

## ECONOMIC JUSTICE

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### Summary

The crux of Nozick's theory is that one owns oneself, one's labor, and its fruits. Hence, even if one morally ought to donate money to help the poor, the government would violate one's right of self-ownership by forcing one to help them. Rawls' theory starts from the thought that one's starting point in life is undeserved. Hence the contingent differences arising therefrom are morally irrelevant. Thus Rawls argues that the social arrangement agreed upon by representatives of different social classes when knowledge of such differences is to be suppressed will be a just arrangement. Rawls further argues that the difference principle will be agreed upon, according to which social and economic inequalities cannot be allowed to exist unless they are to be arranged to the benefit of the least advantaged.

Michael Walzer's theory is pluralist, because any good that is social in nature is a suitable subject for distributive justice. His theory is particularist because each social good must be distributed according to its social meaning in a particular time and place. When a good is dominant—if individuals can command a wide range of other goods by having it—the social meanings of these other goods are not observed in their distribution. Dominance, rather than monopoly, is the culprit of injustice. Analytical

Marxists disagree among themselves as to whether capitalist exploitation is unjust. Allen Wood argues that, for Marx, capitalist exploitation is just. Ziyad Husami maintains that, on Marx's view, capitalist exploitation is unjust. Gary Young contends that Marx thinks that although the wage-labor exchange is just in the contract stage, it becomes unjust in the performance of the contract. Richard Miller argues that, for Marx, capitalism is neither just nor unjust, because justice, like phlogiston, does not exist.

## 1. Introduction

The issue of economic justice is perhaps the central question in contemporary social and political philosophy and concerns the distribution of wealth and income, and economic and social benefits in a society in a just way. It is consequently also the issue as to who should bear the burden of providing these benefits. These questions are answered by reference to various theories of justice, fairness, equality, liberty, and desert.

## 2. Robert Nozick

Perhaps the most influential contemporary libertarian philosopher is Robert Nozick, at least in his *Anarchy, State, and Utopia* (1974). In a nutshell, his idea is that there ought to be a minimal government with the sole function of protecting citizens and their property, and that the government should not involve itself in the “redistribution” of income, by taxation or other means. Taxation laws and policies forcing redistribution of income unjustly expropriate from the rich the fruits of their labor. While Nozick holds that individuals morally ought to donate to the poor, they are not under a duty to do so. On the contrary, if the government forces them to help the poor by way of taxation or other means, the government has violated their rights. This is allegedly because an individual owns herself—her body, labor, and its fruits, which means that others may not infringe on her, on her body, labor or the fruits of her labor. Consequently, any redistribution of wealth would violate the right of self-ownership, unless it is done voluntarily, as in the case of donation. Nozick also points out that any attempt to redistribute wealth in order to maintain any specific pattern of distribution would be futile, since as long as people have the liberty to choose what do with their income, different propensities of consumption and saving by different individuals will upset the pattern. Nozick believes that laissez-faire capitalism is the most free and just society, subject to certain constraints. One constraint is that one has the right not to be murdered or harmed. Another constraint is that one has the right to protect one’s property from fraud, theft, and breach of contract.

Nozick’s set of natural rights form part of the basis of his libertarianism. Conspicuously absent are rights to welfare or any kind of help from government. Unfortunately, Nozick has never argued for the existence of these natural rights, or for the absence of welfare rights. Another part of Nozick’s theoretical basis consists of his three principles of justice. The first principle is the principle of justice in acquisition. It tells us what sorts of acquisitions of resources from the unowned, natural, world are justified. Another principle is the principle of justice in transfer, which is concerned with what sort of transfer of property from one person to another is justified. The third principle is the principle of justice in rectification, which deals with rectification of injustice in holdings of property, such as what society should do in order to remedy injustice in holdings caused by fraud, theft, breach of contract, etc. But since Nozick admits that neither he nor anyone else has the correct principle of rectification, he has to set it aside. Even without it, the first two principles will have important implications for what sort of income distribution is just, provided that no one infringes on others’ natural rights.

In contrast to theories that seek “patterned” distribution, Nozick’s view is, in a certain sense, an “historical” one, that is, that no one is entitled to a holding except by

application, or repeated applications, of the principles of transfer and acquisition. The idea is that whatever arises from a just situation by just steps is itself just. If an acquisition from nature is just, followed by just transfer by way of gifts or contracts between consenting adults, the resulting distribution of wealth is still just, even if great inequality of wealth exists. This is a consequence of Nozick's view that justice provides constraints for the economic transactions, but does not promote an ideal distributional pattern.

Generally, Nozick thinks that other theories of justice (mainly Rawls' and utilitarian theories) are too recipient oriented and ignore the rights of givers. He also thinks that while taxation for building national defense is justified, taxing the rich for redistributive purposes is like forcing the rich to work for the poor. And if the government does not tax the person who enjoys the sunset, why should it tax the one who works longer hours to purchase luxurious goods? Moreover, if a citizen is allowed to emigrate to another country that has no compulsory scheme of minimal social provision to aid the neediest, why should the government forbid anyone to stay and opt out of the compulsory scheme of social provision? Perhaps, the Wilt Chamberlain example is the best-known example with which Nozick drives home the point that forced taxation is unjust. Suppose Wilt Chamberlain lives in a socialist society, in which everyone works for eight hours per day and receives the same wages. Chamberlain is willing to play basketball after work in exchange for a small fee from each spectator. A year later, Chamberlain becomes a millionaire, whereas his fans have enjoyed his display of basketball skills. Nozick argues there is no reason to stop him performing, because Chamberlain and his fans are all happy, whereas those who are not particularly interested to see him play have no reason to object. Against this, G.A. Cohen, a socialist, argues that those who cherish an egalitarian socialist society have reasons to object. For if they realize that allowing Chamberlain to play means the destruction of the type of society they cherish, then fans and non-fans would have reasons to object to Chamberlain's performance in exchange for higher income. Thomas Nagel, a liberal, takes a softer line and maintains that Chamberlain should be allowed to play but be subject to taxation.

To defend the principle of transfer, Nozick also argues against the Marxist conception of exploitation. He says that workers are not exploited even if they are paid very low wages. To begin with, capitalists have no duty to create jobs for anyone. If they have created jobs, these are jobs the workers can refuse. On his view, whether or not one is being unjustly forced to work would depend on whether one's right has been violated. If the least eligible bachelor and spinster marry each other, because they cannot find preferable partners, then they are not unjustly forced to marry each other because their rights have not been violated.

But Nozick's view is open to two objections. First, it is much worse for a worker not to find a job in a *laissez-faire* society (where there is no welfare benefit for the unemployed), than for one not to get married. Second, and more important, Nozick begs the question in asserting that one's rights are not violated if one cannot find a job. For it is an open question whether one has a right to a job, and Nozick cannot answer this question by simply assuming his set of natural rights, which do not include the right to a job.

The principle of transfer is not sufficient for justifying laissez-faire capitalism, because one needs not only labor, but also raw materials, to produce commodities. Thus, in addition to the principle of transfer, Nozick needs the principle of acquisition. Modifying Locke's proviso, he argues that one comes to own certain natural resources, if in appropriating them one does not make anyone else worse off. The idea is that if you are not made worse off by what I do, there is nothing you can complain about. Nozick makes the claim that proletarians are not worse off as a result of others having appropriated the land, on the basis that the appropriation makes it possible for cooperation to take place, and for research to be carried out that ultimately benefits everyone in society. Thus, Nozick argues, proletarians have no claim against the landowners or capitalists, because they are better off as a result of others' appropriation of land. But better off than what? Nozick's baseline for comparison, G.A. Cohen observes, is with how one would fare in the state of nature, where there is no government, cooperation, or industry. Cohen argues that Nozick's Lockean proviso is not sufficient to justify original acquisition. Suppose everyone is in a state of nature, living on fruits and moose milk. One day John has a good idea: he appropriates all the land, and employs everyone else as members of his company. Subsequently, everyone is "better off," and consequently no one can complain against John's appropriation. But is this correct, or good enough? What if Tom is a better manager than John? Would this not mean that John should let Tom be the manager-cum-owner? What if it is even better, or more productive, to have a managerial board of directors? Or what if the best result is that the land should be owned by everyone who lives on it? These powerful counter-arguments show that Nozick's proviso is not stringent enough for grounding the principle of acquisition.

While Cohen is perhaps Nozick's most effective critic, he is also perceptive in noting the strength of Nozick's theory. For one thing, there is an important similarity between libertarians and Marxists, different as they are. Both groups adhere to the principle of self-ownership: one owns oneself, one's labor, and its rewards. Marxists claim that because of this principle, and because workers produce value or what has value, workers are exploited by capitalists. Libertarians use this principle to a different end: because one owns oneself and what one produces, no other person can force one to aid others. As Cohen reasons, because the principle of self-ownership seems correct in the Marxist argument, it must also be correct in the libertarian case. On the other hand, liberals are unimpressed by Nozick.

Thomas Nagel, for one, is critical of Nozick's view that justice is historical. He argues that one cannot obtain any reliable conclusion about what the government may do by first asking what individuals, considered several at a time in isolation from society, may do, and then applying the ensuing principles to all possible circumstances, including those that involve huge numbers of people, with complicated institutions and a very long history. Nagel also objects to Nozick's call for voluntary donation only, on the ground that it is sometimes proper—as in the case of taxation—to force people to do something. Finally, Nagel denies that all Nozickian rights are inviolable. He argues that it is far less plausible to maintain that taking away some of an innocent person's property is an impermissible means for preventing a serious evil, than it is to maintain that killing him is impermissible. Thus, by implication, Nagel would agree that

redistribution of income would be justified if it can prevent poverty and starvation in society.

The fact that Nagel and Cohen respond differently to Nozick is interesting. This has to do with their different attitudes toward the thesis of self-ownership. Nozick could reply to Nagel by saying that although it is morally wrong for someone capable of helping the poor to refuse to help, it does not mean that it is *unjust* of her not to help. On the contrary, it is unjust of the government to force her to help. Imagine that a renal patient needs a kidney to survive. If you don't donate a kidney to him, he will die. Suppose you decide against donation. Is the government justified to remove your kidney by force? Most people would say not, I suppose.

Many people would regard Nozick's theory of justice as morally repugnant because of the extremely unequal distribution of resources it permits. However, because of the plausibility of the self-ownership thesis, with which Nozick's theory appears to stand or fall together, Nozick's libertarianism is still very much alive.

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### **Biographical Sketch**

**Hon-Lam Li** obtained his Ph.D. in philosophy from Cornell University after completing a B.A. at Princeton University and an M.A. from Oxford University. He became a practicing barrister-at-law in Hong Kong, and later taught philosophy at The Colorado College, Colorado Springs. Professor Li is now an associate professor of philosophy at The Chinese University of Hong Kong. His research interests include applied ethics, Marx, and political philosophy. Professor Li is also interested in philosophy of law, and ethics. He has published in *Public Affairs Quarterly*, *Journal of Medicine and Philosophy*, and other international journals, and has authored chapters in books published by Oxford University Press, Springer-Verlag, and other publishers.