, they were inseparable. Allup argues that individuals, especially those belonging to the upper classes or business owners, also engage in forms of oppression against other less fortunate citizens.

Even if Allup's point is true, pressure mechanisms or privileges are only possible if the state allows them. Specifically, it is not clear what forms of pressure the author is referring to, but any apparatus of intimidation or direct threats to security constitute crimes punishable by the justice system.

Liberals criticize this because all these forms of coercion are possible precisely because the state allows them. The state is the main governing body that can act in defense of equality before the law. Always within the principles of individual freedom, limits are set based on the defense of the rights of third parties.

Liberalism does not deny that individuals or companies can violate the law or violate the rights of third parties, but it delegates to the state the function of preventing this from happening. In modern societies, it is the state that holds the legitimate monopoly on force, is responsible for creating and enforcing laws, and has greater power to transgress than any other organization or person.

Liberalism places limits not only on the power of the state, but also on the freedom of individuals. Hence Berlin's (2005) idea of two concepts of freedom, one positive and the other negative. Consequently, liberal ideas should not be misinterpreted. The state must exist because it is the main guarantor of individual rights, as opposed to the enormous number of social and collective rights that exist today, influenced by socialist and social democratic thinking.

## **Liberal criticism of socialism and social democratic defense**

One of the main points of liberal thought is the criticism of socialism as a threat to freedom. The socialist proposal of the 19th century was a reaction to liberalism, to the exploitation that it considered to have existed during the industrial revolution. This inspired Marx to write his works over the years.

The Austrian School of Economics is currently the most critical of the socialist model. Von Mises, for example, in his text on socialism, demonstrates its unviability given the impossibility of performing economic calculations within state-planned economies (Von Mises, 1968).



Thus, in Ramos Allup's text, he proposes to dismantle these questions that liberalism raises about socialism, considering them exaggerated or distorted in some cases:

that the opportunism of liberals in their efforts to discredit socialism or exaggerate its defects asserts that whenever socialism is mentioned, the reference is to Marxist-Leninist, communist, classist, totalitarian, statist socialism, which proscribes private property, freedom, democracy, and suffrage; that, even worse, it attempts to create a mishmash mixing Marxist-Communists, National Socialists, Social Christians, Social Democrats, and any current of opinion that contains the words "social" or "socialism" or that merely disagrees with liberalism, and that such a mixture is generically conceptualized as "socialism" is another matter. We would like to clarify that, even though our research does not aim to specify the notable and long-standing differences between various currents that have been generically, and most often improperly, labeled as socialist, it is an exaggeration to claim that, for example, National Socialism and Marxist socialism are nothing more than expressions of the same common ideology called "socialism." (Ramos, 2019: 552).

Ramos Allup acknowledges the deviations or evils of real socialism, but argues that there are other, more positive versions. It is a reality that socialist thought, like any other ideological current, has multiple nuances and tendencies. To deny this would certainly be the result of not delving deeply enough into theory or historical processes.

Nevertheless, as with liberalism, and as the author himself acknowledges at the outset, it is necessary to establish a core of common ideas, in their basic principles, precisely so as not to get lost in that amalgam of diverse interpretations that sometimes simply seek to obscure rather than clarify arguments.

To avoid the gibberish that is so typical of those who sometimes seek to manipulate, it is certainly important to define the basic principles of socialism, just as with liberalism or any other school of thought. To do this, we turn to Von Mises, although of course for a Marxist or social democrat, this author is not a reference. But just as they rely on thinkers critical of liberalism to define it, it is equally valid to use the ideas of an author dedicated to studying socialist ideology.

In his text "Planning for Freedom," Von Mises defines two different forms of socialism, thereby accepting that there are nuances. He first explains Soviet socialism, where the means of production are directly in the hands of the state, and then another socialist model where private property is recognized, but the state directs it through planning and multiple regulations (Von Mises, 1986). The latter case applies to Nazism.

The Nazis were National Socialists, and their 25-point program mentioned the condemnation of usury and speculation, land redistribution, nationalization of pensions, and a whole set of measures marked by strong statism (Kaiser and Álvarez, 2016). This is not to mention the expropriation of businesses owned by Jews in open violation of private property rights.

Without being directly Marxist, it is clearly a program of economic change based on the redistribution of wealth and state control. The main difference with conventional socialism or Marxism is that the latter was sold as a redemptive ideology for the social majority, especially for the proletariat, who were victims of exploitation.

Nazism, on the other hand, introduced the racial issue. It was a project designed to benefit the Aryan class, because it was the upper class called upon to lead the destiny of the world. Although Nazism initially had significant support among the German people, an ideology of this nature could not gain the same support that Marxism-socialism did.

This is a fundamental difference that helps its propaganda and political dissemination: Marxism sells an ideology designed for the common good, for the most vulnerable, while Nazism is a program aimed at eliminating the weakest strata of society in favor of a superior race. This discrepancy allows Marxism to survive its failure, while Nazism was outlawed as an ideology for undermining freedom and healthy social coexistence.

In countries where socialism was most brutal, such as Ukraine, where the Chernobyl tragedy occurred, socialist propaganda has also been banned. Although their rhetoric differs, both ideologies are based on direct or indirect state control of the economy, and therefore limit entrepreneurial freedom and other individual rights.

They are therefore nuances of the same model. For decades, there has been debate about whether Nazism was right-wing or left-wing, capitalist or socialist. These discussions have been more ideological than scientific, as no one wants to defend Nazism. Although Ramos Allup does not claim that Nazism applied a capitalist economic system, he does consider it an outrage to describe it as socialist.

Allup's position is very similar to that taken by socialists after the fall of the Soviet Union. Some opted to claim that it was not true socialism, while others proposed building a new, more democratic socialism.

The 21st-century socialism proposed by Dietich (2008) took up this idea of overcoming Soviet authoritarianism and correcting its mistakes in order to make socialism work. Social democrats believe that they are the perfect middle ground, the so-called third way between two models that are not only imperfect but also exploitative. Consequently, Ramos Allup

defines social democracy as an autonomous, non-Marxist, democratic, multi-class, and reformist ideology (Ramos, 2019: 553).

This is an interesting approach that has given rise to many debates among liberals, social democrats, and socialists. During the Soviet era, there was a long debate between reform and revolution. For the most radical Marxists, social democracy is not socialism as such, but only reformism within the capitalist system itself, without structural changes.

On the contrary, for liberals, social democracy is only a variant of socialism. The concepts of social justice were vilified by liberals because they considered that the so-called distribution or redistribution of wealth was another form of collectivization (Hayek, 2007).

Ramos Allup represents the classic position of social democrats, recognizing that while they are socialists, they are not Marxists. They do not seek to end private property or eliminate social classes, but they do aim to achieve greater social and economic equality. To achieve this, they require strong state intervention to impose laws and measures.

Without being as radical, in a certain sense they use rhetoric similar to that of socialists. Despite considering themselves polyclassists, they speak of the abuse of big capital against small and medium-sized entrepreneurs and maintain the idea of inequality as a problem. In a way, they uphold the discourse of capitalist exploitation, but they allow certain freedoms and, to a certain extent, protect private property, although it is subordinate to the social interest.

They are democrats and therefore seek to achieve change through the rule of law. They are the driving force behind the so-called welfare state and collective rights, which are in contrast to the individual rights advocated by liberals. In this way, the right to work, housing, food, education, and health care are considered to be provided or guaranteed at least by governments.

This implies greatly limiting individual freedoms, and in certain circumstances they are also inclined to apply price or exchange control policies when required to deal with certain economic situations. Social democracy has been the dominant approach in the Western world in recent decades.

At this point, Ramos Allup once again outlines the idea of social democracy as the middle ground between liberalism and Marxist socialism:

But we must also refute the false dilemma, the fatal and inevitable choice between liberalism and Marxist socialism that both have presented as a mandatory menu, excluding any other possibility, especially that represented by social democracy, which is distant and distinct from both extremes. It must be recognized that both ideologies assumed their role with aggressive fanaticism, with unyielding

intransigence, believing in their own dogmas and spreading them, persevering even in their errors and mistakes because they considered that correcting them was equivalent to making concessions to the adversary that they could not afford and, finally, fully playing the role they set out to play (Ramos, 2019: 554).

Putting socialism and liberalism on the same scale is, at the very least, an exaggeration. While it is true that no system is perfect, and all are subject to errors and mistakes, the consequences of real socialism in the nations where it was applied brought disastrous results.

That is a historical fact. Liberalism never brought about such consequences, and over time it was much more flexible in accepting reforms and changes. This is where every author must certainly take a stand, between a system that defends political and economic freedoms and another capable of sacrificing them for the sake of equality. Common sense should indicate which is the best option.

In the end, the perfect middle ground does not exist either; the center can be an extreme when taking a hesitant position. The truth is that Allup considers or places the mistakes of socialism on the same level as those of liberalism, and considers social democracy the best option for societies. Logically, he makes an apology for the welfare states in Europe as opposed to liberalism:

In truth, the welfare state of social democracy distributes without discrimination, while liberalism programs discriminate before allocating. The welfare state implies the obligation to guarantee the rights of the disadvantaged, while liberalism implies the duty that the individual must fulfill before enjoying the rights to which they are entitled. For social democracy, rights come first, and for liberalism, duties come first, and these are major differences. Requiring marginalized people to fulfill supposed duties that they cannot fulfill as a condition for allowing them access to rights is simply to exclude them from opportunities and benefits with unacceptable formalities and assumptions (Ramos, 2019: 707).

Allup makes no mention of the debt problems or large budgetary expenditures involved in sustaining welfare states. Maintaining the so-called balances involves certain problems. The aim of his text is not to criticize social democracy but rather to defend it, as well as to question the moral foundations of liberalism.

Justice and morality come into play: social democracy helps the disadvantaged before demanding that they fulfill their duties, while liberalism conditions the fulfillment of duties before granting rights. But this is a false dilemma; both aspects are inseparable in law.

A society will not progress if its citizens demand rights all the time but do not fulfill their duties. For example, if people demand better communication channels, security, or services but do not pay their taxes, with what resources can the state fulfill its functions? It ends up being a matter of common sense and logic.

However, Allup argues that the “marginalized” cannot be asked to fulfill their duties because they are unable to do so. He does not clarify this point. Are they people with disabilities? What prevents them from working to meet their needs? There may be contexts of certain economic crises, and the possibility of social assistance under exceptional circumstances is not denied.

However, there is a risk of people becoming accustomed to receiving aid, which happens in Latin America when these social policies are used for clientelistic purposes and not really for the purpose of helping citizens. No model to be applied is free of problems, but liberalism is what best reconciles the relationship between duties and rights, something that populists and socialists do not like.

Allup had already accepted that social democracy was different from Marxist socialism, so he clearly feels more inclined to defend the socialist system than liberalism, and he concludes his argument with the following statement:

And a final consideration in this regard: taking into account that when we refer to the issue of liberalism and socialism, we are not faced with the dilemma of which came first, the chicken or the egg, since historically liberalism appeared first as an economic and political philosophy and formal socialism only in the mid-19th century, something must have happened then with the liberal panacea, some discontent must have been generated, causing many problems and leaving many others unresolved, for socialism to appear as its antithesis, progressing with a speed that has so far been unmatched by any other current of philosophical thought and, amid its ups and downs and variations, remaining an alternative to this day (Ramos, 2019: 584).

Socialism was certainly a reaction to liberalism, and the application of liberal theories brought unprecedented progress throughout human history, although there was an increase in expectations on the part of society in general. Everyone wanted to share in the economic benefits produced by the industrial revolution.

It is unclear to say what the many problems caused by liberalism are, whether it is poverty or inequality, as these were conditions that existed throughout history. Rather, over time, liberal capitalism has been an excellent remedy for poverty (Hazlitt, 1974).

As for the many problems caused by liberalism in its early days, Hayek's work on historians and capitalism debunks many of those myths about exploitation during the industrial revolution (Hayek et al., 2020). There is one point that is certain, as Hegel himself said, every thesis is always countered by an antithesis, which is inevitable in the history of ideas.

Therefore, the existence of opposing theses does not necessarily imply that the liberal model has had poor results. Marx himself recognized the progress brought about by capitalism; socialism and communism were to be only a stage of greater advancement for humanity. But although the socialist model attempted to be the answer to the "problems not solved by liberalism," it did not succeed in any of its purposes, even though it remains in force today. In the end, the author once again equates socialism and liberalism:

"Like communists, liberals justify all means necessary to reach the paradise they promise, no matter what the cost or who is affected; they believe, with Machiavelli, that "when the deed is done, the result excuses it." Very, very often, liberals are more accused (never excused) for their results than for their deeds themselves. Like communists" (Ramos, 2019: 665).

Liberals do not promise paradise; man is an end in himself that must never be sacrificed. It is respect for citizens' rights that guarantees their prosperity, as history has proven, even though the results will always vary for each individual. Giving equal weight to the mistakes of communism and those made by liberals is a fallacy.

## **Criticism of competition**

Free competition is one of the most important tenets of liberalism, allowing for maximum efficiency and quality in the products offered on the market. However, it is one of the points most criticized by socialists and social democrats. Therefore, Allup explains that "liberals pay little or no attention to acts of coercion by some individuals against others or simply place them in the realm of competition" (Ramos, 2019: 585).

Nothing could be further from the truth. Liberalism as a theory opposes all forms of coercion that threaten individual freedom. Non-interference in other people's life plans is a basic principle of liberal philosophy; it is the state that must prevent imposition or violence between individuals. However, this criticism focuses mainly on the area of so-called free competition.

This point had already been explained earlier by Allup himself; it is one of the most recurrent criticisms of liberalism, but confusing mechanisms of coercion with principles of

economic competition is absurd. It is a failure to understand how the economy works. At least the diatribes about consumer autonomy when choosing certain consumer goods were very recurrent in the 20th century.

It is competition between various suppliers that allows consumers to choose from a diverse range of products and services. Persuasion through advertising is not coercion; it does not imply a lack of freedom in decision-making.

Allup attempts to question the principles of free competition put forward by liberals through the following assertions:

Let us suppose that there is not the slightest hint of unfair competition among producers, that they all produce excellent goods to sell at fair prices with reasonable profit margins that allow them to cover costs, prevent new investments, and obtain deserved profits to secure a comfortable, safe, peaceful, and happy life. Let us continue to assume that these producers have not agreed among themselves to impose quality and prices on consumers and that they have not engaged in any practice to artificially create scarcity and thereby raise prices. Finally, let us assume that they have spontaneously realized that, in the long run, what is best for their individual well-being as producers is the general well-being of consumers, translated into an increase in their number and purchasing power, and not a gradual reduction in the number of consumers or a decrease in their purchasing power. Would this complex mechanism work spontaneously, or automatically if there were no precise rules to guarantee product quality and prevent monopolistic practices, cartels, or any other artificial mechanism to influence the market in any way? Would it be possible to guarantee the existence of consumers if they did not have purchasing power because the complex mechanism of wealth formation and capital accumulation functioned brutally, savagely, and disruptively, leaving them on the margins of that process, without corresponding laws that would allow for redistribution (whether through taxation or public investment) and with it a feedback loop for the economic process? (Ramos, 2019: 590-591).

The author falls into many inaccuracies. What is unfair competition? The principle of perfect competition proposed by some economists is unrealistic, that is, information itself is always asymmetrical and there is no level playing field for competition between companies. If it is a question of privileges, if a government is needed to guarantee equality before the law, that is a function within a liberal state.

There is something that Allup does not understand: the market works not because entrepreneurs are excellent people willing to obey the law; for that, there must be a government. Now, we also do not know what he means by fair price. That is a medieval category. If he is

referring to the sale of products with reasonable profit margins, as he points out, this occurs in so-called economies of scale, where nations with higher productivity and capital reduce the retail price.

Selling with low profit margins is not a matter of justice, but of understanding how the market works. The same is true in the case of monopolies: an economy open to competition where anyone can participate will make the existence of monopolistic relationships unviable. In any case, antitrust laws are not needed, but rather the effective existence of an open market.

In fact, there is talk of anti-cartel or antitrust laws established by governments, but it is not pointed out that monopolies arise precisely from special privileges granted by the authorities. The state itself sometimes reserves the exploitation of certain resources for itself in a monopolistic manner. In that case, there is no moral condemnation of the public authorities either, because in theory they do so to secure resources in order to guarantee a minimum level of well-being for their citizens.

Competition therefore helps to offer the best quality products; it is not a question of the fairness or kindness of entrepreneurs. Ultimately, a good is sold because it satisfies the needs of consumers. This is not a utopia, but rather a reflection of how the market works.

By spontaneous order, Hayek refers to the fact that the market cannot be regulated or controlled by anyone; it is part of the social dynamic itself, and laws that attempt to do so create distortions. The government is necessary to ensure compliance with the law, not to set prices or intervene in competition.

The other point that entrepreneurs agree to cause shortages and raise prices has its counterpart. Because while the price rises, they also sell fewer goods. OPEC, for example, an organization made up of oil-exporting countries, commonly attempts to do this under the idea of selling at a fair price.

In such cases, moral condemnation is not as pronounced when it is governments that agree to fix prices, but it is when business leaders do so. Such policies also have their limits; in the case of oil, prices depend more on demand from developed nations than on quotas set by OPEC.

The other problem with lowering oil barrel production is that non-OPEC countries generally take advantage of this to increase their own production. There have been many such cases, which is why an open market cannot be controlled even by large companies, because not all of them are the same or willing to apply the same policies.

Ramos Allup's arguments are based on moral premises when judging the behavior of certain businesspeople, without taking into account the functioning of the market itself. The



same is true of consumers, who are supposedly harmed by the perverse process of savage capitalist accumulation and , which leaves them on the sidelines of the benefits of development, hence the call for public investment.

Under these concepts, there is no real difference between a social democrat's questioning of capitalism and that of Marxist socialists. With all these supposed flaws in the functioning of the market, all kinds of regulations by the state are justified to counterbalance its imperfections and guarantee the well-being of the social majority.

The state must therefore intervene to prevent abuses, but who can prevent the arbitrariness of the state? Once it has been given a whole series of functions, it is not easy to channel or limit its power of intervention when it is not convenient.

The discussion focuses on abuse by employers, which is why Allup again mentions the imperfections of the market in order to solve problems concerning the labor sphere: "We continue to assume the existence of an imaginary society with a perfect market where there is a perfect balance between the number of jobs available and the number of workers willing to fill them" (Ramos, 2019: 591).

There is no such thing as a perfect market, and we have also pointed out the shortcomings of the idea of perfect competition. Employment levels are in line with those of productivity and investment in a country. An open economy will have more and better-paid jobs than a society with heavy regulation.

One of Keynes's proposals was the need to achieve full employment, even at the cost of creating unproductive work, which is not really the liberal thesis. The market allows people to choose between different types of better-paid or more in-demand jobs, and it also gives those who are willing to take risks the opportunity to become entrepreneurs.

Utopia does not lie in believing that the market is perfect in itself. After all, liberalism recognizes that if a company fails to meet the needs of consumers, it will end up going bankrupt. In this respect, it is much more realistic than the utopian socialist approach of a society where everyone will be equal and happy.

To conclude his argument, Allup concludes that there is a need for balance between the market and the state in the workplace and in all aspects of society: "...in short, it shows that in this, as in all social fields, balances are not spontaneous and harmonies do not occur naturally but, on the contrary, consensually or conventionally" (Ramos, 2019: 592).

The idea of consensus is key to liberal thinking. Rand herself explained that in capitalism, all relationships are free, based on consent and not coercion (Rand, 2012). It is possible for

workers and employers to agree on remuneration for work and its duration without the need for state intervention.

It is interventionism that constitutes coercion in economic and social relations. Ramos Allup again raises his disagreements with liberalism for assuming the idea of social harmony:

It would be illusory to think that a supposed spontaneous and total harmony among the millions of people who inhabit the planet and the balanced and perfect functioning of the complex system of competing interests at play would ideally be achieved through the unlimited exercise of the freedoms of each individual or group, in which each person would be aware of the exact extent of the exercise of their rights and freedoms while preserving those of others (Ramos, 2019: 594).

This unlimited exercise of freedoms would rather refer to an anarchic vision of society. Liberalism does not believe in anarchy; the spontaneous order of the market should not be confused with such propositions. Free-market capitalism opens up opportunities for people to prosper, but not all social actors will be able to progress at the same time.

This can create social tensions, which is why laws exist to guarantee a certain degree of social peace. Ignorance of these laws does not imply a lack of compliance. There will always be people who try to transgress the established order, which is why the state exists.

Hobbes (1980) made this clear when he pointed out that the state arises to prevent war between all individuals. The existence of courts, police, and judges is because we are aware that societies do not function under utopian notions where all individuals are willing to respect the rights of others. These are unfounded and distorted theses about liberal ideas.

Adam Smith (2002) rightly argued that there should be strong government oversight of laws precisely to correct transgressions by individuals. The idea of a world without conflict does not exist, at least liberals argued that the division of labor would help social cooperation. This is contrary to the Marxist thesis, where, according to them, hierarchy leads to the appropriation of wealth by a social group.

The division or specialization of labor tends toward exploitation. Marxism has gained ground in the realm of ideas by expounding its thesis and criticizing liberal thought. The issues of freedom and progress are other controversial points explained by Allup in his text.

## Progress according to liberal thought

Von Mises argues that private ownership of the means of production was the lever of human progress. Property and freedom are two associated concepts. On this point, Ramos Allup expresses controversial ideas, explaining that freedom does not necessarily lead to greater prosperity:

We do not believe we are exaggerating when we say that, according to the liberal concept that freedom equals progress, the most advanced peoples of the contemporary era, far ahead of the others, should be, for example, the Bushmen, the Bantu and Berber peoples of Africa, the Eskimos of the Arctic, the gypsies of Central Europe, the Mongol tribes of Asia, the Polynesians who populate the Pacific islands, the indigenous gatherers, hunters, and fishermen who inhabit the tropical rainforests of the Amazon, the endogamous tribes of New Zealand and Australia, and some who still do not know the wheel, nor the most basic utensils or the most rudimentary tools, and limit themselves to satisfying their primary needs and instincts and imitating the habits of the animals that surround them. As all of them have always lived in absolute freedom, without a state or laws, safe from tyranny and coercion, and thanks to their nomadic lifestyle and purely gathering habits, many of them are freed from both the sedentary lifestyle that ties them to a specific place and the calamity of work (which has always allowed them to enjoy the leisure time essential for letting their imaginations run wild, something that liberals of all times have praised so much), they should be highly creative, if the rule dictated by liberal philosophy were true (Ramos, 2019: 597).

It would seem, then, that freedom is not necessary for prosperity, which would justify certain forms of authoritarianism in the name of progress. But Allup develops his argument on the basis of other reasoning, giving the example of tribal societies. Here again, he is mistaken in his criticism of the liberal approach.

Allup explains a very misunderstood idea of freedom. While it is true that there are no written laws or a state in the modern sense of the word, this does not mean that there are no social norms governing order within these communities. They are therefore not safe from oppression or coercion.

In tribal communities, individuals have less autonomy to undertake an autonomous life project. Hayek explains this well:

As a member of that small tribe to which he had to belong in order to survive, man was anything but free. Freedom is a construct of civilization, which has freed man

from the obstacles of the small group and its momentary moods, to which even the chief had to obey (Hayek, 2006: 535).

These are the possibilities and advantages that the West enjoys today. In these tribal societies, decisions or forms of collectivism tend to predominate. For this reason, Marx considered that they practiced primitive communism. The absence of a state or law does not make them freer; that is a mistaken belief.

In this way, there can be no clearly established property rights, which is one of the fundamental components of progress and freedom according to liberal thinking. Free expression of creativity and leisure cannot flourish in such contexts. Here, Allup again debates the vision of liberalism:

It is not true that man's greatest achievements and advances throughout history have coincided with moments of greater freedom. Every great creation, invention, or revolution occurs precisely against, above, or beyond what already exists, as a reaction or uprising by human beings to achieve the freedom they lacked. It was not freedom that produced the great creators and great creations but, on the contrary, the needs imposed by the hostile environment in which man had to struggle to survive, that is, man's reaction against the tyranny of nature, to which was added the domination of some men over others and the establishment of coercive systems through war, occupation, dispossession, destruction, and various forms of subjugation that forced human beings into certain applications in work and production, from which individual and collective initiatives flowed and multiplied without a prior environment of freedom. (Ramos, 2019: 597-598).

If we take the example of the industrial revolution, it was the era when private business was given the most freedom, at least throughout the 18th and 19th centuries, and it was a context of unprecedented advances in the history of humanity, as has been pointed out (Hayek et al., 2020). Consequently, a free market economy helps progress.

This is evident when we consider the technological backwardness of the socialist bloc, in contrast to the scientific advances of the West in the 20th century. The differences were significant, precisely in environments where individual initiative is most respected. This is not freedom in an anarchic sense, but rather the establishment of clear property rights within a state with security guarantees, which provided incentives for progress. That is the liberal thesis; therefore, they have never praised the system prevailing in tribal societies.

## Conclusion

Ramos Allup's text is a dense exposition on the fundamentals of liberalism, as well as a critique of it based on different arguments. From a social democratic perspective, state intervention and planning are endorsed to guarantee a certain level of welfare for society, and therefore the free market system is attacked.

Allup discusses the most representative liberal authors, with questions very similar to those asked by Marxist-socialists, although he distances himself from them. He assumes that the real socialism practiced in the Soviet Union is not the only one that exists, and therefore, it is an exaggeration on the part of liberalism to explain that all forms of socialism are oppressive.

Social democracy becomes the third way necessary to avoid the injustices of both the liberal capitalist model and Marxist socialism. The equation of the two systems does not do justice to historical truth. Liberalism never sold itself as a redemptive utopia, and its promise of prosperity was fulfilled, but the difference in results is the natural outcome of any market process and does not make it an unjust system.

Socialism, on the other hand, produced more than 100 million deaths as a result of famine and political repression, all in the name of the pursuit of social equality. Ramos Allup questions liberalism for creating inequality, for not helping the disadvantaged, for the poor distribution of wealth, and for exploitation by some businesspeople if they are not adequately monitored or supervised by the state. In this way, he misunderstands how the economy and liberal ideas work, and his criticisms are very similar to those made by traditional Marxists.

He thus argues for the need for state interventionism to guarantee order, but the market or free competition does not imply anarchy, nor equal results for all. Liberalism does not believe in a supposed harmony between all social actors, which is why it explains the need for equality before the law and opposes any mechanism of coercion exercised by both the state and other individuals.

Ramos Allup also misrepresents the idea that freedom has not necessarily been accompanied by progress. He confuses anarchy or the absence of centralized authority present in tribal societies with the principles of a free society with property rights guaranteed by the state, which is the basic premise of progress as explained by liberals.

In short, in his text, Ramos Allup makes various criticisms of liberalism based on commonplaces, with a poor understanding of some concepts and explanations about the functioning of markets, competition, and the progress of nations. It is certainly not a perfect model, but its moderate application has achieved positive results for societies. However, it is the misrepresentation of its ideas that leads to misinterpretations of liberal thought, which

needs to be reevaluated for its defense of individual freedom in a context where arbitrary state intervention abounds in the West.

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