

Abstract

The primary objective of this paper is to highlight how the distinction between *liberalism* and *liberismo* only exists in Italy but not in other countries. While the term *liberalism* is used in other European languages, the term *liberismo* only exists in Italy. Liberalism comes from the English tradition and it considers the economic freedom as included within the larger freedom theorized by liberalism.

Liberismo is a doctrine that supports the individuals' freedom of economic initiative and argues that the State should not restrict this freedom in any way. It only has to ensure the respect of the economic initiative through public laws and provide for those needs that can not be met privately.

Classical liberalism was born in England. It supports the idea that government should be as small as possible (*minimum State*) in order to ensure individual freedom. Government only has to protect the citizens' life, liberty and property. The individual is considered as an ethical value and must be free even as an economic operator. The wider political freedom includes the economic one and it does not need a particular definition. In the English tradition the term *liberismo* does not exist. It is instead used the French expression *laissez faire* even if it does not completely correspond with *liberismo*. The latter one has a broader meaning.

The distinction between the two terms arises from a debate that took place in Italy between the late Twenties and the late Forties between Benedetto Croce and Luigi Einaudi.

Croce is an idealist philosopher, Hegel-inspired who believes that freedom is the supreme value of human life. He argues that there is not a necessary connection between liberalism and *liberismo*, since the first is ethical and absolute and coincides with morality itself and aims to human elevation. The philosopher thinks that freedom is a supreme principle, a true "religion." It is a moral ideal that grew up with civilization itself, even through times of serious trouble. In particular, throughout history there have been ideologies that constituted the most direct denial of freedom. Croce calls

them "opposite religious faiths." They are: the Catholicism of the Roman Church, absolutism, democratism and communism. Liberalism fought them by using force.

Croce claims that liberalism can accept various ways of ownership and production of wealth.

Liberismo can not be considered a supreme law of social life. In this way, Croce believes that a political liberal order is perfectly compatible with a collectivist order from the economic point of view. The philosopher thinks that the only limit is the freedom of criticism and debate.

We can thus observe that Croce's theory is misleading. He in fact assumes that an individual can not be deprived in any way of his freedom of thought, therefore, does not exclude any type of economic system.

Einaudi shows that the logical corollary of an individual's freedom of thought is necessarily his freedom of expression. A collectivist regime does not guarantee the right of speech because the central authority controls all the levers of the economy and society and it is always ready to abolish any kind of particularism. In such a society individuality tends to disappear, sacrificed in the name of all.

Einaudi, therefore believes that there is a necessary connection between liberalism and *liberismo*. He thinks that a truly liberal regime guarantees the freedom of economic initiative and the individual freedom as an economic operator. Einaudi also talks about "Good Government", a legal system that ensures a debate between individuals, both in political and economic terms, through the respect of free competition and the right of disagreeing with the central Government. The State should only intervene when it comes up to placing restrictions on these freedoms, which must be guaranteed to everyone in equal proportions.

The two scholars thus came to the same conclusion: liberalism is superior to *liberismo* even if they came to this solution supporting different ideas.

Another topic of discussion between the two philosophers was the use of the term *liberismo* often associated with a negative connotation. Hayek, a distinguished member of the Austrian School categorically rejects the distinction between political and economic liberalism that only exists in continental Europe, and it is not valid in the English model.

Hayek's liberalism is based on the methodological individualism which sees institutions as an involuntary result of intentional human actions (as opposed to seeing institutions as the result of a conscious will). It is clear that the use of the term *liberismo* fosters a distinction which was overcome a long time ago by the Austrian School and never even existed in other cultures.

