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Anarchy, State, and Utopia

THE ENTITLEMENT THEORY

The minimal state is the most extensive state that can be justified. Any state more extensive violates people's rights. Yet many persons have put forth reasons purporting to justify a more extensive state. It is impossible within the compass of this book to examine all the reasons that have been put forth. Therefore, I shall focus upon those generally acknowledged to be most weighty and influential, to see precisely wherein they fail. In this chapter we consider the claim that a more extensive state is justified, because necessary (or the best instrument) to achieve distributive justice. . . .

The term "distributive justice" is not a neutral one. Hearing the term "distribution," most people presume that some thing or mechanism uses some principle or criterion to give out a supply of things. Into this process of distributing shares some error may have crept. So it is an open question, at least, whether *re*distribution should take place; whether we should do again what has already been done once, though poorly. However, we are not in the position of children who have been given portions of pie by someone who now makes last minute adjustments to rectify careless cutting. There is no *central* distribution, no person or group entitled to control all the resources, jointly deciding how they are to be doled out. What each person gets, he gets from others who give to him in exchange for something, or as a gift. In a free society, diverse persons control different resources, and new holdings arise out of the voluntary exchanges and actions of persons. There is no more a distributing or distribution of shares than there is a distributing of mates in a society in which persons choose whom they shall marry. The total result is the product of many individual decisions which the different individuals involved are entitled to make. . . . We shall speak of people's holdings; a principle of justice in holdings describes (part of) what justice tells us (requires) about holdings. I shall state first what I take to be the correct view about justice in holdings, and then turn to the discussion of alternate views.

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The subject of justice in holdings consists of three major topics. The first is the *original acquisition of holdings*, the appropriation of unheld things. This includes the issues of how unheld things may come to be held, the process, or processes, by which unheld things may come to be held, the things that may come to be held by these processes, the extent of what comes to be held by a particular process, and so on. We shall refer to the complicated truth about this topic, which we shall not formulate here, as the principle of justice in acquisition. The second topic concerns the *transfer of holdings* from one person to another. By what processes may a person transfer holdings to another? How may a person acquire a holding from another who holds it? Under this topic come general descriptions of voluntary exchange, and gift and (on the other hand) fraud, as well as reference to particular conventional details fixed upon in a given society. The complicated truth about this subject (with placeholders for conventional details) we shall call the principle of justice in transfer. (And we shall suppose it also includes principles governing how a person may divest himself of a holding, passing it into an unheld state.)

If the world were wholly just, the following inductive definition would exhaustively cover the subject of justice in holdings.

1. A person who acquires a holding in accordance with the principle of justice in acquisition is entitled to that holding.
2. A person who acquires a holding in accordance with the principle of justice in transfer, from someone else entitled to the holding, is entitled to the holding.
3. No one is entitled to a holding except by (repeated) applications of 1 and 2.

The complete principle of distributive justice would say simply that a distribution is just if everyone is entitled to the holdings they possess under the distribution.

A distribution is just if it arises from another just distribution by legitimate means. The legitimate means of moving from one distribution to another are specified by the principle of justice in transfer. The legitimate first "moves" are specified by the principle of justice in acquisition.* What ever arises from a just situation by just steps is itself just. The means o change specified by the principle of justice in transfer preserve justice. A correct rules of inference are truth-preserving, and any conclusion de duced via repeated application of such rules from only true premisses i itself true, so the means of transition from one situation to another speci fied by the principle of justice in transfer are justice-preserving, and an situation actually arising from repeated transitions in accordance with th principle from a just situation is itself just. The parallel between justice preserving transformations and truth-preserving transformations illum

*Applications of the principle of justice in acquisition may also occur as part of the mo from one distribution to another. You may find an unheld thing now and appropriate Acquisitions also are to be understood as included when, to simplify, I speak only of tran tions by transfers.

nates where it fails as well as where it holds. That a conclusion could have been deduced by truth-preserving means from premisses that are true suffices to show its truth. That from a just situation a situation *could* have arisen via justice-preserving means does *not* suffice to show its justice. The fact that a thief's victims voluntarily *could* have presented him with gifts does not entitle the thief to his ill-gotten gains. Justice in holdings is historical; it depends upon what actually has happened. We shall return to this point later.

Not all actual situations are generated in accordance with the two principles of justice in holdings: the principle of justice in acquisition and the principle of justice in transfer. Some people steal from others, or defraud them, or enslave them, seizing their product and preventing them from living as they choose, or forcibly exclude others from competing in exchanges. None of these are permissible modes of transition from one situation to another. And some persons acquire holdings by means not sanctioned by the principle of justice in acquisition. The existence of past injustice (previous violations of the first two principles of justice in holdings) raises the third major topic under justice in holdings: the rectification of injustice in holdings. If past injustice has shaped present holdings in various ways, some identifiable and some not, what now, if anything, ought to be done to rectify these injustices? What obligations do the performers of injustice have toward those whose position is worse than it would have been had the injustice not been done? Or, than it would have been had compensation been paid promptly? How, if at all, do things change if the beneficiaries and those made worse off are not the direct parties in the act of injustice, but, for example, their descendants? Is an injustice done to someone whose holding was itself based upon an unrectified injustice? How far back must one go in wiping clean the historical slate of injustices? What may victims of injustice permissibly do in order to rectify the injustices being done to them, including the many injustices done by persons acting through their government? I do not know of a thorough or theoretically sophisticated treatment of such issues. Idealizing greatly, let us suppose theoretical investigation will produce a principle of rectification. This principle uses historical information about previous situations and injustices done in them (as defined by the first two principles of justice and rights against interference), and information about the actual course of events that flowed from these injustices, until the present, and it yields a description (or descriptions) of holdings in the society. The principle of rectification presumably will make use of its best estimate of subjunctive information about what would have occurred. . . .

The general outlines of the theory of justice in holdings are that the holdings of a person are just if he is entitled to them by the principles of justice in acquisition and transfer, or by the principle of rectification of injustice (as specified by the first two principles). If each person's holdings are just, then the total set (distribution) of holdings is just. To turn these general outlines into a specific theory we would have to specify the details of each of the three principles of justice in holdings: the principle of acquisition of holdings, the principle of transfer of holdings, and the principle of rectification of violations of the first two principles. I shall not attempt that task here. (Locke's principle of justice in acquisition is discussed below.)

Historical Principles and End-Result Principles

The general outlines of the entitlement theory illuminate the nature and defects of other conceptions of distributive justice. The entitlement theory of justice in distribution is *historical*; whether a distribution is just depends upon how it came about. In contrast, *current time-slice principles* of justice hold that the justice of a distribution is determined by how things are distributed (who has what) as judged by some *structural* principle(s) of just distribution. A utilitarian who judges between any two distributions by seeing which has the greater sum of utility and, if the sums tie, applies some fixed equality criterion to choose the more equal distribution would hold a current time-slice principle of justice. As would someone who had a fixed schedule of trade-offs between the sum of happiness and equality. According to a current time-slice principle, all that needs to be looked at, in judging the justice of a distribution, is who ends up with what; in comparing any two distributions one need look only at the matrix presenting the distributions. No further information need be fed into a principle of justice. It is a consequence of such principles of justice that any two structurally identical distributions are equally just. (Two distributions are structurally identical if they present the same profile, but perhaps have different persons occupying the particular slots. My having ten and your having five, and my having five and your having ten are structurally identical distributions.) Welfare economics is the theory of current time-slice principles of justice. The subject is conceived as operating on matrices representing only current information about distribution. This, as well as some of the usual conditions (for example, the choice of distribution is invariant under relabeling of columns), guarantees that welfare economics will be a current time-slice theory, with all of its inadequacies.

Most persons do not accept current time-slice principles as constituting the whole story about distributive shares. They think it relevant in assessing the justice of a situation to consider not only the distribution it embodies, but also how that distribution came about. If some persons are in prison for murder or war crimes, we do not say that to assess the justice of the distribution in the society we must look only at what this person has and that person has, and that person has, . . . at the current time. We think it relevant to ask whether someone did something so that he *deserves* to be punished, deserved to have a lower share. Most will agree to the relevance of further information with regard to punishments and penalties. Consider also desired things. One traditional socialist view is that workers are entitled to the product and full fruits of their labor; they have earned it; a distribution is unjust if it does not give the workers what they are entitled to. Such entitlements are based upon some past history. . . [A] socialist rightly, in my view, holds onto the notions of earning, producing, entitlement, desert, and so forth, and he rejects current time-slice

principles that look only to the structure of the resulting set of holdings. (The set of holdings resulting from what? Isn't it implausible that how holdings are produced and come to exist has no effect at all on who should hold what?) His mistake lies in his view of what entitlements arise out of what sorts of productive processes.

We construe the position we discuss too narrowly by speaking of *current* time-slice principles. Nothing is changed if structural principles operate upon a time sequence of current time-slice profiles and, for example, give someone more now to counterbalance the less he has had earlier. A utilitarian or an egalitarian or any mixture of the two over time will inherit the difficulties of his more myopic comrades. He is not helped by the fact that *some* of the information others consider relevant in assessing a distribution is reflected, unrecoverably, in past matrices. Henceforth, we shall refer to such unhistorical principles of distributive justice, including the current time-slice principles, as *end-result principles* or *end-state principles*.

In contrast to end-result principles of justice, *historical principles* of justice hold that past circumstances or actions of people can create differential entitlements or differential deserts to things. An injustice can be worked by moving from one distribution to another structurally identical one, for the second, in profile the same, may violate people's entitlements or deserts; it may not fit the actual history.

Patterning

The entitlement principles of justice in holdings that we have sketched are historical principles of justice. To better understand their precise character, we shall distinguish them from another subclass of the historical principles. Consider, as an example, the principle of distribution according to moral merit. This principle requires that total distributive shares vary directly with moral merit; no person should have a greater share than anyone whose moral merit is greater. (If moral merit could be not merely ordered but measured on an interval or ratio scale, stronger principles could be formulated.) Or consider the principle that results by substituting "usefulness to society" for "moral merit" in the previous principle. Or instead of "distribute according to moral merit," or "distribute according to usefulness to society," we might consider "distribute according to the weighted sum of moral merit, usefulness to society, and need," with the weights of the different dimensions equal. Let us call a principle of distribution *patterned* if it specifies that a distribution is to vary along with some natural dimension, weighted sum of natural dimensions, or lexicographic ordering of natural dimensions. And let us say a distribution is patterned if it accords with some patterned principle. (I speak of natural dimensions, admittedly without a general criterion for them, because for any set of holdings some artificial dimensions can be gimmicked up to vary along with the distribution of the set.) The principle of distribution in accordance with moral merit is a patterned historical principle, which specifies a patterned distribution. "Distribute according to I.Q." is a patterned principle that looks to information not contained in distributional matrices.

It is not historical, however, in that it does not look to any past actions creating differential entitlements to evaluate a distribution; it requires only distributional matrices whose columns are labeled by I.Q. scores. The distribution in a society, however, may be composed of such simple patterned distributions, without itself being simply patterned. Different sectors may operate different patterns, or some combination of patterns may operate in different proportions across a society. A distribution composed in this manner, from a small number of patterned distributions, we also shall term "patterned." And we extend the use of "pattern" to include the overall designs put forth by combinations of end-state principles.

Almost every suggested principle of distributive justice is patterned: to each according to his moral merit, or needs, or marginal product, or how hard he tries, or the weighted sum of the foregoing, and so on. The principle of entitlement we have sketched is *not* patterned. There is no one natural dimension or weighted sum or combination of a small number of natural dimensions that yields the distributions generated in accordance with the principle of entitlement. The set of holdings that results when some persons receive their marginal products, others win at gambling, others receive a share of their mate's income, others receive gifts from foundations, others receive interest on loans, others receive gifts from admirers, others receive returns on investment, others make for themselves much of what they have, others find things, and so on, will not be patterned. Heavy strands of patterns will run through it; significant portions of the variance in holdings will be accounted for by pattern variables. If most people most of the time choose to transfer some of their entitlements to others only in exchange for something from them, then a large part of what many people hold will vary with what they held that others wanted. More details are provided by the theory of marginal productivity. But gifts to relatives, charitable donations, bequests to children and the like, are not best conceived, in the first instance, in this manner. Ignoring the strands of pattern, let us suppose for the moment that the distribution actually arrived at by the operation of the principle of entitlement is random with respect to any pattern. Though the resulting set of holdings will be unpatterned, it will not be incomprehensible, for it can be seen as arising from the operation of a small number of principles. The principles specify how an initial distribution may arise (the principle of acquisition of holdings) and how distributions may be transformed into others (the principle of transfer of holdings). The process whereby the set of holdings is generated will be intelligible, though the set of holdings itself that results from this process will be unpatterned.

The writings of F. A. Hayek focus less than is usually done upon what patterning distributive justice requires. Hayek argues that we cannot know enough about each person's situation to distribute to each according to his moral merit (but would justice demand we do so if we did have the knowledge?); and he goes on to say, "our objection is against all attempts to impress upon society a deliberately chosen pattern of distribution, whether it be an order of equality or of inequality."[1] However, Hayek concludes that in a free society there will be distribution in accordance with value rather

than moral merit; that is, in accordance with the perceived value of a person's actions and services to others. Despite his rejection of a patterned conception of distributive justice, Hayek himself suggests a pattern he thinks justifiable: distribution in accordance with the perceived benefits given to others, leaving room for the complaint that a free society does not realize exactly this pattern. Stating this patterned strand of a free capitalist society more precisely, we get "To each according to how much he benefits others who have the resources for benefiting those who benefit them." This will seem arbitrary unless some acceptable initial set of holdings is specified, or unless it is held that the operation of the system over time washes out any significant effects from the initial set of holdings. As an example of the latter, if almost anyone would have bought a car from Henry Ford, the supposition that it was an arbitrary matter who held the money then (and so bought) would not place Henry Ford's earnings under a cloud. In any event, *his* coming to hold it is not arbitrary. Distribution according to benefits to others *is* a major patterned strand in a free capitalist society, as Hayek correctly points out, but it is only a strand and does not constitute the whole pattern of a system of entitlements (namely, inheritance, gifts for arbitrary reasons, charity, and so on) or a standard that one should insist a society fit. Will people tolerate for long a system yielding distributions that they believe are unpatterned? No doubt people will not long accept a distribution they believe is *unjust*. People want their society to be and to look just. But must the look of justice reside in a resulting pattern rather than in the underlying generating principles? We are in no position to conclude that the inhabitants of a society embodying an entitlement conception of justice in holdings will find it unacceptable. Still, it must be granted that were people's reasons for transferring some of their holdings to others always irrational or arbitrary, we would find this disturbing. (Suppose people always determined what holdings they would transfer, and to whom, by using a random device.) We feel more comfortable upholding the justice of an entitlement system if most of the transfers under it are done for reasons. This does not mean necessarily that all deserve what holdings they receive. It means only that there is a purpose or point to someone's transferring a holding to one person rather than to another; that usually we can see what the transferrer thinks he's gaining, what cause he thinks he's serving, what goals he thinks he's helping to achieve, and so forth. Since in a capitalist society people often transfer holdings to others in accordance with how much they perceive these others benefiting them, the fabric constituted by the individual transactions and transfers is largely reasonable and intelligible.* (Gifts to loved ones, bequests to children, charity to the needy also are nonarbitrary components of the fabric.) In stressing the large strand of distribution in accordance with benefit to others, Hayek shows the point of many transfers, and so shows that the system of transfer of entitlements is not just spinning its gears aimlessly. The system of entitlements is defensible when constituted by the individual aims of individual transactions. No overarching aim is needed, no distributional pattern is required.

*We certainly benefit because great economic incentives operate to get others to spend much time and energy to figure out how to serve us by providing things we will want to pay for. It is not mere paradox mongering to wonder whether capitalism should be criticized for most rewarding and hence encouraging, not individualists like Thoreau who go about their own lives, but people who are occupied with serving others and winning them as customers. But to defend capitalism one need not think businessmen are the finest human types. (I do not mean to join here the general maligning of businessmen, either.) Those who think the finest should acquire the most can try to convince their fellows to transfer resources in accordance with *that* principle.

To think that the task of a theory of distributive justice is to fill in the blank in "to each according to his———" is to be predisposed to search for a pattern; and the separate treatment of "from each according to hi ———" treats production and distribution as two separate and independent issues. On an entitlement view these are *not* two separate questions. Whoever makes something, having bought or contracted for all other held resources used in the process (transferring some of his holdings for these cooperating factors), is entitled to it. The situation is *not* one of something getting made, and there being an open question of who is to get it. Things come into the world already attached to people having entitlements over them. From the point of view of the historical entitlement conception of justice in holdings, those who start afresh to complete "to each according to his———" treat objects as if they appeared from nowhere, out of nothing. A complete theory of justice might cover this limit case as well; perhaps here is a use for the usual conceptions of distributive justice.

So entrenched are maxims of the usual form that perhaps we should present the entitlement conception as a competitor. Ignoring acquisition and rectification, we might say:

> From each according to what he chooses to do, to each according to what he makes for himself (perhaps with the contracted aid of others) and what others choose to do for him and choose to give him of what they've been given previously (under this maxim) and haven't yet expended or transferred.

This, the discerning reader will have noticed, has its defects as a slogan. But as a summary and great simplification (and not as a maxim with an independent meaning) we have:

> *From each as they choose, to each as they are chosen.*

How Liberty Upsets Patterns

It is not clear how those holding alternative conceptions of distributive justice can reject the entitlement conception of justice in holdings. For suppose a distribution favored by one of these non-entitlement conceptions is realized. Let us suppose it is your favorite one and let us call the distribution D_1; perhaps everyone has an equal share, perhaps shares vary in accordance with some dimension you treasure. Now suppose that Wilt Chamberlain is greatly in demand by basketball teams, being a great gate attraction. (Also suppose contracts run only for a year, with players bein

free agents.) He signs the following sort of contract with a team: In each home game, twenty-five cents from the price of each ticket of admission goes to him. (We ignore the question of whether he is "gouging" the owners, letting them look out for themselves.) The season starts, and people cheerfully attend his team's games; they buy their tickets, each time dropping a separate twenty-five cents of their admission price into a special box with Chamberlain's name on it. They are excited about seeing him play; it is worth the total admission price to them. Let us suppose that in one season one million persons attend his home games, and Wilt Chamberlain winds up with $250,000, a much larger sum than the average income and larger even than anyone else has. Is he entitled to this income? Is this new distribution D_2, unjust? If so, why? There is *no* question about whether each of the people was entitled to the control over the resources they held in D_1; because that was the distribution (your favorite) that (for the purposes of argument) we assumed was acceptable. Each of these persons *chose* to give twenty-five cents of their money to Chamberlain. They could have spent it on going to the movies, or on candy bars, or on copies of *Dissent* magazine, or of *Monthly Review*. But they all, at least one million of them, converged on giving it to Wilt Chamberlain in exchange for watching him play basketball. If D_1 was a just distribution, and people voluntarily moved from it to D_2 transferring parts of their shares they were given under D_1 (what was it for if not to do something with?), isn't D_2 also just? If the people were entitled to dispose of the resources to which they were entitled (under D_1), didn't this include their being entitled to give it to, or exchange it with, Wilt Chamberlain? Can anyone else complain on grounds of justice? Each other person already has his legitimate share under D_1. Under D_1, there is nothing that anyone has that anyone else has a claim of justice against. After someone transfers something to Wilt Chamberlain, third parties *still* have their legitimate shares; *their* shares are not changed. By what process could such a transfer among two persons give rise to a legitimate claim of distributive justice on a portion of what was transferred, by a third party who had no claim of justice on any holding of the others *before* the transfers?* To cut off objections irrelevant here, we might imagine the exchanges occurring in a socialist society, after hours. After playing whatever basketball he does in his daily work, or

*Might not a transfer have instrumental effects on a third party, changing his feasible options? (But what if the two parties to the transfer independently had used their holdings in this fashion?) I discuss this question below, but note here that this question concedes the point for distributions of ultimate intrinsic noninstrumental goods (pure utility experiences, so to speak) that are transferable. It also might be objected that the transfer might make a third party more envious because it worsens his position relative to someone else. I find it incomprehensible how this can be thought to involve a claim of justice. . . .

Here and elsewhere in this chapter, a theory which incorporates elements of pure procedural justice might find what I say acceptable, *if* kept in its proper place; that is, if background institutions exist to ensure the satisfaction of certain conditions on distributive shares. But if these institutions are not themselves the sum or invisible-hand result of people's voluntary (nonaggressive) actions, the constraints they impose require justification. At no point does *our* argument assume any background institutions more extensive than those of the minimal night-watchman state, a state limited to protecting persons against murder, assault, theft, fraud, and so forth.

doing whatever other daily work he does, Wilt Chamberlain decides to put in *overtime* to earn additional money. (First his work quota is set; he works time over that.) Or imagine it is a skilled juggler people like to see, who puts on shows after hours.

Why might someone work overtime in a society in which it is assumed their needs are satisfied? Perhaps because they care about things other than needs. I like to write in books that I read, and to have easy access to books for browsing at odd hours. It would be very pleasant and convenient to have the resources of Widener Library in my back yard. No society, I assume, will provide such resources close to each person who would like them as part of his regular allotment (under D_1). Thus, persons either must do without some extra things that they want, or be allowed to do something extra to get some of these things. On what basis could the inequalities that would eventuate be forbidden? Notice also that small factories would spring up in a socialist society, unless forbidden. I melt down some of my personal possessions (under D_1) and build a machine out of the material. I offer you, and others, a philosophy lecture once a week in exchange for your cranking the handle on my machine, whose products in exchange for yet other things, and so on. (The raw materials used by the machine are given to me by others who possess them under D_1, in exchange for hearing lectures.) Each person might participate to gain things over and above their allotment under D_1. Some persons even might want to leave their job in socialist industry and work full time in this private sector. I shall say something more about these issues in the next chapter. Here I wish merely to note how private property even in means of production would occur in a socialist society that did not forbid people to use as they wished some of the resources they are given under the socialist distribution D_1. The socialist society would have to forbid capitalist acts between consenting adults.

The general point illustrated by the Wilt Chamberlain example and the example of the entrepreneur in a socialist society is that no end-state principle or distributional patterned principle of justice can be continuously realized without continuous interference with people's lives. Any favored pattern would be transformed into one unfavored by the principle by people choosing to act in various ways; for example, by people exchanging goods and services with other people, or giving things to other people, things the transferrers are entitled to under the favored distributional pattern. To maintain a pattern one must either continually interfere to stop people from transferring resources as they wish to, or continually (or periodically) interfere to take from some persons resources that others for some reason chose to transfer to them. (But if some time limit is to be set on how long people may keep resources others voluntarily transfer to them, why let them keep these resources for *any* period of time? Why not have immediate confiscation?) It might be objected that all persons voluntarily will choose to refrain from actions which would upset the pattern. This presupposes unrealistically (1) that all will most want to maintain the pattern (are those who don't, to be "reeducated" or forced to undergo "self-criticism"?), (2) that each can gather enough information about the own actions and the ongoing activities of others to discover which of the

actions will upset the pattern, and (3) that diverse and far-flung persons can coordinate their actions to dovetail into the pattern. Compare the manner in which the market is neutral among persons' desires, as it reflects and transmits widely scattered information via prices, and coordinates persons' activities. . . .

Redistribution and Property Rights

Apparently, patterned principles allow people to choose to spend upon themselves, but not upon others, those resources they are entitled to (or rather, receive) under some favored distributional pattern D_1. For if each of several persons chooses to expend some of his D_1 resources upon one other person, then that other person will receive more than his D_1 share, disturbing the favored distributional pattern. Maintaining a distributional pattern is individualism with a vengeance! Patterned distributional principles do not give people what entitlement principles do, only better distributed. For they do not give the right to choose what to do with what one has; they do not give the right to choose to pursue an end involving (intrinsically, or as a means) the enhancement of another's position. To such views, families are disturbing; for within a family occur transfers that upset the favored distributional pattern. Either families themselves become units to which distribution takes place, the column occupiers (on what rationale?), or loving behavior is forbidden. We should note in passing the ambivalent position of radicals toward the family. Its loving relationships are seen as a model to be emulated and extended across the whole society, at the same time that it is denounced as a suffocating institution to be broken and condemned as a focus of parochial concerns that interfere with achieving radical goals. Need we say that it is not appropriate to enforce across the wider society the relationships of love and care appropriate within a family, relationships which are voluntarily undertaken?* Incidentally, love is an interesting instance of another relationship that is historical, in that (like justice) it depends upon what actually occurred. An adult may come to love another because of the other's characteristics; but it is the other person, and not the characteristics, that is loved. The love is not transferrable to someone else with the same characteristics, even to one who "scores" higher for these characteristics. And the love endures through changes of the characteristics that gave rise to it. One loves the particular person one actually encountered. Why love is historical, attaching to persons in this way and not to characteristics, is an interesting and puzzling question.

*One indication of the stringency of Rawls' difference principle, which we attend to in the second part of this chapter, is its inappropriateness as a governing principle even within a family of individuals who love one another. Should a family devote its resources to maximizing the position of its least well off and least talented child, holding back the other children or using resources for their education and development only if they will follow a policy through their lifetimes of maximizing the position of their least fortunate sibling? Surely not. How then can this even be considered as the appropriate policy for enforcement in the wider society? (I discuss below what I think would be Rawls' reply: that some principles apply at the macro level which do not apply to micro-situations.)

Proponents of patterned principles of distributive justice focus upon criteria for determining who is to receive holdings; they consider the reasons for which someone should have something, and also the total picture of holdings. Whether or not it is better to give than to receive, proponents of patterned principles ignore giving altogether. In considering the distribution of goods, income, and so forth, their theories are theories of recipient justice; they completely ignore any right a person might have to give something to someone. Even in exchanges where each party is simultaneously giver and recipient, patterned principles of justice focus only upon the recipient role and its supposed rights. Thus discussions tend to focus on whether people (should) have a right to inherit, rather than on whether people (should) have a right to bequeath or on whether persons who have a right to hold also have a right to choose that others hold in their place. I lack a good explanation of why the usual theories of distributive justice are so recipient oriented; ignoring givers and transferrers and their rights is of a piece with ignoring producers and their entitlements. But why is it *all* ignored?

Patterned principles of distributive justice necessitate *re*distributive activities. The likelihood is small that any actual freely-arrived-at set of holdings fits a given pattern; and the likelihood is nil that it will continue to fit the pattern as people exchange and give. From the point of view of an entitlement theory, redistribution is a serious matter indeed, involving, as it does, the violation of people's rights. (An exception is those takings that fall under the principle of the rectification of injustices.) From other points of view, also, it is serious.

Taxation of earnings from labor is on a par with forced labor.* Some persons find this claim obviously true: taking the earnings of n hours labor is like taking n hours from the person; it is like forcing the person to work n hours for another's purpose. Others find the claim absurd. But even these, *if* they object to forced labor, would oppose forcing unemployed hippies to work for the benefit of the needy. And they would also object to forcing each person to work five extra hours each week for the benefit of the needy. But a system that takes five hours' wages in taxes does not seem to them like one that forces someone to work five hours, since it offers the person forced a wider range of choice in activities than does taxation in kind with the particular labor specified. (But we can imagine a gradation of systems of forced labor, from one that specifies a particular activity, to one that gives a choice among two activities, to . . . ; and so on up.) Furthermore, people envisage a system with something like a proportional tax on everything above the amount necessary for basic needs. Some think this does not force someone to work extra hours, since

*I am unsure as to whether the arguments I present below show that such taxation merely i forced labor; so that "is on a par with" means "is one kind of." Or alternatively, whether th arguments emphasize the great similarities between such taxation and forced labor, to show i is plausible and illuminating to view such taxation in the light of forced labor. This latte approach would remind one of how John Wisdom conceives of the claims of metaphysician

there is no fixed number of extra hours he is forced to work, and since he can avoid the tax entirely by earning only enough to cover his basic needs. This is a very uncharacteristic view of forcing for those who *also* think people are forced to do something *whenever* the alternatives they face are considerably worse. However, *neither* view is correct. The fact that others intentionally intervene, in violation of a side constraint against aggression, to threaten force to limit the alternatives, in this case to paying taxes or (presumably the worse alternative) bare subsistence, makes the taxation system one of forced labor and distinguishes it from other cases of limited choices which are not forcings.[2]

The man who chooses to work longer to gain an income more than sufficient for his basic needs prefers some extra goods or services to the leisure and activities he could perform during the possible nonworking hours; whereas the man who chooses not to work the extra time prefers the leisure activities to the extra goods or services he could acquire by working more. Given this, if it would be illegitimate for a tax system to seize some of a man's leisure (forced labor) for the purpose of serving the needy, how can it be legitimate for a tax system to seize some of a man's goods for that purpose? Why should we treat the man whose happiness requires certain material goods or services differently from the man whose preferences and desires make such goods unnecessary for his happiness? Why should the man who prefers seeing a movie (and who has to earn money for a ticket) be open to the required call to aid the needy, while the person who prefers looking at a sunset (and hence need earn no extra money) is not? Indeed, isn't it surprising that redistributionists choose to ignore the man whose pleasures are so easily attainable without extra labor, while adding yet another burden to the poor unfortunate who must work for his pleasures? If anything, one would have expected the reverse. Why is the person with the nonmaterial or nonconsumption desire allowed to proceed unimpeded to his most favored feasible alternative, whereas the man whose pleasures or desires involve material things and who must work for extra money (thereby serving whomever considers his activities valuable enough to pay him) is constrained in what he can realize? Perhaps there is no difference in principle. And perhaps some think the answer concerns merely administrative convenience. (These questions and issues will not disturb those who think that forced labor to serve the needy or to realize some favored end-state pattern is acceptable.) In a fuller discussion we would have (and want) to extend our argument to include interest, entrepreneurial profits, and so on. Those who doubt that this extension can be carried through, and who draw the line here at taxation of income from labor, will have to state rather complicated patterned *historical* principles of distributive justice, since end-state principles would not distinguish *sources* of income in any way. It is enough for now to get away from end-state principles and to make clear how various patterned principles are dependent upon particular views about the sources or the illegitimacy or the lesser legitimacy of profits, interest, and so on; which particular views may well be mistaken.

What sort of right over others does a legally institutionalized end-state pattern give one? The central core of the notion of a property right in X, relative to which other parts of the notion are to be explained, is the right to determine what shall be done with X; the right to choose which of the constrained set of options concerning X shall be realized or attempted. The constraints are set by other principles or laws operating in the society; in our theory, by the Lockean rights people possess (under the minimal state). My property rights in my knife allow me to leave it where I will, but not in your chest. I may choose which of the acceptable options involving the knife is to be realized. This notion of property helps us to understand why earlier theorists spoke of people as having property in themselves and their labor. They viewed each person as having a right to decide what would become of himself and what he would do, and as having a right to reap the benefits of what he did . . . .

When end-result principles of distributive justice are built into the legal structure of a society, they (as do most patterned principles) give each citizen an enforceable claim to some portion of the total social product; that is, to some portion of the sum total of the individually and jointly made products. This total product is produced by individuals laboring, using means of production others have saved to bring into existence, by people organizing production or creating means to produce new things or things in a new way. It is on this batch of individual activities that patterned distributional principles give each individual an enforceable claim. Each person has a claim to the activities and the products of other persons, independently of whether the other persons enter into particular relationships that give rise to these claims, and independently of whether they voluntarily take these claims upon themselves, in charity or in exchange for something.

Whether it is done through taxation on wages or on wages over a certain amount, or through seizure of profits, or through there being a big *social pot* so that it's not clear what's coming from where and what's going where, patterned principles of distributive justice involve appropriating the actions of other persons. Seizing the results of someone's labor is equivalent to seizing hours from him and directing him to carry on various activities. If people force you to do certain work, or unrewarded work, for a certain period of time, they decide what you are to do and what purposes your work is to serve apart from your decisions. This process whereby they take this decision from you makes them a *part-owner* of you it gives them a property right in you. Just as having such partial control and power of decision, by right, over an animal or inanimate object would be to have a property right in it.

End-state and most patterned principles of distributive justice institute (partial) ownership by others of people and their actions and labor. These principles involve a shift from the classical liberals' notion of self ownership to a notion of (partial) property rights in *other* people.

Considerations such as these confront end-state and other patterned conceptions of justice with the question of whether the action necessary to achieve the selected pattern don't themselves violate moral side constraints. Any view holding that there are moral side constraints on

actions, that not all moral considerations can be built into end states that are to be achieved . . . , must face the possibility that some of its goals are not achievable by any morally permissible available means. An entitlement theorist will face such conflicts in a society that deviates from the principles of justice for the generation of holdings, if and only if the only actions available to realize the principles themselves violate some moral constraints. Since deviation from the first two principles of justice (in acquisition and transfer) will involve other persons' direct and aggressive intervention to violate rights, and since moral constraints will not exclude defensive or retributive action in such cases, the entitlement theorist's problem rarely will be pressing. And whatever difficulties he has in applying the principle of rectification to persons who did not themselves violate the first two principles are difficulties in balancing the conflicting considerations so as correctly to formulate the complex principle of rectification itself; he will not violate moral side constraints by applying the principle. Proponents of patterned conceptions of justice, however, often will face head-on clashes (and poignant ones if they cherish each party to the clash) between moral side constraints on how individuals may be treated and their patterned conception of justice that presents an end state or other pattern that *must* be realized.

May a person emigrate from a nation that has institutionalized some end-state or patterned distributional principle? For some principles (for example, Hayek's) emigration presents no theoretical problem. But for others it is a tricky matter. Consider a nation having a compulsory scheme of minimal social provision to aid the neediest (or one organized so as to maximize the position of the worst-off group); no one may opt out of participating in it. (None may say, "Don't compel me to contribute to others and don't provide for me via this compulsory mechanism if I am in need.") Everyone above a certain level is forced to contribute to aid the needy. But if emigration from the country were allowed, anyone could choose to move to another country that did not have compulsory social provision but otherwise was (as much as possible) identical. In such a case, the person's *only* motive for leaving would be to avoid participating in the compulsory scheme of social provision. And if he does leave, the needy in his initial country will receive no (compelled) help from him. What rationale yields the result that the person be permitted to emigrate, yet forbidden to stay and opt out of the compulsory scheme of social provision? If providing for the needy is of overriding importance, this does militate against allowing internal opting out; but it also speaks against allowing external emigration. (Would it also support, to some extent, the kidnapping of persons living in a place without compulsory social provision, who could be forced to make a contribution to the needy in your community?) Perhaps the crucial component of the position that allows emigration solely to avoid certain arrangements, while not allowing anyone internally to opt out of them, is a concern for fraternal feelings within the country. "We don't want anyone here who doesn't contribute, who doesn't care enough about the others to contribute." That concern, in this case, would have to be tied to the view that forced aiding tends to produce fraternal feelings between the aided and the aider (or perhaps merely to the view that the knowledge that someone or other voluntarily is not aiding produces unfraternal feelings).

ORIGINAL ACQUISITION

Locke's Theory of Acquisition

Before we turn to consider other theories of justice in detail, we must introduce an additional bit of complexity into the structure of the entitlement theory. This is best approached by considering Locke's attempt to specify a principle of justice in acquisition. Locke views property rights in an unowned object as originating through someone's mixing his labor with it. This gives rise to many questions. What are the boundaries of what labor is mixed with? If a private astronaut clears a place on Mars, has he mixed his labor with (so that he comes to own) the whole planet, the whole uninhabited universe, or just a particular plot? Which plot does an act bring under ownership? The minimal (possibly disconnected) area such that an act decreases entropy in that area, and not elsewhere? Can virgin land (for the purposes of ecological investigation by high-flying airplane) come under ownership by a Lockean process? Building a fence around a territory presumably would make one the owner of only the fence (and the land immediately underneath it).

Why does mixing one's labor with something make one the owner of it? Perhaps because one owns one's labor, and so one comes to own a previously unowned thing that becomes permeated with what one owns. Ownership seeps over into the rest. But why isn't mixing what I own with what I don't own a way of losing what I own rather than a way of gaining what I don't? If I own a can of tomato juice and spill it in the sea so that its molecules (made radioactive, so I can check this) mingle evenly throughout the sea, do I thereby come to own the sea, or have I foolishly dissipated my tomato juice? Perhaps the idea, instead, is that laboring on something improves it and makes it more valuable; and anyone is entitled to own a thing whose value he has created. (Reinforcing this, perhaps, is the view that laboring is unpleasant. If some people made things effortlessly, as the cartoon characters in *The Yellow Submarine* trail flowers in their wake, would they have lesser claim to their own products whose making didn't *cost* them anything?) Ignore the fact that laboring on something may make it less valuable (spraying pink enamel paint on a piece of driftwood that you have found). Why should one's entitlement extend to the whole object rather than just to the *added value* one's labor has produced? (Such reference to value might also serve to delimit the extent of ownership; for example, substitute "increases the value of" for "decreases entropy in" in the above entropy criterion.) No workable or coherent value-added property scheme has yet been devised, and any such scheme presumably would fall to objections (similar to those) that fell the theory of Henry George.

It will be implausible to view improving an object as giving full

ownership to it, if the stock of unowned objects that might be improved is limited. For an object's coming under one person's ownership changes the situation of all others. Whereas previously they were at liberty (in Hohfeld's sense) to use the object, they now no longer are. This change in the situation of others (by removing their liberty to act on a previously unowned object) need not worsen their situation. If I appropriate a grain of sand from Coney Island, no one else may now do as they will with *that* grain of sand. But there are plenty of other grains of sand left for them to do the same with. Or if not grains of sand, then other things. Alternatively, the things I do with the grain of sand I appropriate might improve the position of others, counterbalancing their loss of the liberty to use that grain. The crucial point is whether appropriation of an unowned object worsens the situation of others.

Locke's proviso that there be "enough and as good left in common for others" (sect. 27) is meant to ensure that the situation of others is not worsened. (If this proviso is met is there any motivation for his further condition of nonwaste?) It is often said that this proviso once held but now no longer does. But there appears to be an argument for the conclusion that if the proviso no longer holds, then it cannot ever have held so as to yield permanent and inheritable property rights. Consider the first person Z for whom there is not enough and as good left to appropriate. The last person Y to appropriate left Z without his previous liberty to act on an object, and so worsened Z's situation. So Y's appropriation is not allowed under Locke's proviso. Therefore the next to last person X to appropriate left Y in a worse position, for X's act ended permissible appropriation. Therefore X's appropriation wasn't permissible. But then the appropriator two from last, W, ended permissible appropriation and so, since it worsened X's position, W's appropriation wasn't permissible. And so on back to the first person A to appropriate a permanent property right.

This argument, however, proceeds too quickly. Someone may be made worse off by another's appropriation in two ways: first, by losing the opportunity to improve his situation by a particular appropriation or any one; and second, by no longer being able to use freely (without appropriation) what he previously could. A *stringent* requirement that another not be made worse off by an appropriation would exclude the first way if nothing else counterbalances the diminution in opportunity, as well as the second. A *weaker* requirement would exclude the second way, though not the first. With the weaker requirement, we cannot zip back so quickly from Z to A, as in the above argument; for though person Z can no longer *appropriate*, there may remain some for him to *use* as before. In this case Y's appropriation would not violate the weaker Lockean condition. (With less remaining that people are at liberty to use, users might face more inconvenience, crowding, and so on; in that way the situation of others might be worsened, unless appropriation stopped far short of such a point.) It is arguable that no one legitimately can complain if the weaker provision is satisfied. However, since this is less clear than in the case of the more stringent proviso, Locke may have intended this stringent proviso by "enough and as good" remaining, and perhaps he meant the nonwaste condition to delay the end point from which the argument zips back.

Is the situation of persons who are unable to appropriate (there being no more accessible and useful unowned objects) worsened by a system allowing appropriation and permanent property? Here enter the various familiar social considerations favoring private property: it increases the social product by putting means of production in the hands of those who can use them most efficiently (profitably); experimentation is encouraged, because with separate persons controlling resources, there is no one person or small group whom someone with a new idea must convince to try it out; private property enables people to decide on the pattern and types of risks they wish to bear, leading to specialized types of risk bearing; private property protects future persons by leading some to hold back resources from current consumption for future markets; it provides alternate sources of employment for unpopular persons who don't have to convince any one person or small group to hire them, and so on. These considerations enter a Lockean theory to support the claim that appropriation of private property satisfies the intent behind the "enough and as good left over" proviso, *not* as a utilitarian justification of property. They enter to rebut the claim that because the proviso is violated no natural right to private property can arise by a Lockean process. The difficulty in working such an argument to show that the proviso is satisfied is in fixing the appropriate base line for comparison. Lockean appropriation makes people no worse off than they would be *how*? This question of fixing the baseline needs more detailed investigation than we are able to give it here. It would be desirable to have an estimate of the general economic importance of original appropriation in order to see how much leeway there is for differing theories of appropriation and of the location of the baseline. Perhaps this importance can be measured by the percentage of all income that is based upon untransformed raw materials and given resources (rather than upon human actions), mainly rental income representing the unimproved value of land, and the price of raw material *in situ*, and by the percentage of current wealth which represents such income in the past.*

We should note that it is not only persons favoring *private* property who need a theory of how property rights legitimately originate. Those believing in collective property, for example those believing that a group of persons living in an area jointly own the territory, or its mineral resources, also must provide a theory of how such property rights arise; they must show why the persons living there have rights to determine what is done with the land and resources there that persons living elsewhere don't have (with regard to the same land and resources).

The Proviso

Whether or not Locke's particular theory of appropriation can be spelled out so as to handle various difficulties, I assume that any adequate

*I have not seen a precise estimate. David Friedman, *The Machinery of Freedom* (N.Y.: Harper & Row, 1973), pp. xiv, xv, discusses this issue and suggests 5 percent of U.S. national income as an upper limit for the first two factors mentioned. However he does not attempt to estimate the percentage of current wealth which is based upon such income in the past. (The vague notion of "based upon" merely indicates a topic needing investigation.)

theory of justice in acquisition will contain a proviso similar to the weaker of the ones we have attributed to Locke. A process normally giving rise to a permanent bequeathable property right in a previously unowned thing will not do so if the position of others no longer at liberty to use the thing is thereby worsened. It is important to specify *this* particular mode of worsening the situation of others, for the proviso does not encompass other modes. It does not include the worsening due to more limited opportunities to appropriate (the first way above, corresponding to the more stringent condition), and it does not include how I "worsen" a seller's position if I appropriate materials to make some of what he is selling, and then enter into competition with him. Someone whose appropriation otherwise would violate the proviso still may appropriate provided he compensates the others so that their situation is not thereby worsened; unless he does compensate these others, his appropriation will violate the proviso of the principle of justice in acquisition and will be an illegitimate one.* A theory of appropriation incorporating this Lockean proviso will handle correctly the cases (objections to the theory lacking the proviso) where someone appropriates the total supply of something necessary for life.†

A theory which includes this proviso in its principle of justice in acquisition must also contain a more complex principle of justice in transfer. Some reflection of the proviso about appropriation constrains later actions. If my appropriating all of a certain substance violates the Lockean proviso, then so does my appropriating some and purchasing all the rest from others who obtained it without otherwise violating the Lockean proviso. If the proviso excludes someone's appropriating all the drinkable water in the world, it also excludes his purchasing it all. (More weakly, and messily, it may exclude his charging certain prices for some of his supply.) This proviso (almost?) never will come into effect; the more someone

*Fourier held that since the process of civilization had deprived the members of society of certain liberties (to gather, pasture, engage in the chase), socially guaranteed minimum provision for persons was justified as compensation for the loss (Alexander Gray, *The Socialist Tradition* (New York: Harper & Row, 1968), p. 188). But this puts the point too strongly. This compensation would be due those persons, if any, for whom the process of civilization was a *net loss*, for whom the benefits of civilization did not counterbalance being deprived of these particular liberties.

†For example, Rashdall's case of someone who comes upon the only water in the desert several miles ahead of others who also will come to it and appropriates it all. Hastings Rashdall, "The Philosophical Theory of Property," in *Property, its Duties and Rights* (London: MacMillan, 1915).

We should note Ayn Rand's theory of property rights ("Man's Rights" in *The Virtue of Selfishness* (New York: New American Library, 1964), p. 94), wherein these follow from the right to life, since people need physical things to live. But a right to life is not a right to whatever one needs to live; other people may have rights over these other things (see Chapter 3 of this book). At most, a right to life would be a right to have or strive for whatever one needs to live, provided that having it does not violate anyone else's rights. With regard to material things, the question is whether having it does violate any right of others. (Would appropriation of all unowned things do so? Would appropriating the water hole in Rashdall's example?) Since special considerations (such as the Lockean proviso) may enter with regard to material property, one *first* needs a theory of property rights before one can apply any supposed right to life (as amended above). Therefore the right to life cannot provide the foundation for a theory of property rights.

acquires of a scarce substance which others want, the higher the price of the rest will go, and the more difficult it will become for him to acquire it all. But still, we can imagine, at least, that something like this occurs: someone makes simultaneous secret bids to the separate owners of a substance, each of whom sells assuming he can easily purchase more from the other owners; or some natural catastrophe destroys all of the supply of something except that in one person's possession. The total supply could not be permissibly appropriated by one person at the beginning. His later acquisition of it all does not show that the original appropriation violated the proviso (even by a reverse argument similar to the one above that tried to zip back from *Z* to *A*). Rather, it is the combination of the original appropriation *plus* all the later transfers and actions that violates the Lockean proviso.

Each owner's title to his holding includes the historical shadow of the Lockean proviso on appropriation. This excludes his transferring it into an agglomeration that does violate the Lockean proviso and excludes his using it in a way, in coordination with others or independently of them, so as to violate the proviso by making the situation of others worse than their baseline situation. Once it is known that someone's ownership runs afoul of the Lockean proviso, there are stringent limits on what he may do with (what it is difficult any longer unreservedly to call) "his property." Thus a person may not appropriate the only water hole in a desert and charge what he will. Nor may he charge what he will if he posseses one, and unfortunately it happens that all the water holes in the desert dry up, except for his. This unfortunate circumstance, admittedly no fault of his, brings into operation the Lockean proviso and limits his property rights.* Similarly, an owner's property right in the only island in an area does not allow him to order a castaway from a shipwreck off his island as a trespasser, for this would violate the Lockean proviso.

Notice that the theory does not say that owners do have these rights, but that the rights are overridden to avoid some catastrophe. (Overridden rights do not disappear; they leave a trace of a sort absent in the cases under discussion.)[3] There is no such external (and *ad hoc?*) overriding. Considerations internal to the theory of property itself, to its theory of acquisition and appropriation, provide the means for handling such cases. . . .

The fact that someone owns the total supply of something necessary for others to stay alive does *not* entail that his (or anyone's) appropriation of anything left some people (immediately or later) in a situation worse than the baseline one. A medical researcher who synthesizes a new substance that effectively treats a certain disease and who refuses to sell except on his terms does not worsen the situation of others by depriving them of whatever he has appropriated. The others easily can possess the

*The situation would be different if his water hole didn't dry up, due to special precautions he took to prevent this. Compare our discussion of the case in the text with Hayek, *The Constitution of Liberty*, p. 136; and also with Ronald Hamowy, "Hayek's Concept of Freedom: A Critique," *New Individualist Review*, April 1961, pp. 28–31.

same materials he appropriated; the researcher's appropriation or purchase of chemicals didn't make those chemicals scarce in a way so as to violate the Lockean proviso. Nor would someone else's purchasing the total supply of the synthesized substance from the medical researcher. The fact that the medical researcher uses easily available chemicals to synthesize the drug no more violates the Lockean proviso than does the fact that the only surgeon able to perform a particular operation eats easily obtainable food in order to stay alive and to have the energy to work. This shows that the Lockean proviso is not an "end-state principle"; it focuses on a particular way that appropriative actions affect others, and not on the structure of the situation that results.

. . . The theme of someone worsening another's situation by depriving him of something he otherwise would possess may also illuminate the example of patents. An inventor's patent does not deprive others of an object which would not exist if not for the inventor. Yet patents would have this effect on others who independently invent the object. Therefore, these independent inventors, upon whom the burden of proving independent discovery may rest, should not be excluded from utilizing their own invention as they wish (including selling it to others). Furthermore, a known inventor drastically lessens the chances of actual independent invention. For persons who know of an invention usually will not try to reinvent it; and the notion of independent discovery here would be murky at best. Yet we may assume that in the absence of the original invention, sometime later someone else would have come up with it. This suggests placing a time limit on patents, as a rough rule of thumb to approximate how long it would have taken, in the absence of knowledge of the invention, for independent discovery.

I believe that the free operation of a market system will not actually run afoul of the Lockean proviso. . . . If this is correct, the proviso will not . . . provide a significant opportunity for future state action. . . .

RAWLS' THEORY

We can bring our discussion of distributive justice into sharper focus by considering in some detail John Rawls' recent contribution to the subject. *A Theory of Justice* is a powerful, deep, subtle, wide-ranging, systematic work in political and moral philosophy which has not seen its like since the writings of John Stuart Mill, if then. It is a fountain of illuminating ideas, integrated together into a lovely whole. Political philosophers must now work within Rawls' theory or explain why not. . . . I permit myself to concentrate here on disagreements with Rawls only because I am confident that my readers will have discovered for themselves its many virtues.

Social Cooperation

> I shall begin by considering the role of the principles of justice. Let us assume, to fix ideas, that a society is a more or less self-sufficient association of persons who in their relations to one another recognize certain rules of conduct as binding and who for the most part act in accordance with them. Suppose further that these rules specify a system of cooperation designed to advance the good of those taking part in it. Then, although a society is a cooperative venture for mutual advantage, it is typically marked by a conflict as well as by an identity of interests. There is an identity of interests since social cooperation makes possible a better life for all than any would have if each were to live solely by his own efforts. There is a conflict of interests since persons are not indifferent as to how the greater benefits produced by their collaboration are distributed, for in order to pursue their ends they each prefer a larger to a lesser share. A set of principles is required for choosing among the various social arrangements which determine this division of advantages and for underwriting an agreement on the proper distributive shares. These principles are the principles of social justice: they provide a way of assigning rights and duties in the basic institutions of society and they define the appropriate distribution of the benefits and burdens of social cooperation.[4]

. . . Why does social cooperation *create* the problem of distributive justice? Would there be no problem of justice and no need for a theory of justice, if there was no social cooperation at all, if each person got his share solely by his own efforts? If we suppose, as Rawls seems to, that this situation does *not* raise questions of distributive justice, then in virtue of what facts about social cooperation do these questions of justice emerge? What is it about social cooperation that gives rise to issues of justice? It cannot be said that there will be conflicting claims only where there is social cooperation; that individuals who produce independently and (initially) fend for themselves will not make claims of justice on each other. If there were ten Robinson Crusoes, each working alone for two years on separate islands, who discovered each other and the facts of their different allotments by radio communication via transmitters left twenty years earlier, could they not make claims on each other, supposing it were possible to transfer goods from one island to the next? Wouldn't the one with less make a claim on ground of need, or on the ground that his island was naturally poorest, or on the ground that he was naturally least capable of fending for himself? Mightn't he say that justice demanded he be given some more by the others, claiming it unfair that he should receive so much less and perhaps be destitute, perhaps starving? He might go on to say that the different individual noncooperative shares stem from differential natural endowments, which are not deserved, and that the task of justice is to rectify these arbitrary facts and inequities. Rather than its being the case that no one *will* make such claims in the situation lacking social cooperation, perhaps the point is that such claims clearly would be without merit. Why would they clearly be without merit? In the social noncooperation situation, it might be said, each individual deserves what he gets unaided by his own efforts; or rather, no one else can make a claim *of justice* against this holding. It is pellucidly clear in this situation who is entitled to what, so no theory of justice is needed. On this view social cooperation introduces a muddying of the waters that makes it unclear or indetermina who is entitled to what. Rather than saying that no theory of justice applies to this noncooperative case (wouldn't it be unjust if someone stole a

other's products in the noncooperative situation?), I would say that it is a clear case of application of the correct theory of justice: the entitlement theory.

How does social cooperation change this so that the same entitlement principles that apply to the noncooperative cases become inapplicable or inappropriate to cooperative ones? It might be said that one cannot disentangle the contributions of distinct individuals who cooperate; everything is everyone's joint product. On this joint product, or on any portion of it, each person plausibly will make claims of equal strength; all have an equally good claim, or at any rate no person has a distinctly better claim than any other. Somehow (this line of thought continues), it must be decided how this total product of joint social cooperation (to which individual entitlements do not apply differentially) is to be divided up: this is the problem of distributive justice.

Don't individual entitlements apply to parts of the cooperatively produced product? First, suppose that social cooperation is based upon division of labor, specialization, comparative advantage, and exchange; each person works singly to transform some input he receives, contracting with others who further transform or transport his product until it reaches its ultimate consumer. People cooperate in making things but they work separately; each person is a miniature firm. The products of each person are easily identifiable, and exchanges are made in open markets with prices set competitively, given informational constraints, and so forth. In such a system of social cooperation; what is the task of a theory of justice? It might be said that whatever holdings result will depend upon the exchange ratios or prices at which exchanges are made, and therefore that the task of a theory of justice is to set criteria for "fair prices." This is hardly the place to trace the serpentine windings of theories of a just price. It is difficult to see why these issues should even arise here. People are choosing to make exchanges with other people and to transfer entitlements, with no restrictions on their freedom to trade with any other party at any mutually acceptable ratio. Why does such sequential social cooperation, linked together by people's voluntary exchanges, raise any special problems about how things are to be distributed? Why isn't the appropriate (a not inappropriate) set of holdings just the one which *actually occurs* via this process of mutually-agreed-to exchanges whereby people choose to give to others what they are entitled to give or hold? . . .

Terms of Cooperation and the Difference Principle

Another entry into the issue of the connection of social cooperation with distributive shares brings us to grips with Rawls' actual discussion. Rawls imagines rational, mutually disinterested individuals meeting in a certain situation, or abstracted from their other features not provided for in this situation. In this hypothetical situation of choice, which Rawls calls "the original position," they choose the first principles of a conception of justice that is to regulate all subsequent criticism and reform of their institutions. While making this choice, no one knows his place in society,

his class position or social status, or his natural assets and abilities, his strength, intelligence, and so forth.

> The principles of justice are chosen behind a veil of ignorance. This ensures that no one is advantaged or disadvantaged in the choice of principles by the outcome of natural chance or the contingency of social circumstances. Since all are similarly situated and no one is able to design principles to favor his particular condition, the principles of justice are the result of a fair agreement or bargain.[5]

What would persons in the original position agree to?

> Persons in the initial situation would choose two . . . principles: the first requires equality in the assignment of basic rights and duties, while the second holds that social and economic inequalities, for example, inequalities of wealth and authority are just only if they result in compensating benefits for everyone, and in particular for the least advantaged members of society. These principles rule out justifying institutions on the grounds that the hardships of some are offset by a greater good in the aggregate. It may be expedient but it is not just that some should have less in order that others may prosper. But there is no injustice in the greater benefits earned by a few provided that the situation of persons not so fortunate is thereby improved. The intuitive idea is that since everyone's well-being depends upon a scheme of cooperation without which no one could have a satisfactory life, the division of advantages should be such as to draw forth the willing cooperation of everyone taking part in it, including those less well situated. Yet this can be expected only if reasonable terms are proposed. The two principles mentioned seem to be a fair agreement on the basis of which those better endowed, or more fortunate in their social position, neither of which we can be said to deserve, could expect the willing cooperation of others when some workable scheme is a necessary condition of the welfare of all.[6]

This second principle, which Rawls specifies as the difference principle, holds that the institutional structure is to be so designed that the worst-off group under it is at least as well off as the worst-off group (not necessarily the same group) would be under any alternative institutional structure. If persons in the original position follow the minimax policy in making the significant choice of principles of justice, Rawls argues, they will choose the difference principle. Our concern here is not whether persons in the position Rawls describes actually would minimax and actually would choose the particular principles Rawls specifies. Still, we should question why individuals in the original position would choose a principle that focuses upon groups, rather than individuals. Won't application of the minimax principle lead each person in the original position to favor maximizing the position of the worst-off *individual*? To be sure, this principle would reduce questions of evaluating social institutions to the issue of how the unhappiest depressive fares. Yet avoiding this by moving the focus to groups (or representative individuals) seems *ad hoc*, and is inadequately motivated for those in the individual position.[7] Nor is it clear which

groups are appropriately considered; why exclude the group of depressives or alcoholics or the representative paraplegic? . . .

Rawls would have us imagine the worse-endowed persons say something like the following: "Look, better endowed: you gain by cooperating with us. If you want our cooperation you'll have to accept reasonable terms. We suggest these terms: We'll cooperate with you only if we get *as much as possible*. That is, the terms of our cooperation should give us that maximal share such that, if it was tried to give us more, we'd end up with less." How generous these proposed terms are might be seen by imagining that the better endowed make the almost symmetrical opposite proposal: "Look, worse endowed: you gain by cooperating with *us*. If you want our cooperation you'll have to accept reasonable terms. We propose these terms: We'll cooperate with you so long as *we* get as much as possible. That is, the terms of our cooperation should give us the maximal share such that, if it was tried to give us more, we'd end up with less." If these terms seem outrageous, as they are, why don't the terms proposed by those worse endowed seem the same? Why shouldn't the better endowed treat this latter proposal as beneath consideration, supposing someone to have the nerve explicitly to state it?

Rawls devotes much attention to explaining why those less well favored should not complain at receiving less. His explanation, simply put, is that because the inequality works for his advantage, someone less well favored shouldn't complain about it; he receives *more* in the unequal system than he would in an equal one. (Though he might receive still more in another unequal system that placed someone else below him.) But Rawls discusses the question of whether those *more* favored will or should find the terms satisfactory *only* in the following passage, where *A* and *B* are any two representative men with *A* being the more favored:

> The difficulty is to show that *A* has no grounds for complaint. Perhaps he is required to have less than he might since his having more would result in some loss to *B*. Now what can be said to the more favored man? To begin with, it is clear that the well-being of each depends on a scheme of social cooperation without which no one could have a satisfactory life. Secondly, we can ask for the willing cooperation of everyone only if the terms of the scheme are reasonable. The difference principle, then, seems to be a fair basis on which those better endowed, or more fortunate in their social circumstances, could expect others to collaborate with them when some workable arrangement is a necessary condition of the good of all.[8]

What Rawls imagines being said to the more favored men does *not* show that these men have no grounds for complaint, nor does it at all diminish the weight of whatever complaints they have. That the well-being of all depends on social cooperation without which no one could have a satisfactory life could also be said to the less well endowed by someone proposing any other principle, including that of maximizing the position of the best endowed. Similarly for the fact that we can ask for the willing cooperation of everyone only if the terms of the scheme are reasonable. The question

is: What terms *would be* reasonable? What Rawls imagines being said thus far merely sets up his problem; it doesn't distinguish his proposed difference principle from the almost symmetrical counterproposal that we imagined the better endowed making, or from any other proposal. Thus, when Rawls continues, "The difference principle, then, seems to be a fair basis on which those best endowed, or more fortunate in their social circumstances, could expect others to collaborate with them when some workable arrangement is a necessary condition of the good of all," the presence of the "then" in his sentence is puzzling. Since the sentences which precede it are neutral between his proposal and any other proposal, the conclusion that the difference principle presents a fair basis for cooperation *cannot* follow from what precedes it in this passage. Rawls is merely repeating that it seems reasonable; hardly a convincing reply to anyone to whom it doesn't seem reasonable. Rawls has not shown that the more favored man *A* has no grounds for complaint at being required to have less in order that another *B* might have more than he otherwise would. And he can't show this, since *A does* have grounds for complaint. Doesn't he?

The Original Position and End-Result Principles

How can it have been supposed that these terms offered by the less well endowed are fair? Imagine a social pie somehow appearing so that *no one* has any claim at all on any portion of it, no one has any more of a claim than any other person; yet there must be unanimous agreement on how it is to be divided. Undoubtedly, apart from threats or holdouts in bargaining, an equal distribution would be suggested and found plausible as a solution. (It is, in Schelling's sense, a focal point solution.) If *somehow* the size of the pie wasn't fixed, and it was realized that pursuing an equal distribution somehow would lead to a smaller total pie than otherwise might occur, the people might well agree to an unequal distribution which raised the size of the least share. But in any actual situation, wouldn't this realization reveal something about differential claims on parts of the pie? Who is it that could make the pie larger, and would do it if given a larger share, but not if given an equal share under the scheme of equal distribution? To whom is an incentive to be provided to make this larger contribution? (There's no talk here of inextricably entangled joint product; it's known to *whom* incentives are to be offered, or at least to whom a bonus is to be paid after the fact.) Why doesn't this identifiable differential contribution lead to some differential entitlement?

If things fell from heaven like manna, and no one had any special entitlement to any portion of it, and no manna would fall unless all agreed to a particular distribution, and somehow the quantity varied depending on the distribution, then it is plausible to claim that persons placed so that they couldn't make threats, or hold out for specially large shares, would agree to the difference principle rule of distribution. But is *this* the appropriate model for thinking about how the things people produce are to be distributed? Why think the same results should obtain for situations where there *are* differential entitlements as for situations where there are not?

A procedure that founds principles of distributive justice on what rational persons who know nothing about themselves or their histories would agree to *guarantees that end-state principles of justice will be taken as fundamental.* Perhaps some historical principles of justice are derivable from end-state principles, as the utilitarian tries to derive individual rights, prohibitions on punishing the innocent, and so forth, from *his* end-state principle; perhaps such arguments can be constructed even for the entitlement principle. But no historical principle, it seems, could be agreed to in the first instance by the participants in Rawls' original position. For people meeting together behind a veil of ignorance to decide who gets what, knowing nothing about any special entitlements people may have, will treat anything to be distributed as manna from heaven.*

Suppose there were a group of students who have studied during a year, taken examinations, and received grades between 0 and 100 which they have not yet learned of. They are now gathered together, having no idea of the grade any one of them has received, and they are asked to allocate grades among themselves so that the grades total to a given sum (which is determined by the sum of the grades they actually have received from the teacher). First, let us suppose they are to decide jointly upon a particular distribution of grades; they are to give a particular grade to each identifiable one of them present at the meeting. Here, given sufficient restrictions on their ability to threaten each other, they probably would agree to each person receiving the same grade, to each person's grade being equal to the total divided by the number of people to be graded. Surely they would *not* chance upon the particular set of grades they already have received. Suppose next that there is posted on a bulletin board at their meeting a paper headed ENTITLEMENTS, which lists each person's name with a grade next to it, the listing being identical to the instructor's gradings. Still, this particular distribution will not be agreed to by those having done poorly. Even if they know what "entitlement" means (which perhaps we must suppose they don't, in order to match the absence of moral factors in the calculations of persons in Rawls' original position), why should they agree to the instructor's distribution? What self-interested reason to agree to it would they have?

Next suppose that they are unanimously to agree not to a *particular* distribution of grades, but rather to general principles to govern the distribution of grades. What principle would be selected? The equality principle, which gives each person the same grade, would have a prominent chance. And if it turned out that the total was variable depending upon how they divided it, depending on which of them got what grade, and a higher grade was desirable though they were not competing among each other (for example, each of them was competing for some position with the

*Do the people in the original position ever wonder whether *they* have the *right* to decide how everything is to be divided up? Perhaps they reason that since they are deciding this question, they must assume they are entitled to do so; and so particular people can't have particular entitlements to holdings (for then they wouldn't have the right to decide together on how all holdings are to be divided); and hence everything legitimately may be treated like manna from heaven.

members of separate distinct groups), then the principle of distributing grades so as to maximize the lowest grades *might* seem a plausible one. Would these people agree to the non-end-state *historical* principle of distribution: give people grades according to how their examinations were evaluated by a qualified and impartial observer?* If all the people deciding knew the particular distribution that would be yielded by this historical principle, they wouldn't agree to it. For the situation then would be equivalent to the earlier one of their deciding upon a particular distribution, in which we already have seen they would not agree to the entitlement distribution. Suppose then that the people do not know the particular distribution actually yielded by this historical principle. They cannot be led to select this historical principle because it looks just, or fair, to them; for no such notions are allowed to be at work in the original position. (Otherwise people would argue there, like here, about what justice requires.) Each person engages in a calculation to decide whether it will be in his own interests to accept this historical principle of distribution. Grades, under the historical principle, depend upon nature and developed intelligence, how hard the people have worked, accident, and so on, factors about which people in the original position know almost nothing. (It would be risky for someone to think that since he is reasoning so well in thinking about the principles, he must be one of the intellectually better endowed. Who knows what dazzling argument the others are reasoning their way through, and perhaps keeping quiet about for strategic reasons.) Each person in the original position will do something like assigning probability distributions to his place along these various dimensions. It seems unlikely that each person's probability calculations would lead to the historical-entitlement principle, in preference to every other principle. Consider the principle we may call the reverse-entitlement principle. It recommends drawing up a list of the historical entitlements in order of magnitude, and giving the most anyone is entitled to, to the person entitled to the least; the second most to the person entitled to the second least, and so on. Any probability calculations of self-interested persons in Rawls' original position, or any probability calculations of the students we have considered, will lead them to view the entitlement and the reverse-entitlement principles as ranked equally insofar as their own self-interest is concerned! (What calculations could lead them to view one of the principles as superior to the other?) Their calculations will not lead them to select the entitlement principle.

The nature of the decision problem facing persons deciding upon principles in an original position behind a veil of ignorance limits them to

*I do not mean to assume that all teachers are such, nor even that learning in universities should be graded. All I need is some example of entitlement, the details of which the reader will have some familiarity with, to use to examine decision making in the original position. Grading is a simple example, though not a perfect one, entangled as it is with whatever ultimate social purposes the ongoing practice serves. We may ignore this complication, for their selecting the historical principle on the grounds that it effectively serves those purposes would illustrate our point below that their fundamental concerns and fundamental principles are end-state ones.

end-state principles of distribution. The self-interested person evaluates any non end-state principle on the basis of how it works out for him; his calculations about any principle focus on how he ends up under the principle. (These calculations include consideration of the labor he is yet to do, which does not appear in the grading example except as the sunk cost of the labor already done.) Thus for any principle, an occupant of the original position will focus on the distribution D of goods that it leads to, or a probability distribution over the distributions $D_1, \ldots, D_n$, it may lead to, and upon his probabilities of occupying each position in each D; profile, supposing it to obtain. The point would remain the same if, rather than using personal probabilities, he uses some other decision rule of the sort discussed by decision theorists. In these calculations, the only role played by the principle is that of generating a distribution of goods (or whatever else they care about) or of generating a probability distribution over distributions of goods. Different principles are compared solely by comparing the alternative distributions they generate. Thus the principles drop out of the picture, and each self-interested person makes a choice among alternative end-state distributions. People in the original position either directly agree to an end-state distribution or they agree to a principle; if they agree to a principle, they do it solely on the basis of considerations about end-state distributions. The *fundamental* principles they agree to, the ones they can all converge in agreeing upon, *must* be end-state principles.

Rawls' construction is incapable of yielding an entitlement or historical conception of distributive justice. The end-state principles of justice yielded by his procedure might be used in an attempt to *derive*, when conjoined with factual information, historical-entitlement principles, as derivative principles falling under a nonentitlement conception of justice.[9] It is difficult to see how such attempts could derive and account for the *particular* convolutions of historical-entitlement principles. And any derivations from end-state principles of approximations of the principles of acquisition, transfer, and rectification would strike one as similar to utilitarian contortions in trying to derive (approximations of) usual precepts of justice; they do not yield the particular result desired, and they produce the wrong reasons for the sort of result they try to get. If historical-entitlement principles are fundamental, then Rawls' constructions will yield approximations of them at best; it will produce the wrong sorts of reasons for them, and its derived results sometimes will conflict with the precisely correct principles. The whole procedure of persons choosing principles in Rawls' original position presupposes that no historical-entitlement conception of justice is correct.

It might be objected to our argument that Rawls' procedure is designed to *establish* all facts about justice; there is no independent notion of entitlement, not provided by his theory, to stand on in criticizing his theory. But we do not need any *particular* developed historical-entitlement theory as a basis from which to criticize Rawls' construction. If *any* such fundamental historical-entitlement view is correct, then Rawls' theory is not. We are thus able to make this structural criticism of the type of theory Rawls presents and the type of principles it must yield, without first having formulated fully a particular historical-entitlement theory as an alternative

to his. We would be ill advised to accept Rawls' theory and his construal of the problem as one of which principles would be chosen by rational self-interested individuals behind a veil of ignorance, unless we were sure that no adequate historical-entitlement theory was to be gotten.

Since Rawls' construction doesn't yield a historical or entitlement conception of justice, there will be some feature(s) of his construction in virtue of which it doesn't. Have we done anything other than focus upon the particular feature(s), and say that this makes Rawls' construction incapable in principle of yielding an entitlement or historical conception of justice? This would be a criticism without any force at all, for in this sense we would have to say that the construction is incapable in principle of yielding any conception other than the one it actually yields. It seems clear that our criticism goes deeper than this (and I hope it is clear to the reader); but it is difficult to formulate the requisite criterion of depth. Lest this appear lame, let us add that as Rawls states the root idea underlying the veil of ignorance, that feature which is the most prominent in excluding agreement to an entitlement conception, it is to prevent someone from tailoring principles to his own advantage, from designing principles to favor his particular condition. But not only does the veil of ignorance do this; it ensures that no shadow of entitlement considerations will enter the rational calculations of ignorant, nonmoral individuals constrained to decide in a situation reflecting some formal conditions of morality.* Perhaps in a Rawls-*like* construction, some condition weaker than the veil of ignorance could serve to exclude the special tailoring of principles, or perhaps some other "structural-looking" feature of the choice situation could be formulated to mirror entitlement considerations. But as it stands there is no reflection of entitlement considerations in any form in the situation of those in the original position; these considerations do not enter even to be overridden or outweighed or otherwise put aside. Since no glimmer of entitlement principles is built into the structure of the situation of persons in the original position, there is no way these principles could be selected and Rawls' construction is incapable in principle of yielding them. This is not to say, of course, that the entitlement principle (or "the principle of natural liberty") couldn't be *written* on the list of principles to be considered by those in the original position. Rawls doesn't do even this, perhaps because it is so transparently clear that there would be no point in including it to be considered *there*.

Macro and Micro

We noted earlier the objection which doubted whether there is an independent notion of entitlement. This connects with Rawls' insistence that the principles he formulates are to be applied only to the fundament

*Someone might think entitlement principles count as specially tailored in a morally objectionable way, and so he might reject my claim that the veil of ignorance accomplishes more than its stated purpose. Since to specially tailor principles is to tailor them *unfairly* for one's own advantage, and since the question of the fairness of the entitlement principle is precisely the issue, it is difficult to decide which begs the question: my criticism of the strength of t

macrostructure of the whole society, and that no micro counterexample to them will be admissible. The difference principle is, on the face of it, *unfair* (though that will be of no concern to anyone deciding in the original position); and a wide gamut of counterexamples to it can be produced that focus on small situations that are easy to take in and manage. But Rawls does *not* claim the difference principle is to apply to every situation; only to the basic structure of the society. How are we to decide if it applies to that? Since we may have only weak confidence in our intuitions and judgments about the justice of the whole structure of society, we may attempt to aid our judgment by focusing on microsituations that we do have a firm grasp of. For many of us, an important part of the process of arriving at what Rawls calls "reflective equilibrium" will consist of thought experiments in which we try out principles in hypothetical microsituations. If, in our considered judgment, they don't apply there then they are not universally applicable. And we may think that since correct principles of justice *are* universally applicable, principles that fail for microsituations cannot be correct. Since Plato, at any rate, that has been our tradition; principles may be tried out in the large and in the small. Plato thought that writ large the principles are easier to discern; others may think the reverse.

Rawls, however, proceeds as though distinct principles apply to macro and micro contexts, to the basic structure of society and to the situations we can take in and understand. Are the fundamental principles of justice *emergent* in this fashion, applying only to the largest social structure, yet not to its parts? Perhaps one thinks of the possibility that a whole social structure is just, even though none of its parts is, because the injustice in each part somehow balances out or counteracts another one, and the total injustice ends up being balanced out or nullified. But can a part satisfy the most fundamental principle of justice yet still clearly be unjust, apart from its failure to perform any supposed task of counterbalancing another existing injustice? Perhaps so, if a part involves some special domain. But surely a regular, ordinary, everyday part, possessing no very unusual features, should turn out to be just when it satisfies the fundamental principles of justice; otherwise, special explanations must be offered. One cannot say merely that one is speaking of principles to apply only to the fundamental structure, so that micro counter-examples do not tell. In virtue of what features of the basic structure, features not possessed by microcases, do special moral principles apply that would be unacceptable elsewhere?

There are special disadvantages to proceeding by focusing only on the intuitive justice of described complex wholes. For complex wholes are not easily scanned; we cannot easily keep track of everything that is relevant. The justice of a whole society may depend on its satisfying a number of distinct principles. These principles, though individually compelling (witness their application to a wide range of particular microcases), may yield surprising results when combined together. That is, one may be surprised at which, and only which, institutional forms satisfy all the principles. (Compare the surprise at discovering what, and only what, satisfies a number of distinct and individually compelling conditions of adequacy; and how illuminating such discoveries are.) Or perhaps it is one simple

principle which is to be writ large, and what things look like when this is done is very surprising, at first. I am not claiming that new *principles* emerge in the large, but that how the old microprinciples turn out to be satisfied in the large may surprise. If this is so, then one should not depend upon judgments about the whole as providing the only or even the major body of data against which to check one's principles. One major path to changing one's intuitive judgments about some complex whole is through seeing the larger and often surprising implications of principles solidly founded at the micro level. Similarly, discovering that one's judgments are wrong or mistaken often surely will involve overturning them by stringent applications of principles grounded on the micro level. For these reasons it is undesirable to attempt to protect principles by excluding microtests of them.

The only reason I have thought of for discounting microtests of the fundamental principles is that microsituations have particular entitlements built into them. Of course, continues the argument, the fundamental principles under consideration will run afoul of these entitlements, for the principles are to operate at a deeper level than such entitlements. Since they are to operate at the level that underlies such entitlements, no microsituation that includes entitlements can be introduced as an example by which to test these fundamental principles. Note that this reasoning grants that Rawls' procedure assumes that no fundamental entitlement view is correct, that it assumes there is some level so deep that no entitlements operate that far down.

May all entitlements be relegated to relatively superficial levels? For example, people's entitlements to the parts of their own bodies? An application of the principle of maximizing the position of those worst off might well involve forcible redistribution of bodily parts ("You've been sighted for all these years; now one—or even both—of your eyes is to be transplanted to others"), or killing some people early to use their bodies in order to provide material necessary to save the lives of those who otherwise would die young. To bring up such cases is to sound slightly hysterical. But we are driven to such extreme examples in examining Rawls' prohibition on micro counterexamples. That not all entitlements in microcases are plausibly construed as superficial, and hence as illegitimate material by which to test our suggested principles, is made especially clear if we focus on those entitlements and rights that most clearly are not socially or institutionally based. On what grounds are such cases, whose detailed specifications I leave to the ghoulish reader, ruled inadmissible? On what grounds can it be claimed that the fundamental principles of justice need apply only to the fundamental institutional structure of a society? (And couldn't we build such redistributive practices concerning bodily parts or the ending of people's lives into the fundamental structure of a society?) . . .

Natural Assets and Arbitrariness

Rawls comes closer to considering the entitlement system in his discussion of what he terms the system of natural liberty:

> The system of natural liberty selects an efficient distribution roughly as follows. Let us suppose that we know from economic theory that under the standard assumptions defining a competitive market economy, income and wealth will be distributed in an efficient way, and that the particular efficient distribution which results in any period of time is determined by the initial distribution of assets, that is, by the initial distribution of income and wealth, and of natural talents and abilities. With each initial distribution, a definite efficient outcome is arrived at. Thus it turns out that if we are to accept the outcome as just, and not merely as efficient, we must accept the basis upon which over time the initial distribution of assets is determined.
>
> In the system of natural liberty the initial distribution is regulated by the arrangements implicit in the conception of careers open to talents. These arrangements presuppose a background of equal liberty (as specified by the first principle) and a free market economy. They require a formal equality of opportunity in that all have at least the same legal rights of access to all advantaged social positions. But since there is no effort to preserve an equality or similarity, of social conditions, except insofar as this is necessary to preserve the requisite background institutions, the initial distribution of assets for any period of time is strongly influenced by natural and social contingencies. The existing distribution of income and wealth, say, is the cumulative effect of prior distributions of natural assets—that is, natural talents and abilities—as these have been developed or left unrealized, and their use favored or disfavored over time by social circumstances and such chance contingencies as accident and good fortune. Intuitively, the most obvious injustice of the system of natural liberty is that it permits distributive shares to be improperly influenced by these factors so arbitrary from a moral point of view.[10]

Here we have *Rawls'* reason for rejecting a system of natural liberty: it "permits" distributive shares to be improperly influenced by factors that are so arbitrary from a moral point of view. These factors are: "prior distribution . . . of natural talents and abilities as these have been developed over time by social circumstances and such chance contingencies as accident and good fortune." Notice that there is no mention *at all* of how persons have chosen to develop their own natural assets. Why is that simply left out? Perhaps because such choices also are viewed as being the products of factors outside the person's control, and hence as "arbitrary from a moral point of view." "The assertion that a man deserves the superior character that enables him to make the effort to cultivate his abilities is equally problematic; for his character depends in large part upon fortunate family and social circumstances for which he can claim no credit."[11] (What view is presupposed here of character and its relation to action?) "The initial endowment of natural assets and the contingencies of their growth and nurture in early life are arbitrary from a moral point of view . . . the effort a person is willing to make is influenced by his natural abilities and skills and the alternatives open to him. The better endowed are more likely, other things equal, to strive conscientiously. . . ."[12] This line of argument can succeed in blocking the introduction of a person's autonomous choices and actions (and their results) only by attributing *everything* noteworthy about the person completely to certain sorts of "external" factors. So denigrating a person's autonomy and prime responsibility for his actions is a risky line to take for a theory that otherwise wishes to buttress the dignity and self-respect of autonomous beings; especially for a theory that founds so much (including a theory of the good) upon persons' choices. One doubts that the unexalted picture of human beings Rawls's theory presupposes and rests upon can be made to fit together with the view of human dignity it is designed to lead to and embody.

Before we investigate Rawls' reasons for rejecting the system of natural liberty, we should note the situation of those in the original position. The system of natural liberty is *one* interpretation of a principle that (according to Rawls) they *do* accept: social and economic inequalities are to be arranged so that they both are reasonably expected to be to everyone's advantage, and are attached to positions and offices open to all. It is left unclear whether the persons in the original position explicitly consider and choose among *all* the various interpretations of this principle, though this would seem to be the most reasonable construal. (Rawls' chart on page 129 listing the conceptions of justice considered in the original position does *not* include the system of natural liberty.) Certainly they explicitly consider one interpretation, the difference principle. Rawls does not state why persons in the original position who considered the system of natural liberty would reject it. Their reason cannot be that it makes the resulting distribution depend upon a *morally* arbitrary distribution of natural assets. What we must suppose, as we have seen before, is that the self-interested calculation of persons in the original position does not (and cannot) lead them to adopt the entitlement principle. We, however, and Rawls, base our evaluations on different considerations.

Rawls has explicitly *designed* the original position and its choice situation so as to embody and realize his negative reflective evaluation of allowing shares in holdings to be affected by natural assets: "Once we decide to look for a conception of justice that nullifies the accidents of natural endowment and the contingencies of social circumstance. . . ." (Rawls makes many scattered references to this theme of nullifying the accidents of natural endowment and the contingencies of social circumstance.) . . .

Why shouldn't holdings partially depend upon natural endowments? (They will also depend on how these are developed and on the uses to which they are put.) Rawls' reply is that these natural endowments and assets, being undeserved, are "arbitrary from a moral point of view." . . .

The Positive Argument

We shall begin with the positive argument. How might the point that differences in natural endowments are arbitrary from a moral point of view function in an argument meant to establish that differences in holdings stemming from differences in natural assets ought to be nullified? We shall consider four possible arguments. . . .

Consider next argument B:

1. Holdings ought to be distributed according to some pattern that is not arbitrary from a moral point of view.
2. That persons have different natural assets *is* arbitrary from a moral point of view.

Therefore,

3. Holdings ought not to be distributed according to natural assets.

But differences in natural assets might be *correlated* with other differences that are not arbitrary from a moral point of view and that are clearly of some possible moral relevance to distributional questions. For example, Hayek argued that under capitalism distribution generally is in accordance with perceived service to others. Since differences in natural assets will produce differences in ability to serve others, there will be some correlation of differences in distribution with differences in natural assets. The principle of the system is *not* distribution in accordance with natural assets; but differences in natural assets will lead to differences in holdings under a system whose principle is distribution according to perceived service to others. . . .

I turn now to our final positive argument which purports to derive the conclusion that distributive shares shouldn't depend upon natural assets from the statement that the distribution of natural assets is morally arbitrary. This argument focuses on the notion of equality. Since a large part of Rawls' argument serves to justify or show acceptable a particular deviation from equal shares (some may have more if this serves to improve the position of those worst off), perhaps a reconstruction of his underlying argument that places equality at its center will be illuminating. Differences between persons (the argument runs) are arbitrary from a moral point of view if there is no moral argument for the conclusion that there ought to be the differences. Not all such differences will be morally objectionable. That there is no such moral argument will seem important only in the case of those differences we believe oughtn't to obtain unless there is a moral reason establishing that they ought to obtain. There is, so to speak, a presumption against certain differences that can be overridden (can it merely be neutralized?) by moral reasons; in the absence of any such moral reasons of sufficient weight, there ought to be equality. Thus we have argument D:

1. Holdings ought to be equal, unless there is a (weighty) moral reason why they ought to be unequal.
2. People do not deserve the ways in which they differ from other persons in natural assets; there is no moral reason why people ought to differ in natural assets.
3. If there is no moral reason why people differ in certain traits, then their actually differing in these traits does not provide, and cannot give rise to, a moral reason why they should differ in other traits (for example, in holdings).
4. Therefore people's differing in natural assets is not a reason why holdings ought to be unequal.
5. People's holdings ought to be equal unless there is some other moral reason (such as, for example, raising the position of those worst off) why their holdings ought to be unequal.

Statements similar to the third premiss will occupy us shortly. Here let us focus on the first premiss, the equality premiss. Why ought people's holdings to be equal, in the absence of special moral reason to deviate from equality? (Why think there *ought* to be *any* particular pattern in holdings?) Why is equality the rest (or rectilinear motion) position of the system, deviation from which may be caused only by moral forces? Many "arguments" for equality merely *assert* that differences between persons are arbitrary and must be justified. Often writers state a presumption in favor of equality in a form such as the following: "Differences in treatment of persons need to be justified."[14] The most favored situation for this sort of assumption is one in which there is one person (or group) treating everyone, a person (or group) having *no* right or entitlement to bestow the particular treatment as they wish or even whim. But if I go to one movie theater rather than to another adjacent to it, need I justify my different treatment of the two theater owners? Isn't it enough that I felt like going to one of them? That differences in treatment need to be justified *does* fit contemporary *governments*. Here there is a centralized process treating all, with no entitlement to bestow treatment according to whim. The major portion of distribution in a free society does not, however, come through the actions of the government, nor does failure to overturn the results of the localized individual exchanges constitute "state action." When there is no *one* doing the treating, and all are entitled to bestow their holdings as they wish, it is not clear why the maxim that differences in treatment must be justified should be thought to have extensive application. Why must differences between persons be justified? Why think that we must change, or remedy, or compensate for any inequality which can be changed, remedied, or compensated for? Perhaps here is where social cooperation enters in: though there is no presumption of equality (in, say, primary goods, or things people care about) among all persons, perhaps there is one among persons cooperating together. But it is difficult to see an argument for this; surely not all persons who cooperate together explicitly agree to this presumption as one of the terms of their mutual cooperation. And its acceptance would provide an unfortunate incentive for well-off persons to refuse to cooperate with, or to allow any of their number to cooperate with, some distant people who are less well off than any among them. For entering into such social cooperation, beneficial to those less well off would seriously worsen the position of the well-off group by creating relations of presumptive equality between themselves and the worse-off group. . . .

Collective Assets

Rawls' view seems to be that everyone has some entitlement or claim on the totality of natural assets (viewed as a pool), with no one having differential claims. The distribution of natural abilities is viewed as a "collective asset."

> We see then that the difference principle represents, in effect, an agreement to regard the distribution of natural talents as a common asset and

> to share in the benefits of this distribution whatever it turns out to be. Those who have been favored by nature, whoever they are, may gain from their good fortune only on terms that improve the situation of those who have lost out. . . . No one deserves his greater natural capacity nor merits a more favorable starting place in society. But it does not follow that one should eliminate these distinctions. There is another way to deal with them. The basic structure can be arranged so that these contingencies work for the good of the least fortunate.[15]

People will differ in how they view regarding natural talents as a common asset. Some will complain, echoing Rawls against utilitarianism,[16] that this "does not take seriously the distinction between persons"; and they will wonder whether any reconstruction of Kant that treats people's abilities and talents as resources for others can be adequate. "The two principles of justice . . . rule out even the tendency to regard men as means to one another's welfare."[17] Only if one presses *very* hard on the distinction between men and their talents, assets, abilities, and special traits. Whether any coherent conception of a person remains when the distinction is so pressed is an open question. Why we, thick with particular traits, should be cheered that (only) the thus purified men within us are not regarded as means is also unclear.

People's talents and abilities *are* an asset to a free community; others in the community benefit from their presence and are better off because they are there rather than elsewhere or nowhere. (Otherwise they wouldn't choose to deal with them.) Life, over time, is not a constant-sum game, wherein if greater ability or effort leads to some getting more, that means that others must lose. In a free society, people's talents do benefit others, and not only themselves. Is it the extraction of even more benefit to others that is supposed to justify treating people's natural assets as a collective resource? What justifies this extraction?

> No one deserves his greater natural capacity nor merits a more favorable starting place in society. But it does not follow that one should eliminate these distinctions. There is another way to deal with them. The basic structure can be arranged so that these contingencies work for the good of the least fortunate.[18]

And if there weren't "another way to deal with them?" would it then follow that one should eliminate these distinctions? What exactly would be contemplated in the case of natural assets? If people's assets and talents *couldn't* be harnessed to serve others, would something be done to remove these exceptional assets and talents, or to forbid them from being exercised for the person's own benefit or that of someone else he chose, even though this limitation wouldn't improve the absolute position of those somehow unable to harness the talents and abilities of others for their own benefit? Is it so implausible to claim that envy underlies this conception of justice, forming part of its root notion? . . .

We have used our entitlement conception of justice in holdings to probe Rawls' theory, sharpening our understanding of what the entitlement conception involves by bringing it to bear upon an
ception of distributive justice, one that is deep and elegant. As
we have probed deep-lying inadequacies in Rawls' theory. I am mi
Rawls' reiterated point that a theory cannot be evaluated by focusing o
a single feature or part of it; instead the whole theory must be assessec
(the reader will not know how whole a theory can be until he has read al
of Rawls' book), and a perfect theory is not to be expected. However w
have examined an important part of Rawls' theory, and its crucial underly
ing assumptions. I am as well aware as anyone of how sketchy my discus
sion of the entitlement conception of justice in holdings has been. But I n
more believe we need to have formulated a complete alternative theory i
order to reject Rawls' undeniably great advance over utilitarianism, tha
Rawls needed a complete alternative theory before he could reject utilitari
anism. What more does one need or can one have, in order to begi
progressing toward a better theory, than a sketch of a plausible alternativ
view, which from its very different perspective highlights the inadequacie
of the best existing well-worked-out theory? Here, as in so many things, w
learn from Rawls.

NOTES

1. F. A. Hayek, *The Constitution of Liberty* (Chicago: University of Chicago Press, 196
p. 87.
2. Further details which this statement should include are contained in my ess
"Coercion," in *Philosophy, Science, and Method*, ed. S. Morgenbesser, P. Suppes, and
White (New York: St. Martin, 1969).
3. I discuss overriding and its moral traces in "Moral Complications and Moral Stru
tures," *Natural Law Forum*, 1968, pp. 1–50.
4. Rawls, *A Theory of Justice*, p.4.
5. Rawls, *Theory of Justice*, p. 12. (See p. 14 in this volume.)
6. Rawls, *Theory of Justice*, pp. 14–15. (See p. 16 in this volume.)
7. Rawls, *Theory of Justice*, sect. 16, especially p. 98.
8. Rawls, *Theory of Justice*, p. 103. (See p. 34 in this volume.)
9. Some years ago, Hayek argued *(The Constitution of Liberty*, Chap. 3) that a fr
capitalist society, over time, raises the position of those worst off more than a
alternative institutional structure; to use present terminology, he argued that it b
satisfies the end-state principle of justice formulated by the difference principle.
10. Rawls, *Theory of Justice*, p. 72. (See p. 29 in this volume.) Rawls goes on to disc
what he calls a liberal interpretation of his two principles of justice, which is d
signed to eliminate the influence of social contingencies, but which "intuitively, s
appears defective . . . (for) it still permits the distribution of wealth and income
be determined by the natural distribution of abilities and talents . . . distributi
shares are decided by the outcome of the natural lottery; and this outcome
arbitrary from a moral perspective. There is no more reason to permit the distrib
tion of income and wealth to be settled by the distribution of natural assets than
historical and social fortune" (pp. 73–74). (See p. 30 in this volume.)
11. Rawls, *Theory of Justice*, p. 104. (See p. 35 in this volume.)
12. Rawls, *Theory of Justice*, pp. 311–312.
13. Rawls, *Theory of Justice*, p. 15. (See p. 16 in this volume.)
14. "No reason need be given for . . . an equal distribution of benefits—for that
'natural'—self-evidently right and just, and needs no justification, since it is in so
sense conceived as being self-justified. . . . The assumption is that equality needs

against which classical liberalism fought. In the very act of turning the clock back to seventeenth-century mercantilism, he is fond of castigating true liberals as reactionary!

The change in the meaning attached to the term liberalism is more striking in economic matters than in political. The twentieth-century liberal, like the nineteenth-century liberal, favors parliamentary institutions, representative government, civil rights, and so on. Yet even in political matters, there is a notable difference. Jealous of liberty, and hence fearful of centralized power, whether in governmental or private hands, the nineteenth-century liberal favored political decentralization. Committed to action and confident of the beneficence of power so long as it is in the hands of a government ostensibly controlled by the electorate, the twentieth-century liberal favors centralized government. He will resolve any doubt about where power should be located in favor of the state instead of the city, of the federal government instead of the state, and of a world organization instead of a national government.

Because of the corruption of the term liberalism, the views that formerly went under that name are now often labeled conservatism. But this is not a satisfactory alternative. The nineteenth-century liberal was a radical, both in the etymological sense of going to the root of the matter, and in the political sense of favoring major changes in social institutions. So too must be his modern heir. We do not wish to conserve the state interventions that have interfered so greatly with our freedom, though, of course, we do wish to conserve those that have promoted it. Moreover, in practice, the term conservatism has come to cover so wide a range of views, and views so incompatible with one another, that we shall no doubt see the growth of hyphenated designations, such as libertarian-conservative and aristocratic-conservative.

Partly because of my reluctance to surrender the term to proponents of measures that would destroy liberty, partly because I cannot find a better alternative, I shall resolve these difficulties by using the word liberalism in its original sense—as the doctrines pertaining to a free man.

Chapter 1

The Relation between Economic Freedom and Political Freedom

IT IS WIDELY BELIEVED that politics and economics are separate and largely unconnected; that individual freedom is a political problem and material welfare an economic problem; and that any kind of political arrangements can be combined with any kind of economic arrangements. The chief contemporary manifestation of this idea is the advocacy of "democratic socialism" by many who condemn out of hand the restrictions on individual freedom imposed by "totalitarian socialism" in Russia, and who are persuaded that it is possible for a country to adopt the essential features of Russian economic arrangements and yet to ensure individual freedom through political arrangements. The

thesis of this chapter is that such a view is a delusion, that there is an intimate connection between economics and politics, that only certain combinations of political and economic arrangements are possible, and that in particular, a society which is socialist cannot also be democratic, in the sense of guaranteeing individual freedom.

Economic arrangements play a dual role in the promotion of a free society. On the one hand, freedom in economic arrangements is itself a component of freedom broadly understood, so economic freedom is an end in itself. In the second place, economic freedom is also an indispensable means toward the achievement of political freedom.

The first of these roles of economic freedom needs special emphasis because intellectuals in particular have a strong bias against regarding this aspect of freedom as important. They tend to express contempt for what they regard as material aspects of life, and to regard their own pursuit of allegedly higher values as on a different plane of significance and as deserving of special attention. For most citizens of the country, however, if not for the intellectual, the direct importance of economic freedom is at least comparable in significance to the indirect importance of economic freedom as a means to political freedom.

The citizen of Great Britain, who after World War II was not permitted to spend his vacation in the United States because of exchange control, was being deprived of an essential freedom no less than the citizen of the United States, who was denied the opportunity to spend his vacation in Russia because of his political views. The one was ostensibly an economic limitation on freedom and the other a political limitation, yet there is no essential difference between the two.

The citizen of the United States who is compelled by law to devote something like 10 per cent of his income to the purchase of a particular kind of retirement contract, administered by the government, is being deprived of a corresponding part of his personal freedom. How strongly this deprivation may be felt and its closeness to the deprivation of religious freedom, which all would regard as "civil" or "political" rather than "economic", were dramatized by an episode involving a group of farmers of the Amish sect. On grounds of principle, this group

regarded compulsory federal old age programs as an infringement of their personal individual freedom and refused to pay taxes or accept benefits. As a result, some of their livestock were sold by auction in order to satisfy claims for social security levies. True, the number of citizens who regard compulsory old age insurance as a deprivation of freedom may be few, but the believer in freedom has never counted noses.

A citizen of the United States who under the laws of various states is not free to follow the occupation of his own choosing unless he can get a license for it, is likewise being deprived of an essential part of his freedom. So is the man who would like to exchange some of his goods with, say, a Swiss for a watch but is prevented from doing so by a quota. So also is the Californian who was thrown into jail for selling Alka Seltzer at a price below that set by the manufacturer under so-called "fair trade" laws. So also is the farmer who cannot grow the amount of wheat he wants. And so on. Clearly, economic freedom, in and of itself, is an extremely important part of total freedom.

Viewed as a means to the end of political freedom, economic arrangements are important because of their effect on the concentration or dispersion of power. The kind of economic organization that provides economic freedom directly, namely, competitive capitalism, also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other.

Historical evidence speaks with a single voice on the relation between political freedom and a free market. I know of no example in time or place of a society that has been marked by a large measure of political freedom, and that has not also used something comparable to a free market to organize the bulk of economic activity.

Because we live in a largely free society, we tend to forget how limited is the span of time and the part of the globe for which there has ever been anything like political freedom: the typical state of mankind is tyranny, servitude, and misery. The nineteenth century and early twentieth century in the Western world stand out as striking exceptions to the general trend of historical development. Political freedom in this instance clearly came along with the free market and the development of capitalist

institutions. So also did political freedom in the golden age of Greece and in the early days of the Roman era.

History suggests only that capitalism is a necessary condition for political freedom. Clearly it is not a sufficient condition. Fascist Italy and Fascist Spain, Germany at various times in the last seventy years, Japan before World Wars I and II, tzarist Russia in the decades before World War I—are all societies that cannot conceivably be described as politically free. Yet, in each, private enterprise was the dominant form of economic organization. It is therefore clearly possible to have economic arrangements that are fundamentally capitalist and political arrangements that are not free.

Even in those societies, the citizenry had a good deal more freedom than citizens of a modern totalitarian state like Russia or Nazi Germany, in which economic totalitarianism is combined with political totalitarianism. Even in Russia under the Tzars, it was possible for some citizens, under some circumstances, to change their jobs without getting permission from political authority because capitalism and the existence of private property provided some check to the centralized power of the state.

The relation between political and economic freedom is complex and by no means unilateral. In the early nineteenth century, Bentham and the Philosophical Radicals were inclined to regard political freedom as a means to economic freedom. They believed that the masses were being hampered by the restrictions that were being imposed upon them, and that if political reform gave the bulk of the people the vote, they would do what was good for them, which was to vote for laissez faire. In retrospect, one cannot say that they were wrong. There was a large measure of political reform that was accompanied by economic reform in the direction of a great deal of laissez faire. An enormous increase in the well-being of the masses followed this change in economic arrangements.

The triumph of Benthamite liberalism in nineteenth-century England was followed by a reaction toward increasing intervention by government in economic affairs. This tendency to collectivism was greatly accelerated, both in England and elsewhere, by the two World Wars. Welfare rather than freedom be-

came the dominant note in democratic countries. Recognizing the implicit threat to individualism, the intellectual descendants of the Philosophical Radicals—Dicey, Mises, Hayek, and Simons, to mention only a few—feared that a continued movement toward centralized control of economic activity would prove *The Road to Serfdom*, as Hayek entitled his penetrating analysis of the process. Their emphasis was on economic freedom as a means toward political freedom.

Events since the end of World War II display still a different relation between economic and political freedom. Collectivist economic planning has indeed interfered with individual freedom. At least in some countries, however, the result has not been the suppression of freedom, but the reversal of economic policy. England again provides the most striking example. The turning point was perhaps the "control of engagements" order which, despite great misgivings, the Labour party found it necessary to impose in order to carry out its economic policy. Fully enforced and carried through, the law would have involved centralized allocation of individuals to occupations. This conflicted so sharply with personal liberty that it was enforced in a negligible number of cases, and then repealed after the law had been in effect for only a short period. Its repeal ushered in a decided shift in economic policy, marked by reduced reliance on centralized "plans" and "programs", by the dismantling of many controls, and by increased emphasis on the private market. A similar shift in policy occurred in most other democratic countries.

The proximate explanation of these shifts in policy is the limited success of central planning or its outright failure to achieve stated objectives. However, this failure is itself to be attributed, at least in some measure, to the political implications of central planning and to an unwillingness to follow out its logic when doing so requires trampling rough-shod on treasured private rights. It may well be that the shift is only a temporary interruption in the collectivist trend of this century. Even so, it illustrates the close relation between political freedom and economic arrangements.

Historical evidence by itself can never be convincing. Perhaps it was sheer coincidence that the expansion of freedom occurred

at the same time as the development of capitalist and market institutions. Why should there be a connection? What are the logical links between economic and political freedom? In discussing these questions we shall consider first the market as a direct component of freedom, and then the indirect relation between market arrangements and political freedom. A by-product will be an outline of the ideal economic arrangements for a free society.

As liberals, we take freedom of the individual, or perhaps the family, as our ultimate goal in judging social arrangements. Freedom as a value in this sense has to do with the interrelations among people; it has no meaning whatsoever to a Robinson Crusoe on an isolated island (without his Man Friday). Robinson Crusoe on his island is subject to "constraint," he has limited "power," and he has only a limited number of alternatives, but there is no problem of freedom in the sense that is relevant to our discussion. Similarly, in a society freedom has nothing to say about what an individual does with his freedom; it is not an all-embracing ethic. Indeed, a major aim of the liberal is to leave the ethical problem for the individual to wrestle with. The "really" important ethical problems are those that face an individual in a free society — what he should do with his freedom. There are thus two sets of values that a liberal will emphasize — the values that are relevant to relations among people, which is the context in which he assigns first priority to freedom; and the values that are relevant to the individual in the exercise of his freedom, which is the realm of individual ethics and philosophy.

The liberal conceives of men as imperfect beings. He regards the problem of social organization to be as much a negative problem of preventing "bad" people from doing harm as of enabling "good" people to do good; and, of course, "bad" and "good" people may be the same people, depending on who is judging them.

The basic problem of social organization is how to co-ordinate the economic activities of large numbers of people. Even in relatively backward societies, extensive division of labor and specialization of function is required to make effective use of available resources. In advanced societies, the scale on which co-

ordination is needed, to take full advantage of the opportunities offered by modern science and technology, is enormously greater. Literally millions of people are involved in providing one another with their daily bread, let alone with their yearly automobiles. The challenge to the believer in liberty is to reconcile this widespread interdependence with individual freedom.

Fundamentally, there are only two ways of co-ordinating the economic activities of millions. One is central direction involving the use of coercion — the technique of the army and of the modern totalitarian state. The other is voluntary co-operation of individuals — the technique of the market place.

The possibility of co-ordination through voluntary co-operation rests on the elementary — yet frequently denied — proposition that both parties to an economic transaction benefit from it, *provided the transaction is bi-laterally voluntary and informed*.

Exchange can therefore bring about co-ordination without coercion. A working model of a society organized through voluntary exchange is a *free private enterprise exchange economy* — what we have been calling competitive capitalism.

In its simplest form, such a society consists of a number of independent households — a collection of Robinson Crusoes, as it were. Each household uses the resources it controls to produce goods and services that it exchanges for goods and services produced by other households, on terms mutually acceptable to the two parties to the bargain. It is thereby enabled to satisfy its wants indirectly by producing goods and services for others, rather than directly by producing goods for its own immediate use. The incentive for adopting this indirect route is, of course, the increased product made possible by division of labor and specialization of function. Since the household always has the alternative of producing directly for itself, it need not enter into any exchange unless it benefits from it. Hence, no exchange will take place unless both parties do benefit from it. Co-operation is thereby achieved without coercion.

Specialization of function and division of labor would not go far if the ultimate productive unit were the household. In a modern society, we have gone much farther. We have introduced enterprises which are intermediaries between individuals

in their capacities as suppliers of service and as purchasers of goods. And similarly, specialization of function and division of labor could not go very far if we had to continue to rely on the barter of product for product. In consequence, money has been introduced as a means of facilitating exchange, and of enabling the acts of purchase and of sale to be separated into two parts.

Despite the important role of enterprises and of money in our actual economy, and despite the numerous and complex problems they raise, the central characteristic of the market technique of achieving co-ordination is fully displayed in the simple exchange economy that contains neither enterprises nor money. As in that simple model, so in the complex enterprise and money-exchange economy, co-operation is strictly individual and voluntary *provided*: (*a*) that enterprises are private, so that the ultimate contracting parties are individuals and (*b*) that individuals are effectively free to enter or not to enter into any particular exchange, so that every transaction is strictly voluntary.

It is far easier to state these provisos in general terms than to spell them out in detail, or to specify precisely the institutional arrangements most conducive to their maintenance. Indeed, much of technical economic literature is concerned with precisely these questions. The basic requisite is the maintenance of law and order to prevent physical coercion of one individual by another and to enforce contracts voluntarily entered into, thus giving substance to "private". Aside from this, perhaps the most difficult problems arise from monopoly — which inhibits effective freedom by denying individuals alternatives to the particular exchange — and from "neighborhood effects" — effects on third parties for which it is not feasible to charge or recompense them. These problems will be discussed in more detail in the following chapter.

So long as effective freedom of exchange is maintained, the central feature of the market organization of economic activity is that it prevents one person from interfering with another in respect of most of his activities. The consumer is protected from coercion by the seller because of the presence of other sellers with whom he can deal. The seller is protected from coercion by the consumer because of other consumers to whom he can sell. The employee is protected from coercion by the employer because of

other employers for whom he can work, and so on. And the market does this impersonally and without centralized authority.

Indeed, a major source of objection to a free economy is precisely that it does this task so well. It gives people what they want instead of what a particular group thinks they ought to want. Underlying most arguments against the free market is a lack of belief in freedom itself.

The existence of a free market does not of course eliminate the need for government. On the contrary, government is essential both as a forum for determining the "rules of the game" and as an umpire to interpret and enforce the rules decided on. What the market does is to reduce greatly the range of issues that must be decided through political means, and thereby to minimize the extent to which government need participate directly in the game. The characteristic feature of action through political channels is that it tends to require or enforce substantial conformity. The great advantage of the market, on the other hand, is that it permits wide diversity. It is, in political terms, a system of proportional representation. Each man can vote, as it were, for the color of tie he wants and get it; he does not have to see what color the majority wants and then, if he is in the minority, submit.

It is this feature of the market that we refer to when we say that the market provides economic freedom. But this characteristic also has implications that go far beyond the narrowly economic. Political freedom means the absence of coercion of a man by his fellow men. The fundamental threat to freedom is power to coerce, be it in the hands of a monarch, a dictator, an oligarchy, or a momentary majority. The preservation of freedom requires the elimination of such concentration of power to the fullest possible extent and the dispersal and distribution of whatever power cannot be eliminated — a system of checks and balances. By removing the organization of economic activity from the control of political authority, the market eliminates this source of coercive power. It enables economic strength to be a check to political power rather than a reinforcement.

Economic power can be widely dispersed. There is no law of conservation which forces the growth of new centers of eco-

nomic strength to be at the expense of existing centers. Political power, on the other hand, is more difficult to decentralize. There can be numerous small independent governments. But it is far more difficult to maintain numerous equipotent small centers of political power in a single large government than it is to have numerous centers of economic strength in a single large economy. There can be many millionaires in one large economy. But can there be more than one really outstanding leader, one person on whom the energies and enthusiasms of his countrymen are centered? If the central government gains power, it is likely to be at the expense of local governments. There seems to be something like a fixed total of political power to be distributed. Consequently, if economic power is joined to political power, concentration seems almost inevitable. On the other hand, if economic power is kept in separate hands from political power, it can serve as a check and a counter to political power.

The force of this abstract argument can perhaps best be demonstrated by example. Let us consider first, a hypothetical example that may help to bring out the principles involved, and then some actual examples from recent experience that illustrate the way in which the market works to preserve political freedom.

One feature of a free society is surely the freedom of individuals to advocate and propagandize openly for a radical change in the structure of the society — so long as the advocacy is restricted to persuasion and does not include force or other forms of coercion. It is a mark of the political freedom of a capitalist society that men can openly advocate and work for socialism. Equally, political freedom in a socialist society would require that men be free to advocate the introduction of capitalism. How could the freedom to advocate capitalism be preserved and protected in a socialist society?

In order for men to advocate anything, they must in the first place be able to earn a living. This already raises a problem in a socialist society, since all jobs are under the direct control of political authorities. It would take an act of self-denial whose difficulty is underlined by experience in the United States after World War II with the problem of "security" among Federal

employees, for a socialist government to permit its employees to advocate policies directly contrary to official doctrine.

But let us suppose this act of self-denial to be achieved. For advocacy of capitalism to mean anything, the proponents must be able to finance their cause — to hold public meetings, publish pamphlets, buy radio time, issue newspapers and magazines, and so on. How could they raise the funds? There might and probably would be men in the socialist society with large incomes, perhaps even large capital sums in the form of government bonds and the like, but these would of necessity be high public officials. It is possible to conceive of a minor socialist official retaining his job although openly advocating capitalism. It strains credulity to imagine the socialist top brass financing such "subversive" activities.

The only recourse for funds would be to raise small amounts from a large number of minor officials. But this is no real answer. To tap these sources, many people would already have to be persuaded, and our whole problem is how to initiate and finance a campaign to do so. Radical movements in capitalist societies have never been financed this way. They have typically been supported by a few wealthy individuals who have become persuaded — by a Frederick Vanderbilt Field, or an Anita McCormick Blaine, or a Corliss Lamont, to mention a few names recently prominent, or by a Friedrich Engels, to go farther back. This is a role of inequality of wealth in preserving political freedom that is seldom noted — the role of the patron.

In a capitalist society, it is only necessary to convince a few wealthy people to get funds to launch any idea, however strange, and there are many such persons, many independent foci of support. And, indeed, it is not even necessary to persuade people or financial institutions with available funds of the soundness of the ideas to be propagated. It is only necessary to persuade them that the propagation can be financially successful; that the newspaper or magazine or book or other venture will be profitable. The competitive publisher, for example, cannot afford to publish only writing with which he personally agrees; his touchstone must be the likelihood that the market will be large enough to yield a satisfactory return on his investment.

In this way, the market breaks the vicious circle and makes it possible ultimately to finance such ventures by small amounts from many people without first persuading them. There are no such possibilities in the socialist society; there is only the all-powerful state.

Let us stretch our imagination and suppose that a socialist government is aware of this problem and is composed of people anxious to preserve freedom. Could it provide the funds? Perhaps, but it is difficult to see how. It could establish a bureau for subsidizing subversive propaganda. But how could it choose whom to support? If it gave to all who asked, it would shortly find itself out of funds, for socialism cannot repeal the elementary economic law that a sufficiently high price will call forth a large supply. Make the advocacy of radical causes sufficiently remunerative, and the supply of advocates will be unlimited.

Moreover, freedom to advocate unpopular causes does not require that such advocacy be without cost. On the contrary, no society could be stable if advocacy of radical change were costless, much less subsidized. It is entirely appropriate that men make sacrifices to advocate causes in which they deeply believe. Indeed, it is important to preserve freedom only for people who are willing to practice self-denial, for otherwise freedom degenerates into license and irresponsibility. What is essential is that the cost of advocating unpopular causes be tolerable and not prohibitive.

But we are not yet through. In a free market society, it is enough to have the funds. The suppliers of paper are as willing to sell it to the *Daily Worker* as to the *Wall Street Journal*. In a socialist society, it would not be enough to have the funds. The hypothetical supporter of capitalism would have to persuade a government factory making paper to sell to him, the government printing press to print his pamphlets, a government post office to distribute them among the people, a government agency to rent him a hall in which to talk, and so on.

Perhaps there is some way in which one could overcome these difficulties and preserve freedom in a socialist society. One cannot say it is utterly impossible. What is clear, however, is that there are very real difficulties in establishing institutions that

will effectively preserve the possibility of dissent. So far as I know, none of the people who have been in favor of socialism and also in favor of freedom have really faced up to this issue, or made even a respectable start at developing the institutional arrangements that would permit freedom under socialism. By contrast, it is clear how a free market capitalist society fosters freedom.

A striking practical example of these abstract principles is the experience of Winston Churchill. From 1933 to the outbreak of World War II, Churchill was not permitted to talk over the British radio, which was, of course, a government monopoly administered by the British Broadcasting Corporation. Here was a leading citizen of his country, a Member of Parliament, a former cabinet minister, a man who was desperately trying by every device possible to persuade his countrymen to take steps to ward off the menace of Hitler's Germany. He was not permitted to talk over the radio to the British people because the BBC was a government monopoly and his position was too "controversial".

Another striking example, reported in the January 26, 1959 issue of *Time*, has to do with the "Blacklist Fadeout". Says the *Time* story,

> The Oscar-awarding ritual is Hollywood's biggest pitch for dignity, but two years ago dignity suffered. When one Robert Rich was announced as top writer for the *The Brave One*, he never stepped forward. Robert Rich was a pseudonym, masking one of about 150 writers . . . blacklisted by the industry since 1947 as suspected Communists or fellow travelers. The case was particularly embarrassing because the Motion Picture Academy had barred any Communist or Fifth Amendment pleader from Oscar competition. Last week both the Communist rule and the mystery of Rich's identity were suddenly rescripted.
>
> Rich turned out to be Dalton (*Johnny Got His Gun*) Trumbo, one of the original "Hollywood Ten" writers who refused to testify at the 1947 hearings on Communism in the movie industry. Said producer Frank King, who had stoutly insisted that Robert Rich was "a young guy in Spain with a beard": "We have an obligation to our stockholders to buy the best script we can. Trumbo brought us *The Brave One* and we bought it". . . .
>
> In effect it was the formal end of the Hollywood black list. For barred writers, the informal end came long ago. At least 15% of cur-

rent Hollywood films are reportedly written by blacklist members. Said Producer King, "There are more ghosts in Hollywood than in Forest Lawn. Every company in town has used the work of blacklisted people. We're just the first to confirm what everybody knows."

One may believe, as I do, that communism would destroy all of our freedoms, one may be opposed to it as firmly and as strongly as possible, and yet, at the same time, also believe that in a free society it is intolerable for a man to be prevented from making voluntary arrangements with others that are mutually attractive because he believes in or is trying to promote communism. His freedom includes his freedom to promote communism. Freedom also, of course, includes the freedom of others not to deal with him under those circumstances. The Hollywood blacklist was an unfree act that destroys freedom because it was a collusive arrangement that used coercive means to prevent voluntary exchanges. It didn't work precisely because the market made it costly for people to preserve the blacklist. The commercial emphasis, the fact that people who are running enterprises have an incentive to make as much money as they can, protected the freedom of the individuals who were blacklisted by providing them with an alternative form of employment, and by giving people an incentive to employ them.

If Hollywood and the movie industry had been government enterprises or if in England it had been a question of employment by the British Broadcasting Corporation it is difficult to believe that the "Hollywood Ten" or their equivalent would have found employment. Equally, it is difficult to believe that under those circumstances, strong proponents of individualism and private enterprise—or indeed strong proponents of any view other than the status quo—would be able to get employment.

Another example of the role of the market in preserving political freedom, was revealed in our experience with McCarthyism. Entirely aside from the substantive issues involved, and the merits of the charges made, what protection did individuals, and in particular government employees, have against irresponsible accusations and probings into matters that it went against their conscience to reveal? Their appeal to the Fifth Amendment

would have been a hollow mockery without an alternative to government employment.

Their fundamental protection was the existence of a private-market economy in which they could earn a living. Here again, the protection was not absolute. Many potential private employers were, rightly or wrongly, averse to hiring those pilloried. It may well be that there was far less justification for the costs imposed on many of the people involved than for the costs generally imposed on people who advocate unpopular causes. But the important point is that the costs were limited and not prohibitive, as they would have been if government employment had been the only possibility.

It is of interest to note that a disproportionately large fraction of the people involved apparently went into the most competitive sectors of the economy—small business, trade, farming—where the market approaches most closely the ideal free market. No one who buys bread knows whether the wheat from which it is made was grown by a Communist or a Republican, by a constitutionalist or a Fascist, or, for that matter, by a Negro or a white. This illustrates how an impersonal market separates economic activities from political views and protects men from being discriminated against in their economic activities for reasons that are irrelevant to their productivity—whether these reasons are associated with their views or their color.

As this example suggests, the groups in our society that have the most at stake in the preservation and strengthening of competitive capitalism are those minority groups which can most easily become the object of the distrust and enmity of the majority—the Negroes, the Jews, the foreign-born, to mention only the most obvious. Yet, paradoxically enough, the enemies of the free market—the Socialists and Communists—have been recruited in disproportionate measure from these groups. Instead of recognizing that the existence of the market has protected them from the attitudes of their fellow countrymen, they mistakenly attribute the residual discrimination to the market.

C.B. Macpherson, Democratic Theory: Essays In Retrieval, p.143-156.

ESSAY VII

Elegant Tombstones: A Note on Friedman's Freedom

ACADEMIC political scientists who want their students to think about the problem of liberty in the modern state are properly anxious to have them confront at first hand various contemporary theoretical positions on the relation between freedom and capitalism. The range of positions is wide: at one extreme freedom is held to be incompatible with capitalism; at the other freedom is held to be impossible except in a capitalist society; in between, all sorts of necessary or possible relations are asserted. Different concepts of freedom are involved in some of these positions, similar concepts in others; and different models of capitalism (and of socialism) are sometimes being used. It is clearly important to sort them out. But there is some difficulty in finding adequate theoretical expositions of the second extreme position, which might be called the pure market theory of liberalism. There are very few of them. Probably the most effective, and the one most often cast in this role, is Milton Friedman's *Capitalism and Freedom* (Chicago, 1962), which is now apt to be treated by political scientists as the classic defence of free-market liberalism. As such it deserves more notice from the political theorists' standpoint than it got on publication, when its technical arguments about the possibility of returning to *laissez-faire* attracted most attention. Whether or not *Capitalism and Freedom* is now properly treated as the classic defence of the pure market theory of liberalism, it is at least a classic example of the difficulty of moving from the level of controversy about *laissez-faire* to the level of fundamental concepts of freedom and the market.

The first thing that strikes the political scientist about *Capitalism and Freedom* is the uncanny resemblance between Friedman's approach and Herbert Spencer's. Eighty years ago Spencer opened his *The Man versus the State* by drawing attention to a reversal which he believed had taken place recently in the meaning of liberalism: it had, he said, originally meant individual market freedom as opposed to state coercion, but it had come to mean more state coercion in the supposed interest of individual welfare. Spencer assigned a reason: earlier liberalism had in fact abolished grievances or mitigated evils suffered by the many, and so had contributed to their welfare; the welfare of the many then easily came to be taken by liberals not as a by-product of the real end, the

relaxation of restraints, but as the end itself. Spencer regretted this, without offering any evidence that market freedom ever was more basic, or more desired, than the maximization of wealth or of individual welfare. Professor Friedman does the same. *Capitalism and Freedom* opens by drawing attention to the same reversal of meaning, and rejecting it out of hand. 'Freedom of the individual, or perhaps of the family' is for him the liberal's 'ultimate goal in judging social arrangements' (p. 12). His case is that 'a free private enterprise exchange economy', or 'competitive capitalism' (p. 13), is both a direct component of freedom, and a necessary though not a sufficient condition of political freedom, which he defines as 'the absence of coercion of a man by his fellow men' (p. 15).

To maximize this freedom, he argues, governments should be allowed to handle only those matters 'which cannot be handled through the market at all, or can be handled only at so great a cost that the use of political channels may be preferable' (p. 25). This would mean government moving out of almost all its welfare and regulatory functions. Controls on, or support of, any prices, wages, interest rates, rents, exports, imports, and amounts produced, would all have to go; so would present social security programmes, housing subsidy programmes, and the like. The functions properly left to governments because the market cannot perform them at all, or perform them well, are summarized:

> A government which maintained law and order, defined property rights, served as a means whereby we could modify property rights and other rules of the economic game, adjudicated disputes about the interpretation of the rules, enforced contracts, promoted competition, provided a monetary framework, engaged in activities to counter technical monopolies and to overcome neighborhood effects widely regarded as sufficiently important to justify government intervention, and which supplemented private charity and the private family in protecting the irresponsible, whether madman or child—such a government would clearly have important functions to perform. The consistent liberal is not an anarchist (p. 34).

No one ever thought that *laissez-faire* was anarchism; Spencer would scarcely have objected to this list of allowable government functions. But what is this economic game which is supposed to maximize individual freedom? The argument is that competitive capitalism can resolve 'the basic problem of social organization', which is 'how to co-ordinate the economic activities of large numbers of people' (p. 12), by voluntary co-operation of individuals as opposed to central direction by state coercion.

In addition to arguing that competitive capitalism is a system of economic freedom and so an important component of freedom broadly understood, Professor Friedman argues that capitalism is a necessary

condition of political freedom (and that socialism is incompatible with political freedom). And although he is more concerned with freedom than with equity, he does argue also that the capitalist principle of distribution of the whole product is not only preferable to a socialist principle but is in fact accepted by socialists.

This essay deals with (I) an error which vitiates Friedman's demonstration that competitive capitalism co-ordinates men's economic activities without coercion; (II) the inadequacy of his arguments that capitalism is a necessary condition of political freedom and that socialism is inconsistent with political freedom; and (III) the fallacy of his case for the ethical adequacy of the capitalist principle of distribution.

I

Professor Friedman's demonstration that the capitalist market economy can co-ordinate economic activities without coercion rests on an elementary conceptual error. His argument runs as follows. He shows first that in a simple market model, where each individual or household controls resources enabling it to produce goods and services either directly for itself or for exchange, there will be production for exchange because of the increased product made possible by specialization. But 'since the household always has the alternative of producing directly for itself, it need not enter into any exchange unless it benefits from it. Hence no exchange will take place unless both parties do benefit from it. Co-operation is thereby achieved without coercion' (p. 13). So far, so good. It is indeed clear that in this simple exchange model, assuming rational maximizing behaviour by all hands, every exchange will benefit both parties, and hence that no coercion is involved in the decision to produce for exchange or in any act of exchange.

Professor Friedman then moves on to our actual complex economy, or rather to his own curious model of it:

> As in [the] simple model, so in the complex enterprise and money-exchange economy, co-operation is strictly individual and voluntary *provided*: (a) that enterprises are private, so that the ultimate contracting parties are individuals and (b) that individuals are effectively free to enter or not to enter into any particular exchange, so that every transaction is strictly voluntary (p. 14).

One cannot take exception to proviso (a): it is clearly required in the model to produce a co-operation that is 'strictly individual'. One might, of course, suggest that a model containing this stipulation is far from corresponding to our actual complex economy, since in the latter the ultimate contracting parties who have the most effect on the market are not individuals but corporations, and moreover, corporations which in one way or another manage to opt out of the fully competitive

market. This criticism, however, would not be accepted by all economists as self-evident: some would say that the question who has most effect on the market is still an open question (or is a wrongly posed question). More investigation and analysis of this aspect of the economy would be valuable. But political scientists need not await its results before passing judgement on Friedman's position, nor should they be tempted to concentrate their attention on proviso (a). If they do so they are apt to miss the fault in proviso (b), which is more fundamental, and of a different kind. It is not a question of the correspondence of the model to the actual: it is a matter of the inadequacy of the proviso to produce the model.

Proviso (b) is 'that individuals are effectively free to enter or not to enter into any particular exchange', and it is held that with this proviso 'every transaction is strictly voluntary.' A moment's thought will show that this is not so. The proviso that is required to make every transaction strictly voluntary is *not* freedom not to enter into any *particular* exchange, but freedom not to enter into any exchange *at all*. This, and only this, was the proviso that proved the simple model to be voluntary and non-coercive; and nothing less than this would prove the complex model to be voluntary and non-coercive. But Professor Friedman is clearly claiming that freedom not to enter into any *particular* exchange is enough: 'The consumer is protected from coercion by the seller because of the presence of other sellers with whom he can deal... The employee is protected from coercion by the employer because of other employers for whom he can work...' (pp. 14–15).

One almost despairs of logic, and of the use of models. It is easy to see what Professor Friedman has done, but it is less easy to excuse it. He has moved from the simple economy of exchange between independent producers, to the capitalist economy, without mentioning the most important thing that distinguishes them. He mentions money instead of barter, and 'enterprises which are intermediaries between individuals in their capacities as suppliers of services and as purchasers of goods' (pp. 13–14), as if money and merchants were what distinguished a capitalist economy from an economy of independent producers. What distinguishes the capitalist economy from the simple exchange economy is the separation of labour and capital, that is, the existence of a labour force without its own sufficient capital and therefore without a choice as to whether to put its labour in the market or not. Professor Friedman would agree that where there is no choice there is coercion. His attempted demonstration that capitalism co-ordinates without coercion therefore fails.

Since all his specific arguments against the welfare and regulatory state depend on his case that the market economy is not coercive, the reader may spare himself the pains (or, if an economist, the pleasure) of

attending to the careful and persuasive reasoning by which he seeks to establish the minimum to which coercion could be reduced by reducing or discarding each of the main regulatory and welfare activities of the state. None of this takes into account the coercion involved in the separation of capital from labour, or the possible mitigation of this coercion by the regulatory and welfare state. Yet it is because this coercion can in principle be reduced by the regulatory and welfare state, and thereby the amount of effective individual liberty be increased, that liberals have been justified in pressing, in the name of liberty, for infringements on the pure operation of competitive capitalism.

II

While the bulk of *Capitalism and Freedom* is concerned with the regulatory and welfare state, Friedman's deepest concern is with socialism. He undertakes to demonstrate that socialism is inconsistent with political freedom. He argues this in two ways: (1) that competitive capitalism, which is of course negated by socialism, is a necessary (although not a sufficient) condition of political freedom; (2) that a socialist society is so constructed that it cannot guarantee political freedom. Let us look at the two arguments in turn.

1. The argument that competitive capitalism is necessary to political freedom is itself conducted on two levels, neither of which shows a necessary relation.

(a) The first, on which Friedman properly does not place very much weight, is a historical correlation. No society that has had a large measure of political freedom 'has not also used something comparable to a free market to organize the bulk of economic activity' (p. 9). Professor Friedman rightly emphasizes 'how limited is the span of time and the part of the globe for which there has ever been anything like political freedom' (p. 9); he believes that the exceptions to the general rule of 'tyranny, servitude and misery' are so few that the relation between them and certain economic arrangements can easily be spotted. 'The nineteenth century and early twentieth century in the Western world stand out as striking exceptions to the general trend of historical development. Political freedom in this instance clearly came along with the free market and the development of capitalist institutions' (pp. 9–10). Thus, for Professor Friedman, 'history suggests... that capitalism is a necessary condition for political freedom' (p. 10).

The broad historical correlation is fairly clear, though in cutting off the period of substantial political freedom in the West at the 'early twentieth century' Friedman seems to be slipping into thinking of economic freedom and begging the question of the relation of political

freedom to economic freedom. But granting the correlation between the emergence of capitalism and the emergence of political freedom, what it may suggest to the student of history is the converse of what it suggests to Professor Friedman: i.e. it may suggest that political freedom was a necessary condition for the development of capitalism. Capitalist institutions could not be fully established until political freedom (ensured by a competitive party system with effective civil liberties) had been won by those who wanted capitalism to have a clear run: a liberal state (political freedom) was needed to permit and facilitate a capitalist market society.

If this is the direction in which the causal relation runs, what follows (assuming the same relation to continue to hold) is that freedom, or rather specific kinds and degrees of freedom, will be or not be maintained according as those who have a stake in the maintenance of capitalism think them useful or necessary. In fact, there has been a complication in this relation. The liberal state which had, by the mid-nineteenth century in England, established the political freedoms needed to facilitate capitalism, was not democratic: that is, it had not extended political freedom to the bulk of the people. When, later, it did so, it began to abridge market freedom. The more extensive the political freedom, the less extensive the economic freedom became. At any rate, the historical correlation scarcely suggests that capitalism is a necessary condition for political freedom.

(b) Passing from historical correlation, which 'by itself can never be convincing', Professor Friedman looks for 'logical links between economic and political freedom' (pp. 11–12). The link he finds is that 'the kind of economic organization that provides economic freedom directly, namely, competitive capitalism, also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other' (p. 9). The point is developed a few pages later. The greater the concentration of coercive power in the same hands, the greater the threat to political freedom (defined as 'the absence of coercion of a man by his fellow men'). The market removes the organization of economic activity from the control of the political authority. It thus reduces the concentration of power and 'enables economic strength to be a check to political power rather than a reinforcement' (p. 15).

Granted the validity of these generalizations, they tell us only that the market *enables* economic power to offset rather than reinforce political power. They do not show any necessity or inherent probability that the market *leads to* the offsetting of political power by economic power. We may doubt that there is any such inherent probability. What can be shown is an inherent probability in the other direction, i.e. that the market leads to political power being used not to offset but

to reinforce economic power. For the more completely the market takes over the organization of economic activity, that is, the more nearly the society approximates Friedman's ideal of a competitive capitalist market society, where the state establishes and enforces the individual right of appropriation and the rules of the market but does not interfere in the operation of the market, the more completely is political power being used to reinforce economic power.

Professor Friedman does not see this as any threat to political freedom because he does not see that the capitalist market necessarily gives coercive power to those who succeed in amassing capital. He knows that the coercion whose absence he equates with political freedom is not just the physical coercion of police and prisons, but extends to many forms of economic coercion, e.g. the power some men may have over others' terms of employment. He sees the coercion possible (he thinks probable) in a socialist society where the political authority can enforce certain terms of employment. He does not see the coercion in a capitalist society where the holders of capital can enforce certain terms of employment. He does not see this because of his error about freedom not to enter into any particular exchange being enough to prove the uncoercive nature of entering into exchange at all.

The placing of economic coercive power and political coercive power in the hands of different sets of people, as in the fully competitive capitalist economy, does not lead to the first checking the second but to the second reinforcing the first. It is only in the welfare-state variety of capitalism, which Friedman would like to have dismantled, that there is a certain amount of checking of economic power by political power.

The logical link between competitive capitalism and political freedom has not been established.

2. Professor Friedman argues also that a socialist society is so constructed that it cannot guarantee political freedom. He takes as the test of political freedom the freedom of individuals to propagandize openly for a radical change in the structure of society: in a socialist society the test is freedom to advocate the introduction of capitalism. He might have seemed to be on more realistic ground had he taken the test to be freedom to advocate different policies within the framework of socialism, e.g. a faster or slower rate of socialization, of industrialization, etc.: it is on these matters that the record of actual socialist states has been conspicuously unfree. However, since the denial of freedom of such advocacy has generally been on the ground that such courses would lead to or encourage the reintroduction of capitalism, such advocacy may all be subsumed under his test.

We may grant at once that in the present socialist states (by which is meant those dominated by communist parties) such freedom is not only

not guaranteed but is actively denied. Professor Friedman does not ask us to grant this, since he is talking not about particular socialist states but about any possible socialist state, about the socialist state as such; nevertheless the actual ones are not far from his mind, and we shall have to refer to them again. His case that a socialist state as such cannot guarantee political freedom depends on what he puts in his model of the socialist state. He uses in fact two models. In one, the government is the sole employer and the sole source from which necessary instruments of effective political advocacy (paper, use of printing presses, halls) can be had. In the other, the second stipulation is dropped.

It is obvious that in either model a government which wished to prevent political advocacy could use its economic monopoly position to do so. But what Professor Friedman is trying to establish is something different, namely, that its economic monopoly position would render any socialist government, whatever its intentions, incapable of guaranteeing this political freedom. It may be granted that in the first model this would be so. It would be virtually impossible, for a government which desired to guarantee freedom of political advocacy, to provide paper, presses, halls, etc., to all comers in the quantities they thought necessary.

But in the second model this would not apply. The second model appears when Professor Friedman is urging a further argument, namely, that a government which desired to guarantee free political advocacy could not effectively make it possible because, in the absence of capitalism and hence of many and widely dispersed private fortunes, there would be no sufficient source of private funds with which to finance propaganda activities, and the government itself could not feasibly provide such funds. Here there is assumed to be a market in paper, presses, and halls: the trouble is merely shortage of funds which advocates can use in these markets.

This second argument need not detain us, resting as it does on the unhistorical assumption that radical minority movements are necessarily unable to operate without millionaire angels or comparably few sources of large funds. Nor, since the second argument assumes that paper, presses, and halls can be purchased or hired, need we challenge the assumption put in the first model, that these means of advocacy are unobtainable in the socialist state except by asking the government for them.

We have still to consider the effect of the other stipulation, which is made in both models: that the government is the sole employer. Accepting this as a proper stipulation for a socialist model, the question to be answered is: does the monopoly of employment itself render the government incapable (or even less capable than it otherwise would be) of safeguarding political freedom? Friedman expects us to answer yes;

but the answer is surely no. A socialist government which wished to guarantee political freedom would not be prevented from doing so by its having a monopoly of employment. Nor need it even be tempted to curtail political freedom by virtue of that monopoly. A government monopoly of employment can only mean (as Friedman allows) that the government and all its agencies are, together, the only employers. A socialist government can, by devolution of the management of industries, provide effective alternative employment opportunities. True, a government which wished to curtail or deny the freedom of radical political advocacy could use its monopoly of employment to do so. But such a government has so many other ways of doing it that the presence or absence of this way is not decisive.

It is not the absence of a fully competitive labour market that may disable a socialist government from guaranteeing political freedom; it is the absence of a firm will to do so. Where there's a will there's a way, and, for all that Friedman has argued to the contrary, the way need have nothing to do with a fully competitive labour market. The real problem of political freedom in socialism has to do with the will, not the way. The real problem is whether a socialist state could ever have the will to guarantee political freedom. This depends on factors Friedman does not consider, and until they have been assessed, questions about means have an air of unreality, as has his complaint that Western socialists have not faced up to the question of means. We shall return to both of these matters after looking briefly at the factors which are likely to affect such a will to political freedom.

On the question of the will, we cannot say (nor indeed does Professor Friedman suggest) that a will to guarantee political freedom is impossible, or even improbable, in a socialist state. True, if one were to judge by existing socialist states controlled by communist parties, the improbability would be high. (We are speaking here of day-to-day political freedom, which is the question Friedman has set, and not with the will to achieve some higher level of freedom in an ultimately transformed society.) But if we are to consider, as Professor Friedman is doing, socialist states that might emerge in the West, we should notice the differences between the forces in the existing ones and those inherent in possible future Western ones.

There are some notable differences. First, the existing socialist states were virtually all established in underdeveloped societies, in which the bulk of the people did not have the work habits and other cultural attributes needed by a modern industrial state. They have had to change an illiterate, largely unpolitical, peasant population into a literate, politicized, industrially oriented people. While doing this they have had to raise productivity to levels which would afford a decent human minimum, and even meet a rising level of material expectations.

The pressures against political freedom that are set up by these factors are obvious. In the few instances, e.g. Czechoslovakia, where socialism did not start from such an underdeveloped base, it started under an external domination that produced equal though different pressures against political freedom. None of these pressures would be present in a socialist state which emerged independently in an already highly developed Western society.

Secondly, in the existing socialist states the effort to establish socialism has been made in the face of the hostility of the Western powers, whether manifested in their support of counter-revolution or in 'encirclement' or 'cold war'. The ways in which this fact has compounded the pressures against political freedom due to the underdeveloped base are obvious. Presumably the force of this hostility would be less in the case of future socialist takeovers in Western countries.

Thirdly, the existing socialist states were all born in revolution or civil war, with the inevitable aftermath that 'deviations' from the line established from time to time by the leadership (after however much or little consultation) tend to be treated as treason against the socialist revolution and the socialist state. We may at least entertain the possibility of a socialist takeover in an advanced Western nation without revolution or civil war (as Professor Friedman presumably does, or he would not be so concerned about the 'creeping socialism' of the welfare state). A socialist state established without civil war would not be subject to this third kind of pressure against political freedom.

Thus of the three forces that have made the pressures against political freedom generally predominate in socialist states so far, the first will be absent, the second reduced or absent, and the third possibly absent, in a future Western socialist state that emerged without external domination.

When these projections are borne in mind, Professor Friedman's complaint about Western socialists appears somewhat impertinent. He complains that 'none of the people who have been in favour of socialism and also in favour of freedom have really faced up to this issue [of means], or made even a respectable start at developing the institutional arrangements that would permit freedom under socialism' (p. 19). Perhaps the reason is that they think it more important, in the interests of freedom, to examine and even try to influence the circumstances in which socialism might arrive, than to begin planning institutional arrangements. Western socialists who believe in political freedom are, or should be, more concerned with seeking ways to minimize the cold war (so as to minimize the chances that the second of the projected forces against political freedom will be present in the socialist transformation they hope to achieve in their country), and seeking ways to minimize the likelihood of civil war (so as to minimize the third of the

forces against political freedom), than with developing 'institutional arrangements that would permit freedom under socialism'.

But although, in a socialist state, the existence of a predominant will for political freedom may be more important than institutional arrangements, the latter should not be neglected. For even where there is, on the whole, a will to guarantee political freedom, there are likely always to be some pressures against it, so that it is desirable to have institutions which will make infringements difficult rather than easy. What institutional arrangements, beyond the obvious ones of constitutional guarantees of civil liberties and a legal system able to enforce them, are required? Let us accept Professor Friedman's statement of additional minimum institutional requirements. Advocates of radical change opposed to the government's policies must be able to obtain the indispensable means of advocacy—paper, presses, halls, etc. And they must be able to propagandize without endangering their means of livelihood.

As we have already seen, there is no difficulty inherent in socialism in meeting the first of these requirements, once it is granted (as Professor Friedman's second model grants) that the absence of a complete capitalist market economy does not entail the absence of markets in paper, presses, and halls.

The second requirement seems more difficult to meet. If the government (including all its agencies) is the sole employer, the standing danger that the monopoly of employment would be used to inhibit or prevent certain uses of political freedom is obvious. The difficulty is not entirely met by pointing out that a socialist state can have any amount of devolution of industry or management, so that there can be any number of employers, or by stipulating as an institutional arrangement that this devolution must be practised. For it is evident that if there is a ubiquitous single or dominant political party operating in all industries and all plants (and all trade unions), it can make this multiplicity of employment opportunities wholly ineffective, if or in so far as it wishes to do so. The problem is not the absence of a labour market but the possible presence of another institution, a ubiquitous party which puts other things ahead of political freedom.

The stipulation that would be required to safeguard political freedom from the dangers of employment monopoly is not merely that there be devolution of management, and hence employment alternatives (which could be considered an institutional arrangement), but also that there be no ubiquitous party or that, if there is, such a party should consistently put a very high value on political freedom (which stipulation can scarcely be set out as an institutional arrangement). We are back at the question of will rather than way, and of the circumstantial forces which are going to shape that will, for the presence or absence of

uch a party is clearly going to depend largely on the circumstances in vhich a socialist state is established.

There is, however, one factor (which might be institutionalized) vhich may, in any socialist state established in the West, reduce even he possibility of such intimidation through employment monopoly. This is the decreasing necessity, in highly developed societies whose :conomic systems are undergoing still further and rapid technological levelopment, of relating income to employment. One need not be as anguine as some exponents of the guaranteed income[1] to think it ossible, even probable, that before any advanced Western nation :hooses socialism it will have seen the logic of using its affluence and :verting difficulties both political and economic by introducing a guaranteed minimum annual income to everyone regardless of employnent. In this event, the technical problem that worries Professor Friedman—how to ensure that a threat to employment and hence to livelihood could not be used to deny political freedom—would no :onger be a problem. A threat to employment would no longer be a :hreat to livelihood. It would indeed be a cost, but as Professor Friedman says, 'what is essential is that the cost of advocating unpopular causes be tolerable and not prohibitive' (p. 18).

But even without such a separation of employment from income, the technical problem of securing political freedom from being denied by the withholding of employment can be met by such devolution of management as would constitute a set of alternative employments *provided* that this is not offset by a ubiquitous party hostile to political freedom. If there is such a party, no institutional arrangements for safeguarding political freedom are reliable; if there is not, the institutional arrangements do not seem to be difficult.

III

We noticed (at the end of section I above) that Professor Friedman, in arguing that freedom would be increased if most of the regulatory and welfare activities of contemporary Western states were abandoned, did not take into account the coercion involved in the separation of capital from labour or the possible mitigation of this coercion by the regulatory and welfare state. But in Chapter 10, on the distribution of income, he does deal with a closely related problem. Here he sets out the ethical case for distribution according to product, as compared with 'another [principle] that seems ethically appealing, namely, equality of treatment' (p. 162). Distribution according to product he describes, accurately enough, as the principle 'To each according to what he and the instruments he owns produces' (pp. 161–2): to be strictly accurate

[1] Robert Theobald, ed.; *The Guaranteed Income* (New York, 1967).

this should read 'resources' or 'capital and land' instead of 'instruments,' but the sense is clear. This is offered as 'the ethical principle that would directly justify the distribution of income in a free market society' (p. 161). We can agree that this is the only principle that can be offered to justify it. We may also observe that this principle is not only different from the principle 'to each according to his work', but is also inconsistent with it (except on the fanciful assumption that ownership of resources is always directly proportional to work). Professor Friedman does not seem to see this. His case for the ethical principle of payment according to product is that it is unthinkingly accepted as a basic value judgement by almost everybody in our society; and his demonstration of this is that the severest internal critics of capitalism, i.e. the Marxists, have implicitly accepted it.

Of course they have not. There is a double confusion here, even if we accept Friedman's paraphrase of Marx. Marx did not argue quite, as Friedman puts it (p. 167), 'that labour was exploited . . . because labour produced the whole of the product but got only part of it'—the argument was rather that labour is exploited because labour produces the whole of the value that is added in any process of production but gets only part of it—but Friedman's paraphrase is close enough for his purpose. Certainly the implication of Marx's position is that labour (though not necessarily each individual labourer) is entitled to the whole of the value it creates. But in the first place, this is, at most, the principle 'to each according to his work', not 'to each according to what he and the instruments he owns produces' or 'to each according to his product'. In the second place, Marx accepted 'to each according to his work' only as a transitionally valid principle, to be replaced by the ultimately desirable principle 'to each according to his need'. Professor Friedman, unaccountably, only refers to this latter principle as 'Ruskinian' (p. 167).

Having so far misread Marx, Professor Friedman gives him a final fling.

> Of course, the Marxist argument is invalid on other grounds as well . . . [most] striking, there is an unstated change in the meaning of 'labor' in passing from the premise to conclusion. Marx recognized the role of capital in producing the product but regarded capital as embodied labor. Hence, written out in full, the premises of the Marxist syllogism would run: 'Present and past labor produce the whole of the product.' The logical conclusion is presumably 'Past labor is exploited,' and the inference for action is that past labor should get more of the product, though it is by no means clear how, unless it be in elegant tombstones (pp. 167–8).

This nonsense is unworthy of Professor Friedman's talents. The Marxist premisses are: present labour, and the accumulation of surplus value created by past labour and extracted from the past labourers,

produce the whole value of the product. Present labour gets only a part of that part of the value which it creates, and gets no part of that part of the value which is transferred to the product from the accumulated surplus value created by past labour. The logical conclusion is presumably that present labour is exploited and past labour was exploited, and the inference for action is that a system which requires constant exploitation should be abandoned.

Ignorance of Marxism is no sin in an economist, though cleverness in scoring off a travesty of it may be thought a scholarly lapse. What is more disturbing is that Professor Friedman seems to be satisfied that this treatment of the ethical justification of different principles of distribution is sufficient. Given his own first postulate, perhaps it is. For in asserting at the beginning of the book that freedom of the individual, or perhaps of the family, is the liberal's 'ultimate goal in judging social arrangements', he has said in effect that the liberal is not required seriously to weigh the ethical claims of equality (or any other principle of distribution), let alone the claims of any principle of individual human development such as was given first place by liberals like Mill and Green, against the claims of freedom (which to Friedman of course means market freedom). The humanist liberal in the tradition of Mill and Green will quite properly reject Friedman's postulate. The logical liberal will reject his fallacious proof that the freedom of the capitalist market is individual economic freedom, his undemonstrated case that political freedom requires capitalism, and his fallacious defence of the ethical adequacy of capitalism. The logical humanist liberal will regret that the postulate and the fallacies make *Capitalism and Freedom* not a defence but an elegant tombstone of liberalism.

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The Market As Prison

CHARLES E. LINDBLOM

SUPPOSE—just to limber up our minds—that we faced the fanciful task of designing a political system or a political/economic system that would be highly resistant to change. How to do it? One way that can be imagined—but only imagined—is to design institutions of such excellence as would satisfy us without further amendment and would do so under all possible circumstances in a rapidly changing world. To identify such a possibility is to discard it as hopelessly visionary. Another possibility might be somehow to place all power in the hands of a despot or oligarch, who would thereafter deny citizens any capacity for changing the system. But doing so would of course enable the elites to change the system, and we know that some elites are more eager for change than some masses.

Another possibility is simple and fiendishly clever. It is to design institutions so that any attempt to alter them automatically triggers punishment. By "automatic" I mean that the punishment follows from the very act intended to change the system. Punishment does not wait for anyone's deliberation on whether the change is acceptable or not. Such a change-repressing system would be all the more effective if the punishments were strong; if they took the form of over-responses, like the tantrums of a spoiled child raging at even mild attempts at parental control.

How fanciful is that possibility? It is not at all clear how such a simple concept could be made effective in actual practice. Consider some of our institutions. There seems to be no way to make such a mechanism work in the case of schools. We are indeed sometimes punished in our attempts to improve them in that the attempts sometimes fail and make the situation worse. But that is not

* An Informal talk, reconstructed by Lindblom from his outline and notes, given at each of four regional political science association annual meetings.

a built-in feature of the school system or of our attempts to improve it. There may be no way, even if we sought one, to build in an automatic punishing recoil. The same seems to be true for labor unions. Unions possess a capacity for retaliatory punishment through strikes, but it is a weapon they must use sparingly. And it is a weapon rarely used to punish attempts of society to change the institutional role of unions but is instead largely an adjunct to bargaining over terms of employment for members. There appears to be no easily perceived possibility for automatically punishing ourselves every time we try to legislate on unions.

If we go down the line of social institutions, the possibilities for repressing change through an automatic punishing recoil appear to be either nonexistent or impossible to imagine. For the church, the family, or the various institutions of government, for example, unpunished change continues in fact from year to year even if, again, we may sometimes construe a failure in reform as a punishment. No method for guaranteeing automatic punishment is in evidence.

When we come, however, to that cluster of institutions called business, business enterprise, or the market, just such a mechanism is in fact already operating. Many kinds of market reform automatically trigger punishments in the form of unemployment or a sluggish economy. Do we want businesses to carry a larger share of the nation's tax burden? We must fear that such a reform will discourage business investment and curtail employment. Do we want business enterprises to reduce industrial pollution of air and water? Again we must bear the consequences of the costs to them of their doing so and the resultant declines in investment and employment. Would we like to consider even more fundamental changes in business and market—worker participation in management, for example, or public scrutiny of corporate decisions? We can hardly imagine putting such proposals as those on the legislative agenda so disturbing would they be to business morale and incentive.

In the town in which I live, a chemical plant discharges something into the atmosphere that carries both a bad odor and irritants to the eyes. Town and state governments are both reluctant to put an end to the problem for fear that the plant will find it advantageous to move to a new location in another state. Nationally, we have recently seen that a re-invigorated Federal Trade Commission has been crippled by new restrictive legislation and presidential instructions for fear that effective regulation of monopoly by the Commission will undercut business incentives to invest and provide jobs.

All this is familiar. One line of reform after another is blocked by prospective punishment. An enormous variety of reforms do in fact undercut business expectations of profitability and do therefore reduce employment. Higher business taxes reduce profitability. Bearing the costs of pollution control reduces profitability. Building safer automobilites reduces profitability. Countless reforms therefore are followed immediately—swiftly—by the punishment of unemployment.

Change is repressed, not wholly stopped. Businessmen sometimes learn to live with reforms. Sometimes also we escape the punishment because we attach to the reforms new offsetting benefits to business to keep up their incentives to provide jobs. To a growing number of environmental controls over business we attach new tax benefits or, as in the case of Chrysler, new loan guarantees. But the conflict between reform and its adverse effects on business that punish us through unemployment is a long standing and real repressant of change. As for the ubiquity of punishment, its swiftness and severity, there is nothing like it elsewhere in the social system. Nowhere else is there so effective a set of automatic punishments established as a barrier to social change.

Business people often exaggerate the conflict. Chrysler, for example, argued that its financial difficulties, for which it sought relief from government, were largely caused by environmental regulations, which is almost certainly not the case. And business people often predict dire consequences from regulations that they know they can accept if they must. Nevertheless, change in business and market institutions is drastically repressed by the frequency with which change will in actual fact produce unemployment. This is a familiar phenomenon as old as markets themselves.

Punishment is not dependent on conspiracy or intention to punish. If, anticipating new regulations, a businessman decides not to go through with a planned output expansion, he has in effect punished us without the intention of doing so. Simply minding one's own business is the formula for an extraordinary system for repressing change.

The mechanism that accounts for this extraordinary state of affairs is the same one that I referred to in *Politics and Markets*[1] to explain the related phenomenon of the privileged position of business in the political system of all market oriented societies. In all market

[1] New York: Basic Books, 1977.

oriented societies, the great organizing and coordinating tasks are placed in the hands of two groups of responsible persons, functionaries, or leaders. One group consists of government officials at sufficiently high levels. The other group consists of business people. The tasks assigned to business people are of no less importance than those assigned to government officials. To business people is assigned the organizing of the nation's work force, and that task in itself is perhaps the largest and most basic specific problem in social organization faced by any society. Businessmen direct capital accumulation, income distribution, and resource conservation, as well as discharge more particular tasks such as organizing the production of steel, bicycles, armaments, pots and pans, and housing. Businessmen also undertake specific coordinating tasks as, for example, the bringing of farm products to urban consumers.

The defining difference between a government official and a business entrepreneur is not that one discharges important functions and the other only secondary functions, for both perform major and essential services for society. The difference is that one is directed and controlled through a system of commands while the other is directed and controlled by a system of inducements. Why societies use both systems of direction and control is a long story that we shall not undertake. But a market society is one that makes heavy use of an inducements system for directing and controlling many of its major leaders. Market systems are inducement systems. Put out of your minds the question of whether or not societies ought to use inducement systems for controlling and directing top leadership. The fact is that some do, and that is what market systems are.

Playing their roles in a command system, government officials can be commanded to perform their functions. Playing their roles in an inducement system, business people cannot be commanded but must be induced. Thus inducement becomes the nub of the automatic punishment system. Any change in their position that they do not like is a disincentive, an anti-inducement, leading them not to perform their function or to perform it with less vigor. Any change or reform they do not like brings to all of us the punishment of unemployment or a sluggish economy.

Again, the system works that way not because business people conspire or plan to punish us, but simply because many kinds of institutional changes are of a character they do not like and consequently reduce the inducements we count on to motivate them to provide jobs and perform their other functions.

The result is that across the entire array of institutional changes that businessmen themselves do not like, an automatic punishing recoil works to repress change. In that broad category, change—and often even the suggestion of change—adversely affects performance, hence adversely affects employment. Anticipations of change are enough to trigger unemployment.

Children may sulk when they do not like the way they are being treated. Professors may grumble. Workers may slow their work. But their responses differ from the responses of dissatisfied businessmen in a critical way. The dissatisfactions of these other groups do not result in disincentives and reduced performance that impose a broad, severe and obvious penalty throughout the society, which is what unemployment does. A generalized gradual slowdown of workers, if it were to occur, would ordinarily be neither measurable nor observable. Any general business slowdown is measurable and hurtful in jobs lost, and almost everyone is aware of it. A specific localized work slowdown or stoppage—say, a decision of trainmen to work by the rule-book so assiduously as to paralyze rail traffic—can be a felt injury to millions of people. But it is a tactic that can only now and then be mobilized. Instead, the penalty of unemployment is visited on us by business disincentives in any situation in which business people see themselves adversely affected, because business people are major organizers and coordinators.

Business people do not have to debate whether or not to impose the penalty. They need do no more—as I said before—than tend to their own businesses, which means that, without thought of effecting a punishment on us, they restrict investment and jobs simply in the course of being prudent managers of their enterprises.

Do I need to point out how broadly business disincentives injure a population? The unemployed suffer—that is obvious. So also do young prospective entrants into the labor force, who find that they cannot obtain jobs when business is slack. So also do businessmen themselves, large and small, as production is reduced. So also do stockholders, whose earnings decline. So also do farmers—businessmen themselves—who find markets for their outputs depressed.

What about government officials? It is critical to the efficacy of automatic punishment that it be visited on them. For it is they who immediately or proximately decide to persist in policy changes or to withdraw from such initiatives. The penalty visited on them by business disincentives caused by proposed policies is that declining

business activity is a threat to the party and the officials in power. When a decline in prosperity and employment is brought about by decisions of corporate and other business executives, it is not they but government officials who consequently are retired from their offices.

That result, then, is why the market might be characterized as a prison. For a broad category of political/economic affairs, it imprisons policy making, and imprisons our attempts to improve our institutions. It greatly cripples our attempts to improve the social world because it afflicts us with sluggish economic performance and unemployment simply because we begin to debate or undertake reform.

In his *Great Transformation*, Karl Polanyi makes the point that early English experience with policy designed to soften the harshness of the market system in 18th century England demonstrated how easily regulation of the market could derange the economy. But he did not go so far as to argue that market systems imprison or cripple the policy-making process and indeed thought that more intelligent policy making could succeed where earlier attempts failed. I am arguing that the crippling of policy making in a market society may be more serious than he thought.

You may be tempted to believe that the real obstacle to social change is—as we often carelessly assert—a kind of social inertia or a tendency of societies to remain as they are. But it is not at all clear that inertia of that kind exists in the social world. Many people constantly try to change the social world. An explanation of their failure more plausible than that of inertia is to be found in the great number of other people who are vigorously trying to frustrate social change. My analysis points to a social mechanism that frustrates it. It is a highly selective mechanism, you should note, that permits change of some kinds and imposes powerful obstacles to other kinds.

Clearly, if we look at different areas of social life, ease of change varies greatly from area to area. In recent years we have seen large changes in sexual mores, for example, as well, of course, as multiple changes pressed on us by technological development. In political/economic life, society all over the world has gone through or is now going through one of the world's greatest social revolutions—the organization of almost every form of social cooperation through formal organization, especially bureaucratic organization. The bureaucratic revolution is enough to testify to the capacity of society for political and economic change. It is all the more im-

pressive that there exists a mechanism of automatic punishing recoil that successfully retards or represses change in other aspects of political and economic life.

In just what aspects of political/economic life that mechanism operates I have not yet said, except to note that the included aspects are all those in which businessmen—or any large or critical number of them—see change as hurtful to their own prospects. You can fill in what those aspects are. They include institutions and policies that protect the decision-making authority of businessmen in their own businesses, and the customary prerogatives of management, including rights to self recruitment into corporate elites. They include policies that maintain the existing distribution of income and wealth, along with institutions and policies that hold the labor movement in check. The efficacy of the recoil mechanism is evidenced by the continuing historical failure of equalitarian aspirations to achieve a significant change in the distribution of wealth and income among social strata, and by the continuing autonomy of corporate management in a world in which increasing numbers of thoughtful people are arguing, on environmental and other grounds, that no group of leaders can be allowed to exercise so autonomous a control over our lives. A new study of corporate power by Herman opens our eyes to the extent in which business autonomy has been sustained despite decades of apparent growth in the regulation of it.[2]

It is also the case that in so far as policy has successfully pushed into areas of which business people disapprove, it has often had to be offset by new benefits or supports to business. When that happens, policy is imprisoned not in the sense that it cannot break out of its confinement but in the sense that to release it we must pay ransom. Where there are prisons, however, there are also jailbreaks. Again, therefore, I do not argue that the market is escape-proof.

The imprisoning of institutions and policy making in market-oriented society is, I think, ordinarily brushed aside as an embarrassing feature of ostensibly democratic systems. We are not comfortable in acknowledging that popular control is crippled in these systems by an automatic punishing recoil. In the U.S. today, however, in the Reagan administration we now hear remarkably candid acknowledgements that we must learn to be happy in our

[2] Edward S. Herman, *Corporate Control, Corporate Power* (New York: Cambridge University Press, 1981).

prison. The new administration tells us boldly and badly that we cannot have growth, cannot have price stability, and cannot have full employment unless we stop undermining business incentives. Hence, they have told us that we cannot have an effective Federal Trade Commission, its recent energy having harmed business. Nor can we persist in recent programs of automobile safety, which must now be relaxed. Nor can we protect the landscape against strip mines. One after another of our recent reforms are being curtailed so far as the administration can achieve the result, on the grounds that our economic system — the market system — does not allow such reforms if we are to enjoy prosperity. We cannot even hold to a policy of human rights abroad. As David Rockefeller early announced and members of the Reagan administration have repeated since, our policy of protecting human rights abroad has to be subordinated to our needs for foreign markets, with which it has been an interference.

The Reagan administration is trying to make the automatic recoil mechanism even more obstructive to social change than it need be. But I credit the administration with understanding that such a mechanism exists in any market system. They are right in appreciating that policy making is imprisoned, even without their efforts to build the walls higher.

Finally, take note that my argument is that policy is imprisoned in market oriented systems, which is a broader generalization than if I had said that it is imprisoned in private enterprise systems. The feature of market systems that is at the core of the recoil mechanism is the inducement system that we use to motivate one great category of organizers and coordinators to do their work. If we were to operate a market system composed exclusively of government owned and operated market enterprises, the recoil mechanism would still operate. The inducements necessary to get the required performance out of public managers might be fewer or less; hence the problem of automatic punishing recoil might be reduced. But it would not be eliminated unless we abandoned the inducement system in favor of a command system, thus removing the socialized enterprise from a market system of inducements.

One of the causes, I believe, of Soviet abandonment of their attempts in the 1960's to introduce more market elements into the Soviet economy is that their earliest moves were abruptly perceived as requiring top political leadership to sit on its hands, that is, not to interfere with market stimulated managerial decisions. At least

dimly, they perceived that the growth of the market implied constrictions on their own ability to make policy. They, top Soviet authorities, would be imprisoned by their commitment to the market.

Some of you will hear my remarks today as constituting an argument for getting rid of the market system so that policy can escape from its prison. But that would be putting words in my mouth. I do believe that the fact that the market system imprisons policy through an automatic punishing recoil is a serious disadvantage of market systems. I would not want to deprecate, minimize or obscure that inference. We pay a big price for the use of a market system. But whether the market ought to be maintained or abandoned calls for a weighing of its advantages and disadvantages. And that task I am not undertaking today.

In any case, the relation between democracy and market is more complex than we hear it to be from classical liberals like Hayek and Friedman. No democratic nation state has ever arisen anywhere in the world except in conjunction with a market system—surely a historical fact of enormous importance. But, according to my argument today, no market society can achieve a fully developed democracy because the market imprisons the policy-making process. We may be caught in a vise. For minimal democracy, we require a market system. For fuller democracy, we require its elimination. But its elimination might pose more obstacles to a fuller democracy than does its continuing imprisoning of policy making. It may therefore be that a fuller democracy is never to be ours. Or, if it can be achieved, it will come only when we discover how to provide, without a market system, those minimal supports for democracy which, so far in history, only market systems have provided. Our dilemma or difficulties are extraordinary—and are not clarified for us by the current state either of market theory or democratic theory.

For Americans and many Western Europeans the market is a prison in another sense as well. Both as an institution and as an intellectual concept, it seems to have imprisoned our thinking about politics and economics.

For me, an early and memorable demonstration of imprisoned thought was many of the reviews of *Unions and Capitalism*, a book based on my doctoral dissertation and published in 1949. In it I had argued that certain incompatibilities between two major institutions

of our society—collective bargaining, on one hand, and the market system, on the other—would in the future produce serious problems, including simultaneous unemployment and inflation. Not knowing what to do about the problem, I simply offered a diagnosis without a remedial prescription, naively assuming that the diagnosis implied that something had to give either on the side of collective bargaining or on the side of the market system. Almost all reviewers, however, simply took it for granted that my purpose was to make a case against collective bargaining or a case for its restriction. At least conventional academic reviewers seemed unable to contemplate the possibility that a conflict between two institutions raised questions about both of them and, *a priori*, no more about the one than the other.

Having been sensitized by that early experience, I have noted ever since that the standard formulation of one of our economic problems is that union pressure on wages causes inflation or restriction of job opportunities in the immediately affected industrial firm. *Given* a market system, that is probably true. But let me suggest the other possible formulation: given the inevitable and understandable desire of workers to increase their share of national income, a market system will produce inflation or unemployment. The second proposition is no less true than the first. The limited capacity of our thinking is revealed in our commitment in habit of mind to the first proposition to the neglect of the second. We have come to think not of human need and aspiration but of the market system as the fixed element in the light of which we think about policy. We find it difficult to think of the market as the variable.

Much of our thinking in other policy areas is similarly imprisoned, as, for example, our thinking on environmental protection. That policy made in Congress and in the White House sacrifices environmental protection to the needs of market enterprises is one thing. That those academics and other scholars, analysts, and critics who are trying to think constructively about the options open to us often themselves cannot see the market as a variable but treat it as the fixed element around which policy must be fashioned is another thing. The latter is what I mean by imprisoned thought.

A more striking example is the state of thinking about television. One of the great shapers of contemporary culture and politics is commercial broadcasting, especially television. You have all heard what once would have been thought of as astonishing figures on the number of hours adults and children spend watching and hearing

what commercial advertizers and their clients decide we will see and hear. That in the United States we have permitted or chosen a broadcasting system that confers such authority on people whose motives are to sell something to us; that we accept frequent urgent interruptions in almost all programs so that we can be exhorted to buy; that we must also hear a steady diet of praise for the corporate institutions that exhort us to buy; that we grant without charge broadcasting rights to those fortunate enough to gain the enormously profitable broadcast licenses; and that we do not even ask in exchange for significant use of broadcast time for educational purposes—all these features of American broadcasting are as plausible evidences of insanity as they are of intelligence in public policy.

For wealthy society that can afford any of a variety of superior systems—and for a society that in any case pays all the costs of the present system—one might think that political scientists and other analysts would attend to the merits and demerits of commercial broadcasting, that so critical a shaper of politics and culture would be on the agenda for spirited debate. It is not. Our thought is imprisoned. We cannot venture intellectually—a few exceptions aside—beyond what seems normal and natural. We uncritically accept what the market provides. For American social science it is a scandal that it remains silent on so great an issue. And—to make the point precisely—it is not that commercial television is unacceptable. That is not the point. The point is that whether it is or not is a great issue on which we are incapable of thought, so imprisoned are our minds.

You will note that I am saying—and here I make it explicit—that the prison is strong enough to incarcerate not only popular thought but professional thinking in the social sciences. Further evidence lies in the controversy over pluralism in the last fifteen or so years. Dominant pluralist thought in American political science describes all policy-making as a result of vectors, each vector often consisting of the influence of some group. All groups who wish to be admitted are, according to pluralist thought, admitted to the process. The attack on pluralist thought that eventually emerged argued—successfully, I think—that in some policy areas or for certain kinds of policy issues the pluralist competition of groups did not work and that class influences, traditional biases in the political culture, or processes called "mobilization of bias" made certain policy positions dominant and others impossible to advance. But on the whole these critics missed the phenomenon I am describing—the

extent to which policy making has to be and is constrained by the peculiar characteristics of an inducement system in a market system. Pluralism at most operates only in an unimprisoned zone of policy making. Hence the continuing debate on pluralism, although it has greatly improved our understanding of politics, is still significantly constrained or imprisoned.

Even today interest-group theory for the most part treats business interests as symmetrical with labor and other interests bearing on policy-making. It has not yet generally recognized that business interests occupy a special place in imprisoned policy making.

More indirectly the market has taken hold of our thinking in social science in ways that cripple us, though a more complete account of what has happened to us would have to acknowledge the influence of professional economics as itself a major influence. For example, in regarding the market system as a piece of social machinery for organizing the nation's resources in response to individual wants expressed through purchases, economists have drifted into an ethics of preference. In so far as possible, all ethical issues are settled by reference to individual preferences taken as given. Is x good or is x bad? All depends on the patterns of individual preferences.

Impressed both by the market as an institution and by the tidyness of economists' interpretation of it, many political scientists have adopted the ethic of preferences taken as given. Is this policy a good one? It depends on the patterns of individual political preferences, whatever they are. Is democracy a good thing? Yes, because it is a system for letting individual preferences, whatever they are, govern policy making. Democracy is a political market. Or as Schumpeter, who is a major source of this current of thought, put it: democracy is competitive politics.

What is wrong in this version of democracy as a market-like process in which individual preferences ideally prevail, as in an ideal market, is that the powerful and all-pervasive effect of politics on the formation of preferences is ignored. From at least Mill on to just before Schumpeter, so massive and persistant a process of preference formation as is constituted by the political system itself was never ignored. In allowing the market to dominate our political thought since then, we have simplified our political theories, with some gains in clarity. But we have impoverished our thought by imprisoning it in an unsatisfactory model of preferences taken as given.

My main point, however, has been that market systems imprison policy. Those of us who live in those market oriented systems that are called liberal democratic exercise significantly less control over policy than we have thought. And we are also less free than we may have thought. Such are the inevitable consequences of imprisonment. That our thinking is itself imprisoned is a separate phenomenon of importance. Given, however, the complexity of human thought and the impossibility of disentangling its sources, this second phenomenon cannot be so confidently argued as the first.

Again, I would like to leave a caution about inferences. What I have described constitutes serious disadvantages in making use of a market system. But the case for and against markets is extraordinarily complex, and my analysis is a long way from a case either for or against. It is also a long way from an answer to any question about what is to be done if the problems posed by my analysis are accepted as significant ones.

NANCY FRASER

RETHINKING RECOGNITION

In the seventies and eighties, struggles for the 'recognition of difference' seemed charged with emancipatory promise. Many who rallied to the banners of sexuality, gender, ethnicity and 'race' aspired not only to assert hitherto denied identities but to bring a richer, lateral dimension to battles over the redistribution of wealth and power as well. With the turn of the century, issues of recognition and identity have become even more central, yet many now bear a different charge: from Rwanda to the Balkans, questions of 'identity' have fuelled campaigns for ethnic cleansing and even genocide—as well as movements that have mobilized to resist them.

It is not just the character but the scale of these struggles that has changed. Claims for the recognition of difference now drive many of the world's social conflicts, from campaigns for national sovereignty and subnational autonomy, to battles around multiculturalism, to the newly energized movements for international human rights, which seek to promote both universal respect for shared humanity and esteem for cultural distinctiveness. They have also become predominant within social movements such as feminism, which had previously foregrounded the redistribution of resources. To be sure, such struggles cover a wide range of aspirations, from the patently emancipatory to the downright reprehensible (with most probably falling somewhere in between). Nevertheless, the recourse to a common grammar is worth considering. Why today, after the demise of Soviet-style communism and the acceleration of globalization, do so many conflicts take this form? Why do so many movements couch their claims in the idiom of recognition?

To pose this question is also to note the relative decline in claims for egalitarian redistribution. Once the hegemonic grammar of political contestation, the language of distribution is less salient today. The move-

ments that not long ago boldly demanded an equitable share of resources and wealth have not, to be sure, wholly disappeared. But thanks to the sustained neoliberal rhetorical assault on egalitarianism, to the absence of any credible model of 'feasible socialism' and to widespread doubts about the viability of state-Keynesian social democracy in the face of globalization, their role has been greatly reduced.

We are facing, then, a new constellation in the grammar of political claims-making—and one that is disturbing on two counts. First, this move from redistribution to recognition is occurring despite—or because of—an acceleration of economic globalization, at a time when an aggressively expanding capitalism is radically exacerbating economic inequality. In this context, questions of recognition are serving less to supplement, complicate and enrich redistributive struggles than to marginalize, eclipse and displace them. I shall call this *the problem of displacement*. Second, today's recognition struggles are occurring at a moment of hugely increasing transcultural interaction and communication, when accelerated migration and global media flows are hybridizing and pluralizing cultural forms. Yet the routes such struggles take often serve not to promote respectful interaction within increasingly multicultural contexts, but to drastically simplify and reify group identities. They tend, rather, to encourage separatism, intolerance and chauvinism, patriarchalism and authoritarianism. I shall call this *the problem of reification*.

Both problems—displacement and reification—are extremely serious: insofar as the politics of recognition displaces the politics of redistribution, it may actually promote economic inequality; insofar as it reifies group identities, it risks sanctioning violations of human rights and freezing the very antagonisms it purports to mediate. No wonder, then, that many have simply washed their hands of 'identity politics'—or proposed jettisoning cultural struggles altogether. For some, this may mean reprioritizing class over gender, sexuality, 'race' and ethnicity. For others, it means resurrecting economism. For others still, it may mean rejecting all 'minoritarian' claims out of hand and insisting upon assimilation to majority norms—in the name of secularism, universalism or republicanism.

Such reactions are understandable: they are also deeply misguided. Not all forms of recognition politics are equally pernicious: some represent

genuinely emancipatory responses to serious injustices that cannot be remedied by redistribution alone. Culture, moreover, is a legitimate, even necessary, terrain of struggle, a site of injustice in its own right and deeply imbricated with economic inequality. Properly conceived, struggles for recognition can aid the redistribution of power and wealth and can promote interaction and cooperation across gulfs of difference.

Everything depends on how recognition is approached. I want to argue here that we need a way of rethinking the politics of recognition in a way that can help to solve, or at least mitigate, the problems of displacement and reification. This means conceptualizing struggles for recognition so that they can be integrated with struggles for redistribution, rather than displacing and undermining them. It also means developing an account of recognition that can accommodate the full complexity of social identities, instead of one that promotes reification and separatism. Here, I propose such a rethinking of recognition.

The identity model

The usual approach to the politics of recognition—what I shall call the 'identity model'—starts from the Hegelian idea that identity is constructed dialogically, through a process of mutual recognition. According to Hegel, recognition designates an ideal reciprocal relation between subjects, in which each sees the other both as its equal and also as separate from it. This relation is constitutive for subjectivity: one becomes an individual subject only by virtue of recognizing, and being recognized by, another subject. Recognition from others is thus essential to the development of a sense of self. To be denied recognition—or to be 'misrecognized'—is to suffer both a distortion of one's relation to one's self and an injury to one's identity.

Proponents of the identity model transpose the Hegelian recognition schema onto the cultural and political terrain. They contend that to belong to a group that is devalued by the dominant culture is to be misrecognized, to suffer a distortion in one's relation to one's self. As a result of repeated encounters with the stigmatizing gaze of a culturally dominant other, the members of disesteemed groups internalize negative self-images and are prevented from developing a healthy cultural identity of their own. In this perspective, the politics of recognition aims to repair internal self-dislocation by contesting the dominant culture's

demeaning picture of the group. It proposes that members of misrecognized groups reject such images in favour of new self-representations of their own making, jettisoning internalized, negative identities and joining collectively to produce a self-affirming culture of their own—which, publicly asserted, will gain the respect and esteem of society at large. The result, when successful, is 'recognition': an undistorted relation to oneself.

Without doubt, this identity model contains some genuine insights into the psychological effects of racism, sexism, colonization and cultural imperialism. Yet it is theoretically and politically problematic. By equating the politics of recognition with identity politics, it encourages both the reification of group identities and the displacement of redistribution.

Displacing redistribution

Let us consider first the ways in which identity politics tend to displace struggles for redistribution. Largely silent on the subject of economic inequality, the identity model treats misrecognition as a free-standing cultural harm: many of its proponents simply ignore distributive injustice altogether and focus exclusively on efforts to change culture; others, in contrast, appreciate the seriousness of maldistribution and genuinely wish to redress it. Yet both currents end by displacing redistributive claims.

The first current casts misrecognition as a problem of cultural depreciation. The roots of injustice are located in demeaning representations, but these are not seen as socially grounded. For this current, the nub of the problem is free-floating discourses, not *institutionalized* significations and norms. Hypostatizing culture, they both abstract misrecognition from its institutional matrix and obscure its entwinement with distributive injustice. They may miss, for example, the links (institutionalized in labour markets) between androcentric norms that devalue activities coded as 'feminine', on the one hand, and the low wages of female workers on the other. Likewise, they overlook the links institutionalized within social-welfare systems between heterosexist norms which delegitimate homosexuality, on the one hand, and the denial of resources and benefits to gays and lesbians on the other. Obfuscating such connexions, they strip misrecognition of its social-structural underpinnings

and equate it with distorted identity. With the politics of recognition thus reduced to identity politics, the politics of redistribution is displaced.

A second current of identity politics does not simply ignore maldistribution in this way. It appreciates that cultural injustices are often linked to economic ones, but misunderstands the character of the links. Subscribing effectively to a 'culturalist' theory of contemporary society, proponents of this perspective suppose that maldistribution is merely a secondary effect of misrecognition. For them, economic inequalities are simple expressions of cultural hierarchies—thus, class oppression is a superstructural effect of the cultural devaluation of proletarian identity (or, as one says in the United States, of 'classism'). It follows from this view that all maldistribution can be remedied indirectly, by a politics of recognition: to revalue unjustly devalued identities is simultaneously to attack the deep sources of economic inequality; no explicit politics of redistribution is needed.

In this way, culturalist proponents of identity politics simply reverse the claims of an earlier form of vulgar Marxist economism: they allow the politics of recognition to displace the politics of redistribution, just as vulgar Marxism once allowed the politics of redistribution to displace the politics of recognition. In fact, vulgar culturalism is no more adequate for understanding contemporary society than vulgar economism was.

Granted, culturalism might make sense if one lived in a society in which there were no relatively autonomous markets, one in which cultural value patterns regulated not only the relations of recognition but those of distribution as well. In such a society, economic inequality and cultural hierarchy would be seamlessly fused; identity depreciation would translate perfectly and immediately into economic injustice, and misrecognition would directly entail maldistribution. Consequently, both forms of injustice could be remedied at a single stroke, and a politics of recognition that successfully redressed misrecognition would counter maldistribution as well. But the idea of a purely 'cultural' society with no economic relations—fascinating to generations of anthropologists—is far removed from the current reality, in which marketization has pervaded all societies to some degree, at least partially decoupling economic mechanisms of distribution from cultural patterns of value and prestige. Partially independent of such patterns, markets follow a logic of their own, neither wholly constrained by culture nor subordinated to it; as a

result they generate economic inequalities that are not mere expressions of identity hierarchies. Under these conditions, the idea that one could remedy all maldistribution by means of a politics of recognition is deeply deluded: its net result can only be to displace struggles for economic justice.

Reification of identity

Displacement, however, is not the only problem: the identity politics model of recognition tends also to reify identity. Stressing the need to elaborate and display an authentic, self-affirming and self-generated collective identity, it puts moral pressure on individual members to conform to a given group culture. Cultural dissidence and experimentation are accordingly discouraged, when they are not simply equated with disloyalty. So, too, is cultural criticism, including efforts to explore intragroup divisions, such as those of gender, sexuality and class. Thus, far from welcoming scrutiny of, for example, the patriarchal strands within a subordinated culture, the tendency of the identity model is to brand such critique as 'inauthentic'. The overall effect is to impose a single, drastically simplified group-identity which denies the complexity of people's lives, the multiplicity of their identifications and the cross-pulls of their various affiliations. Ironically, then, the identity model serves as a vehicle for misrecognition: in reifying group identity, it ends by obscuring the politics of cultural identification, the struggles *within* the group for the authority—and the power—to represent it. By shielding such struggles from view, this approach masks the power of dominant fractions and reinforces intragroup domination. The identity model thus lends itself all too easily to repressive forms of communitarianism, promoting conformism, intolerance and patriarchalism.

Paradoxically, moreover, the identity model tends to deny its own Hegelian premisses. Having begun by assuming that identity is dialogical, constructed via interaction with another subject, it ends by valorizing monologism—supposing that misrecognized people can and should construct their identity on their own. It supposes, further, that a group has the right to be understood solely in its own terms—that no one is ever justified in viewing another subject from an external perspective or in dissenting from another's self-interpretation. But again, this runs counter to the dialogical view, making cultural identity an auto-generated auto-description, which one presents to others as an obiter

dictum. Seeking to exempt 'authentic' collective self-representations from all possible challenges in the public sphere, this sort of identity politics scarcely fosters social interaction across differences: on the contrary, it encourages separatism and group enclaves.

The identity model of recognition, then, is deeply flawed. Both theoretically deficient and politically problematic, it equates the politics of recognition with identity politics and, in doing so, encourages both the reification of group identities and the displacement of the politics of redistribution.

Misrecognition as status subordination

I shall consequently propose an alternative approach: that of treating recognition as a question of social status. From this perspective, what requires recognition is not group-specific identity but the status of individual group members as full partners in social interaction. Misrecognition, accordingly, does not mean the depreciation and deformation of group identity, but social subordination—in the sense of being prevented from participating as a peer in social life. To redress this injustice still requires a politics of recognition, but in the 'status model' this is no longer reduced to a question of identity: rather, it means a politics aimed at overcoming subordination by establishing the misrecognized party as a full member of society, capable of participating on a par with the rest.

Let me explain. To view recognition as a matter of status means examining institutionalized patterns of cultural value for their effects on the relative standing of social actors. If and when such patterns constitute actors as peers, capable of participating on a par with one another in social life, then we can speak of reciprocal recognition and status equality. When, in contrast, they constitute some actors as inferior, excluded, wholly other, or simply invisible—in other words, as less than full partners in social interaction—then we can speak of misrecognition and status subordination. From this perspective, misrecognition is neither a psychic deformation nor a free-standing cultural harm but an institutionalized relation of social subordination. To be misrecognized, accordingly, is not simply to be thought ill of, looked down upon or devalued in others' attitudes, beliefs or representations. It is rather to be denied the status of a full partner in social interaction, as a consequence

of institutionalized patterns of cultural value that constitute one as comparatively unworthy of respect or esteem.

On the status model, moreover, misrecognition is not relayed through free-floating cultural representations or discourses. It is perpetrated, as we have seen, through institutionalized patterns—in other words, through the workings of social institutions that regulate interaction according to parity-impeding cultural norms. Examples might include marriage laws that exclude same-sex partnerships as illegitimate and perverse; social-welfare policies that stigmatize single mothers as sexually irresponsible scroungers; and policing practices, such as 'racial profiling', that associate racialized persons with criminality. In each of these cases, interaction is regulated by an institutionalized pattern of cultural value that constitutes some categories of social actors as normative and others as deficient or inferior: 'straight' is normal, 'gay' is perverse; 'male-headed households' are proper, 'female-headed households' are not; 'whites' are law-abiding, 'blacks' are dangerous. In each case, the result is to deny some members of society the status of full partners in interaction, capable of participating on a par with the rest.

As these examples suggest, misrecognition can assume a variety of forms. In today's complex, differentiated societies, parity-impeding values are institutionalized at a plurality of institutional sites, and in qualitatively different modes. In some cases, misrecognition is juridified, expressly codified in formal law; in other cases, it is institutionalized via government policies, administrative codes or professional practice. It can also be institutionalized informally—in associational patterns, longstanding customs or sedimented social practices of civil society. But whatever the differences in form, the core of the injustice remains the same: in each case, an institutionalized pattern of cultural value constitutes some social actors as less than full members of society and prevents them from participating as peers.

On the status model, then, misrecognition constitutes a form of institutionalized subordination, and thus a serious violation of justice. Wherever and however it occurs, a claim for recognition is in order. But note precisely what this means: aimed not at valorizing group identity but rather at overcoming subordination, in this approach claims for recognition seek to establish the subordinated party as a full partner in social life, able to interact with others as a peer. They

aim, in other words, to de-institutionalize patterns of cultural value that impede parity of participation and to replace them with patterns that foster it. Redressing misrecognition now means changing social institutions—or, more specifically, changing the interaction-regulating values that impede parity of participation at all relevant institutional sites. Exactly how this should be done depends in each case on the mode in which misrecognition is institutionalized. Juridified forms require legal change, policy-entrenched forms require policy change, associational forms require associational change, and so on: the mode and agency of redress vary, as does the institutional site. But in every case, the goal is the same: redressing misrecognition means replacing institutionalized value patterns that impede parity of participation with ones that enable or foster it.

Consider again the case of marriage laws that deny participatory parity to gays and lesbians. As we saw, the root of the injustice is the institutionalization in law of a heterosexist pattern of cultural value that constitutes heterosexuals as normal and homosexuals as perverse. Redressing the injustice requires de-institutionalizing that value pattern and replacing it with an alternative that promotes parity. This, however, might be done in various ways: one way would be to grant the same recognition to gay and lesbian unions as heterosexual unions currently enjoy, by legalizing same-sex marriage; another would be to de-institutionalize heterosexual marriage, decoupling entitlements such as health insurance from marital status and assigning them on some other basis, such as citizenship. Although there may be good reasons for preferring one of these approaches to the other, in principle both of them would promote sexual parity and redress this instance of misrecognition.

In general, then, the status model is not committed *a priori* to any one type of remedy for misrecognition; rather, it allows for a range of possibilities, depending on what precisely the subordinated parties need in order to be able to participate as peers in social life. In some cases, they may need to be unburdened of excessive ascribed or constructed distinctiveness; in others, to have hitherto underacknowledged distinctiveness taken into account. In still other cases, they may need to shift the focus onto dominant or advantaged groups, outing the latter's distinctiveness, which has been falsely parading as universal; alternatively, they may need to deconstruct the very terms in which attributed differences are currently elaborated. In every case, the status model tailors the

remedy to the concrete arrangements that impede parity. Thus, unlike the identity model, it does not accord an *a priori* privilege to approaches that valorize group specificity. Rather, it allows in principle for what we might call universalist recognition, and deconstructive recognition, as well as for the affirmative recognition of difference. The crucial point, once again, is that on the status model the politics of recognition does not stop at identity but seeks institutional remedies for institutionalized harms. Focused on culture in its socially grounded (as opposed to free-floating) forms, *this* politics seeks to overcome status subordination by changing the values that regulate interaction, entrenching new value patterns that will promote parity of participation in social life.

Addressing maldistribution

There is a further important difference between the status and identity models. For the status model, institutionalized patterns of cultural value are not the only obstacles to participatory parity. On the contrary, equal participation is also impeded when some actors lack the necessary resources to interact with others as peers. In such cases, maldistribution constitutes an impediment to parity of participation in social life, and thus a form of social subordination and injustice. Unlike the identity model, then, the status model understands social justice as encompassing two analytically distinct dimensions: a dimension of recognition, which concerns the effects of institutionalized meanings and norms on the relative standing of social actors; and a dimension of distribution, which involves the allocation of disposable resources to social actors.[1]

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[1] Actually, I should say '*at least* two analytically distinct dimensions' in order to allow for the possibility of more. I have in mind specifically a possible third class of obstacles to participatory parity that could be called *political*, as opposed to economic or cultural. Such obstacles would include decision-making procedures that systematically marginalize some people even in the absence of maldistribution and misrecognition, for example, single-district winner-take-all electoral rules that deny voice to quasi-permanent minorities. (For an insightful account of this example, see Lani Guinier, *The Tyranny of the Majority*, New York 1994). The possibility of a third class of political obstacles to participatory parity brings out the extent of my debt to Max Weber, especially to his 'Class, Status, Party', in *From Max Weber: Essays in Sociology*, Hans H. Gerth and C. Wright Mills, eds, Oxford 1958. In the present essay, I align a version of Weber's distinction between class and status with the distinction between distribution and recognition. Yet Weber's own distinction was tripartite not bipartite: 'class, status, and party'. Thus, he effectively prepared a

Thus, each dimension is associated with an analytically distinct aspect of social order. The recognition dimension corresponds to the status order of society, hence to the constitution, by socially entrenched patterns of cultural value, of culturally defined categories of social actors—status groups—each distinguished by the relative honour, prestige and esteem it enjoys vis-à-vis the others. The distributive dimension, in contrast, corresponds to the economic structure of society, hence to the constitution, by property regimes and labour markets, of economically defined categories of actors, or classes, distinguished by their differential endowments of resources.[2]

Each dimension, moreover, is associated with an analytically distinct form of injustice. For the recognition dimension, as we saw, the associated injustice is misrecognition. For the distributive dimension, in contrast, the corresponding injustice is maldistribution, in which economic structures, property regimes or labour markets deprive actors of the resources needed for full participation. Each dimension, finally, corresponds to an analytically distinct form of subordination: the recognition dimension corresponds, as we saw, to status subordination, rooted in institutionalized patterns of cultural value; the distributive dimension, in contrast, corresponds to economic subordination, rooted in structural features of the economic system.

In general, then, the status model situates the problem of recognition within a larger social frame. From this perspective, societies appear as

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place for theorizing a third, political kind of obstacle to participatory parity, which might be called *political marginalization or exclusion*. I do not develop this possibility here, however, but confine myself to maldistribution and misrecognition, while leaving the analysis of political obstacles to participatory parity for another occasion.

[2] In this essay, I deliberately use a Weberian conception of class, not a Marxian one. Thus, I understand an actor's class position in terms of her or his relation to the market, not in terms of her or his relation to the means of production. This Weberian conception of class as an *economic* category suits my interest in distribution as a normative dimension of justice better than the Marxian conception of class as a *social* category. Nevertheless, I do not mean to reject the Marxian idea of the 'capitalist mode of production' as a social totality. On the contrary, I find that idea useful as an overarching frame within which one can situate Weberian understandings of both status and class. Thus, I reject the standard view of Marx and Weber as antithetical and irreconcilable thinkers. For the Weberian definition of class, see Max Weber, 'Class, Status, Party'.

complex fields that encompass not only cultural forms of social ordering but economic forms of ordering as well. In all societies, these two forms of ordering are interimbricated. Under capitalist conditions, however, neither is wholly reducible to the other. On the contrary, the economic dimension becomes relatively decoupled from the cultural dimension, as marketized arenas, in which strategic action predominates, are differentiated from non-marketized arenas, in which value-regulated interaction predominates. The result is a partial uncoupling of economic distribution from structures of prestige. In capitalist societies, therefore, cultural value patterns do not strictly dictate economic allocations (*contra* the culturalist theory of society), nor do economic class inequalities simply reflect status hierarchies; rather, maldistribution becomes partially uncoupled from misrecognition. For the status model, therefore, not all distributive injustice can be overcome by recognition alone. A politics of redistribution is also necessary.[3]

Nevertheless, distribution and recognition are not neatly separated from each other in capitalist societies. For the status model, the two dimensions are interimbricated and interact causally with each other. Economic issues such as income distribution have recognition subtexts: value patterns institutionalized in labour markets may privilege activities coded 'masculine', 'white' and so on over those coded 'feminine' and 'black'. Conversely, recognition issues—judgements of aesthetic value, for instance—have distributive subtexts: diminished access to economic resources may impede equal participation in the making of art.[4] The result can be a vicious circle of subordination, as the status order and the economic structure interpenetrate and reinforce each other.

Unlike the identity model, then, the status model views misrecognition in the context of a broader understanding of contemporary society. From this perspective, status subordination cannot be understood in isolation

[3] For fuller discussions of the mutual irreducibility of maldistribution and misrecognition, class and status in contemporary capitalist societies, see Nancy Fraser, 'Heterosexism, Misrecognition, and Capitalism: A Response to Judith Butler', NLR 1/228, March–April 1998, pp. 140–9; and 'Social Justice in the Age of Identity Politics: Redistribution, Recognition and Participation', in *The Tanner Lectures on Human Values*, volume 19, ed. Grethe B. Peterson, Salt Lake City 1998, pp. 1–67.

[4] For a comprehensive, if somewhat reductive, account of this issue, see Pierre Bourdieu, *Distinction: A Critique of Pure Taste*, tr. Richard Nice, Cambridge, MA 1984.

from economic arrangements, nor recognition abstracted from distribution. On the contrary, only by considering both dimensions together can one determine what is impeding participatory parity in any particular instance; only by teasing out the complex imbrications of status with economic class can one determine how best to redress the injustice. The status model thus works against tendencies to displace struggles for redistribution. Rejecting the view that misrecognition is a free-standing cultural harm, it understands that status subordination is often linked to distributive injustice. Unlike the culturalist theory of society, however, it avoids short-circuiting the complexity of these links: appreciating that not all economic injustice can be overcome by recognition alone, it advocates an approach that expressly integrates claims for recognition with claims for redistribution, and thus mitigates the problem of displacement.

The status model also avoids reifying group identities: as we saw, what requires recognition in this account is not group-specific identity but the status of individuals as full partners in social interaction. This orientation offers several advantages. By focusing on the effects of institutionalized norms on capacities for interaction, the model avoids hypostatizing culture and substituting identity-engineering for social change. Likewise, by refusing to privilege remedies for misrecognition that valorize existing group identities, it avoids essentializing current configurations and foreclosing historical change. Finally, by establishing participatory parity as a normative standard, the status model submits claims for recognition to democratic processes of public justification, thus avoiding the authoritarian monologism of the politics of authenticity and valorizing transcultural interaction, as opposed to separatism and group enclaves. Far from encouraging repressive communitarianism, then, the status model militates against it.

To sum up: today's struggles for recognition often assume the guise of identity politics. Aimed at countering demeaning cultural representations of subordinated groups, they abstract misrecognition from its institutional matrix and sever its links with political economy and, insofar as they propound 'authentic' collective identities, serve less to foster interaction across differences than to enforce separatism, conformism and intolerance. The results tend to be doubly unfortunate: in many cases, struggles for recognition simultaneously displace struggles for economic justice and promote repressive forms of communitarianism.

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The solution, however, is not to reject the politics of recognition *tout court*. That would be to condemn millions of people to suffer grave injustices that can only be redressed through recognition of some kind. What is needed, rather, is an alternative politics of recognition, a *non-identitarian* politics that can remedy misrecognition without encouraging displacement and reification. The status model, I have argued, provides the basis for this. By understanding recognition as a question of status, and by examining its relation to economic class, one can take steps to mitigate, if not fully solve, the displacement of struggles for redistribution; and by avoiding the identity model, one can begin to diminish, if not fully dispel, the dangerous tendency to reify collective identities.

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IRIS MARION YOUNG

UNRULY CATEGORIES: A CRITIQUE OF NANCY FRASER'S DUAL SYSTEMS THEORY

Have theorists of justice forgotten about political economy? [*] Have we traced the most important injustices to cultural roots? Is it time for critical social theory to reassert a basic distinction between the material processes of political economy and the symbolic processes of culture? In two recent essays, Nancy Fraser answers these questions in the affirmative. [1] She claims that some recent political theory and practice privilege the recognition of social groups, and that they tend to ignore the distribution of goods and the division of labour.

> Demands for 'recognition of difference' fuel struggles of groups mobilized under the banners of nationality, ethnicity, 'race', gender, and sexuality. In these 'post-socialist' conflicts, group identity supplants class interest as the chief medium of political mobilization. Cultural domination supplants exploitation as the fundamental injustice. And cultural recognition displaces socioeconomic redistribution as the remedy for injustice and the goal of political struggle [2]

Fraser proposes to correct these problems by constructing an analytic framework that conceptually opposes culture and political economy, and then locates the oppressions of various groups on a continuum between them. With a clear distinction between those issues of justice that concern economic issues and those that concern cultural issues, she suggests, we can restore political economy to its rightful place in critical theory, and evaluate which politics of recognition are compatible with transformative responses to economically based injustice.

Fraser's essays call our attention to an important issue. Certain recent political theories of multiculturalism and nationalism do indeed highlight respect for distinct cultural values as primary questions of justice, and many seem to ignore questions of the distribution of wealth and resources and the organization of labour. Fraser cites Charles Taylor's much discussed work, *Multiculturalism and the Politics of Recognition*, [3] as an example of this one-sided attention to recognition at the expense of redistribution, and I think she is right. Even the paradigmatic theorist of distributive justice, John Rawls, now emphasizes cultural and value differences and plays down conflict over scarce resources. [4] Some activist expressions of multiculturalism, moreover, especially in schools and universities, tend to focus on the representation of groups in books and curricula as an end in itself, losing sight of the issues of equality and disadvantage that have generated these movements. [5] Some recent theoretical writing by feminists or gay men and lesbians has pondered questions of group identity abstracted from social relations of economic privilege and oppression.

Nevertheless, I think that Fraser, like some other recent left critics of multiculturalism, exaggerates the degree to which a politics of recognition retreats from economic struggles. The so-called 'culture wars' have been fought on the primarily cultural turf of schools and universities. I see little evidence, however, that feminist or anti-racist activists, as a rule, ignore issues of economic disadvantage and control. Many who promote the cultivation of African-American identity, for example, do so on the grounds that self-organization and solidarity in

predominantly African-American neighbourhoods will improve the material lives of those who live there by providing services and jobs.

To the degree they exist, Fraser is right to be critical of tendencies for a politics of recognition to supplant concerns for economic justice. But her proposed solution, namely to reassert a category of political economy entirely opposed to culture, is worse than the disease. Her dichotomy between political economy and culture leads her to misrepresent feminist, anti-racist and gay liberation movements as calling for recognition as an end in itself, when they are better understood as conceiving cultural recognition as a means to economic and political justice. She suggests that feminist and anti-racist movements in particular are caught in self-defeating dilemmas which I find to be a construction of her abstract framework rather than concrete problems of political strategies. The same framework makes working-class or queer politics appear more one-dimensional than they actually are.

Fraser's opposition of redistribution and recognition, moreover, constitutes a retreat from the New Left theorizing which has insisted that the material effects of political economy are inextricably bound to culture. Some of Nancy Fraser's own earlier essays stand as significant contributions to this insistence that Marxism is also cultural studies. Rather than oppose political economy to culture, I shall argue, it is both theoretically and politically more productive to pluralize categories and understand them as differently related to particular social groups and issues. Thus the purpose of this essay is primarily to raise questions about what theoretical strategies are most useful to politics, and to criticize Fraser for adopting a polarizing strategy. The goal of strong coalitions of resistance to dominant economic forces and political rhetoric, I suggest, is not well served by an analysis that opposes cultural politics to economic politics. Specifying political struggles and issues in more fine-tuned and potentially compatible terms better identifies issues of possible conflict and alliance.

1. REDISTRIBUTION VERSUS RECOGNITION

According to Fraser, there are two primary kinds of injustice. The first, socio-economic injustice, is 'rooted' in the political and economic structure of society. Exploitation, economic marginalization, and deprivation of basic goods are the primary forms of such injustice. The second kind of injustice is cultural or symbolic. It is 'rooted' in social patterns of representation, interpretation, and communication. Such injustice includes being subject to an alien culture, being rendered invisible in one's cultural specificity, and being subject to deprecating stereotypes and cultural representations. Corresponding to these two irreducible roots of injustice are two different remedies. Redistribution produces political and economic changes that result in greater economic equality. Recognition redresses the harms of disrespect, stereotyping and cultural imperialism.

Fraser asserts that in the real world the structures of political economy and the meanings of cultural representation are inseparable: 'Even the most material economic institutions have a constitutive, irreducible cultural dimension; they are shot through with significations and norms. Conversely, even the most discursive cultural practices have a constitutive, irreducible political-economic dimension; they are underpinned by material supports.' [6] The distinction between redistribution and recognition is, therefore, entirely theoretical, an analytical distinction necessary for the construction of an account. Fraser claims that this categorical opposition is useful and even necessary in order to understand how the political aims of oppressed groups are sometimes contradictory.

To demonstrate this tension, Fraser constructs a continuum for classifying the forms of injustice that groups suffer. At one end of the continuum are groups that suffer a 'pure' form of political economic injustice. Since the redistribution-recognition distinction is ideal and not real, such a group must also be an ideal type. Class oppression considered by itself approximates this ideal type. On the other end of the continuum are groups that suffer 'pure' cultural oppression. Injustice suffered by gay men and lesbians approximates this ideal type, inasmuch as their oppression, considered by itself, has its roots only in cultural values that despise their sexual practices.

Remedies for injustice at each of these extremes come in reformist and revolutionary varieties, which Fraser

respectively terms 'affirmative' and 'transformative'. The affirmative remedy for class oppression is a welfare-state liberalism that redistributes goods, services and income while leaving the underlying economic structure undisturbed. A transformative remedy for class injustice, on the other hand, changes the basic economic structure and thereby eliminates the proletariat. An affirmative remedy for sexual oppression seeks to solidify a specific gay or lesbian identity in the face of deprecating stereotypes, whereas a transformative cultural politics deconstructs the very categories of sexual identity.

The main trouble comes with groups that lie in the middle of the continuum, subject both to political economic and cultural injustices. The oppressions of gender and race lie here, according to Fraser. As subject to two different and potentially opposing forms of injustice, the political struggles of women and people of colour are also potentially contradictory. From the point of view of political economy, the radically transformative struggles of women and people of colour ought to have the aim of eliminating the gender or racial group as a distinct position in the division of labour. This goal of eliminating the structured position of the group, however, comes into conflict with a 'politics of identity'. In the latter, women or people of colour wish to affirm the group's specific values and affinity with one another in the face of deprecating stereotypes and cultural representation. Affirmative politics of recognition, according to Fraser, conflicts with transformative politics of redistribution because the latter requires eliminating the group as a group while the former affirms the group identity. This conflict shows the error of such an affirmative politics of recognition, and the need instead for a transformative cultural politics that deconstructs identities.

2. WHY THEORIZE WITH A DICHOTOMY?

Fraser recommends a 'deconstructive' approach to a politics of recognition, which unsettles clear and oppositional categories of identity. Yet her theorizing in these essays is brazenly dichotomous. Injustices to all groups are reducible to two, and only two, mutually exclusive categories. The remedies for these injustices also come in two mutually exclusive categories, with each further divisible into a reformist and radical version. All social processes that impact on oppression can be conceptualized on one or the other side of this dichotomy or as a product of their intersection. Thus redistribution and recognition are not only exclusive categories, but together they comprehend everything relevant to oppression and justice.

As I have already noted, Fraser denies that this dichotomy describes reality. What, then, justifies its use in theory? Fraser answers that an analytical framework requires concepts through which to analyze reality, and it must be able to distinguish among these concepts. This is certainly true. Such a justification does not explain, however, why a critical social theory should rely on only two categories. Why adopt an analytical strategy, furthermore, that aims to reduce more plural categorizations of social phenomena to this 'bifocal' categorization?

In *Justice and the Politics of Difference*, I explicate a plural categorization of oppression. I distinguish five 'faces' of oppression—exploitation, marginalization, powerlessness, cultural imperialism, and violence. [7] Many concrete instances of oppression should be described using several of these categories, though most descriptions will not use all. The purpose of elaborating a plural but limited categorization of oppression is to accommodate the variations in oppressive structures that position individuals and groups, and thus to resist the tendency to reduce oppression to one or two structures with 'primacy.'

In her essay criticizing this book, Fraser performs just such a reduction. [8] These five forms of oppression are 'really' reducible to two: a political economic injustice of maldistribution (exploitation, marginalization, and powerlessness) and a cultural injustice of misrecognition (cultural imperialism and violence). Fraser neither justifies this reduction of five to two, nor does she notice that the description of at least one of the categories she allocates to the 'redistributive' side—namely powerlessness—is explicitly described *both* in terms of the division of labour and in terms of norms of respect. My point is not to argue for the particular framework I have developed, but to ask why the imposition of two categories is not arbitrary.

In her later essay, 'From Recognition to Redistribution?', Fraser raises an objection to her claim that the categories

of political economy and culture exhaust description of social structures and injustice: this categorization appears to have no place for a third, political, aspect to social reality, concerning institutions and practices of law, citizenship, administration, and political participation. Rather than taking this objection seriously, Fraser sets to work reducing these political phenomena to the dichotomous framework of political economy and culture. She appeals to Habermas to do so:

> My inclination is to follow JÜrgen Habermas in viewing such issues bifocally. From one perspective, political institutions (in state-regulated capitalist societies) belong with the economy as part of the 'system' that produces distributive socio-economic injustices; in Rawlsian terms, they are part of the 'basic structure' of society. From another perspective, however, such institutions belong with 'the lifeworld' as part of the cultural structure that produces injustices of recognition; for example, the array of citizenship entitlements and participation rights conveys powerful implicit and explicit messages about the relative moral worth of various persons. [9]

In an earlier essay, 'What's Critical about Critical Theory? The Case of Habermas and Gender', [10] Fraser fashioned an important and persuasive critique of dichotomous thinking in general, and of this particular dichotomy between 'system' and 'lifeworld'. She argued that Habermas's categorical opposition between system and lifeworld eclipses more nuanced concepts in his theory. She showed how this dichotomy obscures the contribution of women's domestic labour to a reproduction of state and economic systems, while reinforcing a gendered opposition between public (system) and private (the lifeworld in which people appear as cared-for individuals). She argued that Habermas's dichotomy wrongly separates cultural norms from the social processes that reproduce bureaucratic and corporate institutions. For this reason, she suggested, Habermas's dichotomous theory cannot ground the conditions for the possibility of communicative democratization within those state and corporate institutions. Contrary to her reduction of the political to system and lifeworld in the above quotation, in 'What's Critical about Critical Theory?', Fraser invoked a category of political action and struggle as additional to, and upsetting, the neat dichotomy of system and lifeworld. While in that essay, Fraser suggested that dichotomous theorizing tends to devalue and obscure the phenomena that do not easily fit the categories, and to distort those that are conceptualized in its terms, I think a similar argument can be applied to her own theoretical strategy in these more recent essays.

Distinctions in Theory and Reality

Fraser's stated reason for constructing a dichotomy is that a mutually exclusive opposition best enables the theorist to identify contradictions in reality. With the dichotomy between political economy and culture, redistribution and recognition, Fraser wants to highlight the contradiction between various political goals. Feminist and anti-racist movements, she aims to show, cannot take as ends both the affirmation of their group identities and the elimination of their gender- or race-specific positions in the division of labour. Because she conceptualizes transformative redistribution as incompatible with affirmative recognition, Fraser succeeds in constructing an account in which the goals of feminist and anti-racist movements appear internally contradictory. If the dichotomous categorization of redistribution and recognition does not correspond to reality, however, but is merely heuristic, how do we know that the tension is not merely an artefact of the theoretical dichotomy? Why should we accept Fraser's claim that the dichotomy reveals a fundamental political tension, rather than a superficial or even imagined one? Shortly I will argue that this categorization fails to understand that, for most social movements, what Fraser calls 'recognition' is a means to the economic and social equality and freedom that she brings under the category of redistribution.

The injustices of political economy, according to Fraser's account, include exploitation, marginalization and deprivation. The remedy for any economic injustice is some sort of political-economic restructuring: 'This might involve redistributing income, reorganizing the division of labour, subjecting investment to democratic decision-making, or transforming other basic economic structures. Although these various remedies differ importantly from one another, I shall henceforth refer to the whole group of them by the generic term "redistribution".' [11] But one can surely ask why such diverse social processes should all be categorized as redistribution, especially since Fraser herself wishes to reintroduce distinctions into that category. Fraser believes, and I agree with her, that redistributive remedies for economic injustice, typical of the public provision of goods and services for needy

people, do not change the conditions that produce this injustice and, in some ways, tend to reinforce those conditions. She thus recommends those remedies which transform the basic economic structure: 'By restructuring the relations of production, these remedies would not only alter the end-state distribution of consumption shares; they would also change the social division of labour and thus the conditions of existence for everyone.' [12] Fraser calls these remedies 'transformative redistribution', as distinct from the 'affirmative redistributive' remedies which leave the basic structure intact. But why bring them both under the same general category at all? Why not choose plural categories to distinguish and reflect those issues of justice that concern the patterns of the distribution of goods from those that concern the division of labour or the organization of decision-making power?

In earlier work, I proposed just such distinctions in order to show that many theories of justice wrongly collapse all issues of justice into those of distribution, and thereby often wrongly identify the remedies for injustice with the redistribution of goods. I criticize this distributive paradigm for just the reasons that Fraser distinguishes affirmative and transformative redistributive remedies: to emphasize that end-state distributions are usually rooted in social and economic structures that organize the division of labour and decision-making power about investment, the organization of production, pricing, and so on. For evaluating the justice of social institutions, I propose a four-fold categorization. Societies and institutions should certainly be evaluated according to the patterns of distribution of resources and goods they exhibit; but, no less important, they should be evaluated according to their division of labour, the way they organize decision-making power, and whether their cultural meanings enhance the self-respect and self-expression of all society's members. [13] Structures of the division of labour and decision-making power are no more reducible to the distribution of goods than are cultural meanings. They both involve practices that condition actions and the relations among actors in different social locations; these serve as the context within which income, goods, services, and resources are distributed. If we begin with distinctions among distribution, division of labour, and decision-making power in our analytic framework, then we do not need later to uncover a confusion between remedies that 'merely' redistribute and those that transform the basic structure.

Fraser's desire to dichotomize issues of justice between economy and culture produces categories that are too stark. A more plural categorization better guides action because it shows how struggles can be directed at different kinds of goals or policies. For example, distinguishing issues of justice about decision-making power from those concerning distribution can show that struggles about environmental justice cannot simply be about the placement of hazardous sites, a distributive issue, but must more importantly be about the processes through which such placements are decided. [14] Changes in the division of labour, furthermore, do not amount merely to 'redistributing' tasks, as Fraser's dichotomy suggests, but often in redefining the cultural meaning and value of different kinds of work. The gender division of labour that allocates primary responsibility for care work to women outside the paid economy, for example, will not change without greater recognition of the nature and value of this work.

With a more plural categorization of issues of justice, furthermore, we can more clearly see the variables that must come together to constitute just institutions, as well as the tensions among them that can occur. Just as a plural categorization diffuses the starkness of redistribution, moreover, it demotes culture to one among several of such variables to be combined with others in analysis of social justice.

3. AN ALTERNATIVE:FRASER'S MATERIALIST CULTURAL THEORIZING

Fraser introduces the dichotomy between redistribution and recognition to correct what she perceives as a tendency in multiculturalism and identity politics to ignore issues of political economy. While I agree that this characterization is sometimes accurate, the remedy for such a failing does not consist in setting up a category of political economy alongside, and in opposition to, culture. A more appropriate theoretical remedy would be to conceptualize issues of justice involving recognition and identity as having inevitably material economic sources

and consequences, without thereby being reducible to market dynamics or economic exploitation and deprivation.

As I understand it, this has been the project of the best of what is called 'cultural studies': to demonstrate that political economy, as Marxists think of it, is through and through cultural without ceasing to be material, and to demonstrate that what students of literature and art call 'culture' is economic, not as base to superstructure, but in its production, distribution and effects, including effects on reproducing class relations. Political economy is cultural, and culture is economic.

The work of Pierre Bourdieu well exemplifies this mutual effect of culture and political economy. In several of his works, Bourdieu demonstrates that acquiring or maintaining positions in privileged economic strata depends partly on cultural factors of education, taste and social connection. Access to such enculturation processes, however, crucially depends on having economic resources and the relative leisure that accompanies economic comfort. [15] In his remarkable book, *Encountering Development*, Arturo Escobar similarly argues for the mutual effect of cultural and material survival issues of access to resources in the struggles of oppressed peasants. Many Latin American peasants, who often come from indigenous cultures which have been neither eliminated nor assimilated by the dominant Latin culture, are struggling against repressive governments and international finance giants to obtain a barely decent life. Such peasant resistance, says Escobar, 'reflects more than the struggle for land and living conditions; it is above all a struggle for symbols and meaning, a cultural struggle.' [16] Latin American peasants struggle with World Bank representatives, local government officials and well-intentioned ngo leaders over the cultural interpretation of the most basic terms of political economy: land, natural resources, property, tools, labour, health, food. We should not mistake this claim for a 'reduction' of political economy to culture. On the contrary, in this case, struggle about cultural meaning and identity has life and death consequences.

> The struggle over representation and for cultural affirmation must be carried out in conjunction with the struggle against the exploitation and domination over the conditions of local, regional, and global political economies. The two projects are one and the same. Capitalist regimes undermine the reproduction of socially valued forms of identity; by destroying existing cultural practices, development projects destroy elements necessary for cultural affirmation. [17]

With such a materialist cultural-political theory one can, for example, problematize the apparently simple call for an economic system that meets needs. With Amartya Sen, we can ask just *what* is to be equalized when we call for equality. [18] A materialist cultural approach understands that needs are contextualized in political struggle over who gets to define whose needs for what purpose. This is the approach that Nancy Fraser herself takes in an earlier paper, 'Struggle Over Needs', where she argues that needs are always subject to struggle and interpretation, and that the inequalities in the struggling parties are structured simultaneously by access to material resources and discursive resources: 'Needs talk appears as a site of struggle where groups with unequal discursive and non-discursive resources compete to establish as hegemonic their respective interpretations of legitimate social needs.' [19] With a materialist cultural analysis, we can notice that, under circumstances of unjust social and economic inequality, the mobilization of communication in official publics often reflects and reproduces social and economic inequalities. In another earlier essay, Nancy Fraser argues that the best recourse that economically subordinated groups have is to form subaltern counter-publics as 'discursive arenas where members of subordinated social groups invent and circulate counter discourses to formulate oppositional interpretations of identities, interests and needs.' [20] Any struggle against oppression, Fraser suggests in that essay, is simultaneously a struggle against cultural and economic domination, because the cultural styles of subordinated groups are devalued and silenced, and the political economy of the bourgeois public sphere ensures that subordinated groups lack equal access to the material means of equal participation.

Thus the Nancy Fraser of 'From Redistribution to Recognition' appears as nearly the contrary of the Nancy Fraser of at least three earlier papers I have cited. Where the earlier Nancy Fraser theorized discursive cultural processes of group identification and of needs and interests from its own point of view, as a process of political context to produce change in economic structures, the more recent Fraser separates culture from economy, and argues that they tend to pull against each other in movements against injustice. I recommend the position of the earlier Fraser

redistributive justice for women or people of colour should consist in eliminating the structures in the division of labour that allocate certain kinds of devalued work to white women and women of colour, and which keep them—especially people of colour—in a marginalized underclass 'reserve army'. Insofar as gender and race are defined by this division of labour and structural marginalization, the goal of redistribution should be to eliminate the oppressed gender or race as a group, just as the goal of working-class movements must be the elimination of the proletariat as a group.

According to Fraser, however, the politics of recognition when applied to gender or race pulls the other way. The goal of such cultural politics is to affirm the specific difference of women or African Americans or Chicanos or Navajos, to develop pride in women's relational orientation, or the moral qualities generated by musical, religious and storytelling legacies. Thus a politics of recognition seeks to affirm the group as a good, which contradicts and undermines the transformative goal of redistribution:

> Insofar as people of colour suffer at least two analytically distinct kinds of injustice, they necessarily require at least two analytically distinct kinds of remedy, which are not easily pursued simultaneously. Whereas the logic of redistribution is to put 'race' out of business as such, the logic of recognition is to valorize group specificity. . .How can anti-racists fight simultaneously to abolish 'race' and to valorize racialized group specificity? [21]

Here Fraser imposes dichotomous categories on a more complex reality and, by doing so, finds contradiction where none exists. She suggests that culturally affirming movements of people of colour aim to abolish 'race' by affirming 'race'. But this is a distortion of, for example, most Black cultural politics. The purpose of affirming the cultural and social specificity of African Americans or First Nations or North African Muslim immigrants is precisely to puncture the naturalized construction of these groups as 'raced'. These groups affirm cultural specificity in order to deny the essentialism of 'race' and encourage the solidarity of the members of the group against deprecating stereotypes. Fraser's position seems similar to that of conservative opponents of anti-racist politics who refuse to distinguish the affirmation of specific economic, political and cultural institutions of solidarity and empowerment for oppressed people of colour from the discriminatory and racist institutions of white exclusion.

The Material and the Cultural Entwined

Fraser finds these movements internally contradictory, moreover, because she assumes that their politics of recognition is an end in itself. It may be true that some activities and writings of culturally affirming movements of people of colour treat cultural empowerment and recognition as itself the substance of liberation. More often, however, those affirming cultural pride and identity for people of colour understand such recognition as a means of economic justice and social equality. Most African Americans who support culturally based African-American schools and universities, for example, believe that the schools will best enable African-American young people to develop the skills and self-confidence to confront white society, and collectively help transform it to be more hospitable to African-American success.

Movements of indigenous peoples, to take another example, certainly consider recognition of their cultural distinctness an end in itself. They also see it as a crucial means to economic development. They assert claims to land for the sake of building an economic base for collective development and for achieving the effective redistribution of the fruits of white colonial exploitation. Many also believe that the recovery of traditional indigenous cultural values provides vision for forms of economic interaction and the protection of nature whose wider institutionalization would confront capitalism with transformative possibilities.

Fraser's claim of internal contradiction may have a bit more force in respect to struggles against gender oppression. The infamous 'equality versus difference' debate poses a genuine dilemma for feminist politics. Ought feminists to affirm gender blindness in the policies of employers, for example, in the allocation of health benefits, leave, promotion criteria, and working hours? Or should they demand that employers explicitly take into account the position of many women as primary caretakers of children or elderly relatives in deliberations

about just allocations? Opting for the latter strategy risks solidifying a sexual division of labour that most feminists agree is unjust and ought to be eliminated. Opting for the former, however, allows employers to continue privileging men under the banner of equality.

Notice, however, that this feminist dilemma is not between a redistributive strategy and a strategy of recognition, but rather between two different redistributive strategies. By Fraser's own criteria, moreover, it could be argued that the second strategy has more transformative possibilities, because it takes the gender division of labour explicitly into account, whereas the first ignores this basic structure. Be that as it may, it is difficult to see how a feminist politics of recognition 'pulls against' a feminist politics of redistribution. To the extent that undermining the misogyny that makes women victims of violence and degradation entails affirming the specific gendered humanity of women, this would seem also to contribution to women's economic revaluation. To affirm the normative and human value of the work that women do outside the labour force, moreover, is to contribute to a redistributive restructuring that takes account of the hidden social costs of markets and social policies.

Feminists discuss these issues in counter-publics where they encourage one another to speak for themselves, from their own experience. In these counter-publics, they form images and interests with which to speak to a larger public that ignores or distorts women's concerns. Such solidarity forming identity politics need not reduce women to some common culture or set of concerns. While some feminist discourse constructs and celebrates a 'women's culture' for its own sake, more often claims to attention for gender-specific experience and position occur in the context of struggles about economic and political opportunity.

I conclude, then, that Fraser is wrong to conceptualize struggles for recognition of cultural specificity as contradicting struggles for radical transformation of economic structures. So long as the cultural denigration of groups produces or reinforces structural economic oppressions, the two struggles are continuous. If a politics of difference disconnects culture from its role in producing material oppressions and deprivations, and asserts cultural expression as an end in itself, then such politics may obscure complex social connections of oppression and liberation. If Muslims were to focus only on their freedom to send their girls to school in headscarves, or Native Americans were to limit their struggles to religious freedom and the recovery of cultural property, then their politics would be superficial. Set in the context of a larger claim that people should not suffer material disadvantage and deprivation because they are culturally different, however, even such issues as these become radical.

Conclusion

Fraser is right to insist that radicals renew attention to material issues of the division of labour, access to resources, the meeting of needs, and the social transformations required to bring about a society in which everyone can be free to develop and exercise their capacities, associate with others and express themselves under conditions of material comfort. Her polarization of redistribution versus recognition, however, leads her to exaggerate the extent to which some groups and movements claiming recognition ignore such issues. To the degree such a tendency exists, I have argued, the cure is to reconnect issues of symbols and discourse to their consequences in the material organization of labour, access to resources, and decision-making power, rather than to solidify a dichotomy between them. I have suggested that a better theoretical approach is to pluralize concepts of injustice and oppression so that culture becomes one of several sites of struggle interacting with others.

Despite Fraser's claim to value recognition as much as redistribution, her criticisms of what she calls an affirmative politics of recognition seem pragmatically similar to other recent left critiques of the so-called politics of identity. On these accounts, the politics of difference influential among progressives in the last twenty years has been a big mistake. Feminist, gay and lesbian, African-American, Native-American, and other such movements have only produced divisiveness and backlash, and have diverted radical politics from confronting economic power. [22]

Yet, when capitalist hegemony is served by a discourse of 'family values', when affirmative action, reproductive rights, voting rights for people of colour, and indigenous sovereignty are all seriously under attack, suggesting

that gender- or race-specific struggles are divisive or merely reformist does not promote solidarity. Instead, it helps fuel a right-wing agenda and further marginalizes some of the most economically disadvantaged people. A strong anti-capitalist progressive movement requires a coalition politics that recognizes the differing modalities of oppression that people experience and affirms their culturally specific networks and organizations.

The world of political ends and principles Fraser presents is eerily empty of action. She calls for a 'deconstructive' rather than an 'affirmative' approach to culture and identity, but I do not know what this means for the conduct of activism on the ground. From Zapatista challengers to the Mexican government, to Ojibwa defenders of fishing rights, to African-American leaders demanding that banks invest in their neighbourhoods, to unions trying to organize a Labor Party, to those sheltering battered women, resistance has many sites and is often specific to a group without naming or affirming a group essence. Most of these struggles self-consciously involve issues of cultural recognition and economic deprivation, but not constituted as totalizing ends. None of them alone is 'transformative,' but, if linked together, they can be deeply subversive. Coalition politics can only be built and sustained if each grouping recognizes and respects the specific perspective and circumstances of the others, and works with them in fluid counter-publics. I do not think that such a coalition politics is promoted by a theoretical framework that opposes culture and economy.

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[1] Nancy Fraser, 'Recognition or Redistribution? A Critical Reading of Iris Young's *Justice and the Politics of Difference*', *Journal of Political Philosophy*, vol. 3, no. 2, (1995), pp. 166-80; 'From Redistribution to Recognition? Dilemmas of Justice in a 'Post-Socialist' Age', nlr 212, pp. 68-93.

[2] Fraser, 'From Redistribution to Recognition?', p. 68.

[3] Charles Taylor, *Multiculturalism and the Politics of Recognition*, Princeton 1992.

[4] See John Rawls, *Political Liberalism*, New York 1993; I have commented on this shift in a review essay of this book in Journal of Political Philosophy, vol. 3, no. 2, (1995) pp. 181-90.

[5] Todd Gitlin tells stories of such a focus on recognition as an end itself in school board battles in California. *See Twilight of Common Dreams*, New York 1995. I do not think that such stories of excess in the politics of difference warrant his blanket inference that all attention to group difference has been destructive of left politics in the us.

[6] Fraser, 'From Redistribution to Recognition?', p. 72.

[7] I.M. Young, *Justice and the Politics of Difference*, Princeton 1990, ch. 2.

[8] Fraser, 'Recognition or Redistribution?'

[9] Fraser, 'From Redistribution to Recognition?', p. 72.

[10] In *Unruly Practices: Power, Discourse and Gender in Contemporary Social Theory*, Minneapolis 1989.

[11] Fraser, 'From Redistribution to Recognition?', p. 73.

[12] Ibid., p. 84.

[13] Young, *Justice and the Politics of Difference*, ch. 1.

[14] Christian Hunold and Iris Marion Young, 'Justice, Democracy and Hazardous Siting,' paper submitted to *Political Studies*.

[15] See Pierre Bourdieu, *Distinction: A Social Critique of the Judgment of Pure Taste*, Cambridge, Mass. 1979. Also 'What makes a Social Class?', Berkeley Journal of Sociology, vol. 32, 1988, pp. 1-18; Craig Calhoun, *Critical Social Theory: Culture, History and the Challenge of Difference*, Oxford 1995, ch. 5.

[16] Arturo Escobar, *Encountering Development*, Princeton 1995, p. 168.

[17] Ibid., pp. 170-1.

[18] In 'From Redistribution to Recognition?', Fraser incorrectly identifies Sen as a pure theorist of political economy. In fact, Sen is acutely sensitive to variations in cultural meaning and the implications of human needs and the cultural meaning of goods and social networks within which needs are to be met. See *Re-examining Inequality*, Cambridge, Mass. 1992.

[19] Fraser, 'Struggle over Needs: Outline of a Socialist-Feminist Critical Theory of Late Capitalist Political Culture,' in *Unruly Practices*, p. 116.

[20] 'Rethinking the Public Sphere: A Contribution to the Critique of Actually Existing Democracy', in Craig Calhoun, ed., *Habermas and the Public Sphere*, Cambridge, Mass. 1992, p. 123.

[21] Fraser, 'From Redistribution to Recognition?', p. 81.

[22] See James Weinstein, report on independent politics, *In These Times*, 18 February 1996, pp. 18-21; Gitlin, *Twilight of Common Dreams*.

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