

Abstract

In this thesis, I critically examine James Buchanan's social contract theory as outlined in "*The Limits of Liberty: Between Anarchy and Leviathan*." I argue that his Hobbesian contractarianism is notable for its consistency and precision, especially in distinguishing between the protective and productive states as separate objects of unanimous agreement. His strict individualism, which also forms the basis of his public choice theory, provides a strong ethical foundation for justifying limited government. A constitutionally limited government is essential to maximizing individual liberty, understood as negative liberty, and preventing the rise of Leviathan, a vast bureaucracy that restricts freedom. However, Buchanan's contractarianism presents several issues. I argue that his central concept of natural distribution is too vague, leading to significant difficulties. Moreover, I demonstrate how his framework reveals the limitations of contractarianism when it is virtually unconstrained by moral considerations. I show that the desired outcomes may not be achieved and critique flaws in both the concepts of agreement and individual sovereignty. Additionally, I highlight the strained relationship between contractarianism and liberalism, arguing that contractarianism is not an effective tool for defending individual liberty. Ultimately, Buchanan's approach appears to be fraught with ambiguities and contradictions regarding his understanding of individual sovereignty.