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### Is The Free Market Fair?

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## IS THE FREE MARKET FAIR?

**ABSTRACT:** *While John Tomasi's Free Market Fairness is ambitious, provocative, and does much to reinvigorate debate about economic justice, his argument for market democracy is not compelling. I discuss two objections. First, I offer doubts about whether "thick" economic freedom is a condition of democratic legitimacy. While Tomasi raises the intriguing possibility that liberal commitments may justify a somewhat more expansive list of economic rights than traditionally recognized, he fails to give a well-worked-out account of these rights. Instead, he argues for unfettered economic liberty without adequately connecting it to citizens' self-authorship, or showing how it could feasibly be protected alongside other basic liberties. Second, I argue that a concern for citizens' agency and economic self-authorship should lead us to endorse a social-democratic regime, not a market-democratic one. Market democracy leaves out or heavily revises key aspects of justice as fairness as developed by Rawls, including fair equality of opportunity and the fair value of the political liberties. Moreover, while Tomasi claims that social democracy rests on a perfectionist prioritizing of citizens' status over their agency, I argue that social democracy is best defended on agency-based grounds.*

John Tomasi's *Free Market Fairness* (Princeton University Press, 2012) argues for a coalition between two ideological commitments that many have seen as antithetical: to social justice, on the one hand, and to economic freedom and strong property rights, on the other. He fuses

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these into a hybrid view he calls “market democracy.” A market democrat takes capitalist economic and property rights to be basic liberties, constitutionalized on a par with citizens’ civil and political liberties, and protected through strict judicial scrutiny (91). But the market democrat also favors social justice: economic institutions should be arranged to maximally benefit the least well off, and at least a minimal safety net should be provided for the poor (92).

Throughout his book, Tomasi alternates persuasive appeals to adherents of the two opposed theoretical camps: egalitarian social democrats (or “high liberals,” as he calls them) and classical liberals or libertarians. When speaking to high liberals, Tomasi stresses that their fundamental moral commitment to formulating fair, publicly justifiable terms of cooperation between citizens should—when properly interpreted—lead them to embrace a “thick” conception of economic liberty. This thick conception of economic liberty is one high liberals have traditionally eschewed. Speaking to classical liberals, Tomasi emphasizes that the best way to justify their preferred economic arrangements is in “high-liberal” terms—as important conditions for the democratic legitimacy of our institutions—rather than on consequentialist or other grounds. Without these high-liberal underpinnings, classical liberals lack a sufficiently convincing argument in favor of economic liberty. As with many hybrids, a key question for Tomasi’s view is whether the marriage between these two ideologies is destined to be pulled apart by the differences between its distinct components.

In the end, I doubt that market democracy is a stable union. I see significant challenges for Tomasi’s argument that a deliberative conception of democracy can ground classical-liberal economic institutions. I focus here on two objections. The first one operates on the “high liberal” terrain of fundamental justification: do high-liberal commitments really support constitutionalizing a “thick” conception of economic freedom? The second operates at the level of “classical-liberal” institutions: would market democracy, under its ideal institutional description, really protect citizens’ economic self-authorship and satisfy the requirements of justice as fairness?

Despite my criticisms, I greatly admire Tomasi’s clear and forcefully written book. It is ambitious, and it promises to reinvigorate a debate that is well worth having: what should our ideals of economic justice be? And what economic policy regime would best realize these ideals? In that, his book has done a great service.

### “Thick” Economic Liberties and Self-Authorship

One of Tomasi’s most intriguing arguments is that high liberals have overlooked an important connection between self-authorship and economic liberty; it is for this reason that a “thick” conception of economic freedom should be constitutionalized in the form of basic economic liberties.

Tomasi holds—following Rawls—that the basic liberties are “essential social condition[s] for the adequate development and full exercise” of citizens’ “two powers of moral personality” (Rawls 1993, 291–324). The two moral powers are first, the capacity to form, revise, and pursue a conception of the good, and to access sufficient means for pursuing one’s determinate conception thereof (following Tomasi, let us call this *self-authorship*); and second, the capacity for a sense of justice in applying principles of justice to the basic structure of society (the *sense of justice*).

Tomasi claims that “thick” economic freedom is an essential condition for the exercise and development of self-authorship. To motivate this claim, he appeals to examples where the exercise of economic liberty plays a central role in an individual’s life-plan. One is that of a college dropout named Amy who gets an entry-level job as a pet groomer, scrimps and saves for a long time, and eventually is able to start her own dog grooming business (Amy’s Pup-in-the-Tub). Running her small business is a fundamental element of Amy’s conception of the good, and serves as an important ground for her self-respect. Surely, in cases like hers, ownership of productive property implicates the moral power of self-authorship (68). Yet Rawls and other “high” liberals typically recognize only two basic economic liberties: the freedom of occupational choice, and the freedom to own *personal* property (Rawls 2001, 114). (This latter right could include certain forms of real property, such as dwellings and private grounds, but does not extend to productive property, like Amy’s business.) Two wider conceptions of property are not taken as basic rights on Rawls’s view: (1) the right to private property in natural resources and means of production generally, including rights of acquisition and bequest, and (2) the right to property as including the equal right to participate in the control of the means of production and of natural resources, both of which are to be socially, not privately owned (*ibid.*).

Which form productive property should take—collective or private—depends for Rawls on “existing historical and social conditions” and should be judged at the “legislative stage.” Rights over productive

property are not basic liberties, according to him, because “they are not necessary for the adequate development and full exercise of the moral powers” (Rawls 2001, 114). Either private ownership of productive property or “liberal socialism” could prove acceptable, given certain empirical circumstances.

Against Rawls, Tomasi forcefully claims that more extensive rights over productive property, along the lines of conception (1) above, *are* fundamental to citizens’ self-authorship, much like freedom of occupational choice and personal property. Indeed, he argues for a “thicker” set of basic economic liberties that includes not just the freedom to own productive property, but also the freedom to set one’s own working conditions, hours, and terms of employment; and to engage in personal financial planning (78–79). I find some force in Tomasi’s arguments here. A regime that prohibited its citizens from starting a business, I believe, would fail to guarantee them sufficient opportunities to develop and exercise their moral powers. Citizens have weighty interests in entrepreneurial activities that engage their talents and temperament and provide them an important sense of independence, responsibility, and self-respect. If the state enforced highly collectivized productive arrangements, it would fail to make sufficient space for these interests.

But how far does this claim take us? So far, it simply suggests that we ought to entertain a somewhat more extensive conception of economic liberty than Rawls does, ruling out liberal socialism, perhaps, but leaving space for a mixed economy, a property-owning democracy, or a welfare state.<sup>1</sup> But Tomasi wants to go much further than this. Since he never provides a list of its components, it is not clear exactly what “thick” economic liberty includes. But the arrangements he mentions reflect classical-liberal ideas: economic freedom should extend to include “wide individual freedom of economic contract and powerful rights to the private ownership of productive property” (xxvi). Such a “thick” conception of economic liberty should be inscribed in the constitution, and judges should have the power to strike down economic regulations that infringe these rights. Proponents of “wide” economic freedom view economic regulations—like minimum wage, working hours, workplace sanitation, and occupational-licensure laws—with skepticism, allowing them only in extreme cases (109–10). Tomasi also favors strict judicial scrutiny of antidiscrimination legislation, ideally enabling business owners to hire and fire whomever they wish. Finally, he thinks taxation should be thoroughly scrutinized: while it is permissible “to raise revenue for

necessary government functions,” it is not permitted to tax “to correct distributions of wealth in accordance with some external standard of justice” (112). Tax legislation should be judicially reviewed to eliminate any redistributive ambitions.

Tomasi sketches two institutional configurations that could realize his market-democratic principles: *democratic laissez-faire* and *democratic limited government*. Both regimes would extend constitutional protection to a broad range of private commercial liberties, and both would subject economic regulation to strict judicial scrutiny. In addition, democratic *laissez-faire* would fully privatize schooling—possibly with no public funding for education whatsoever—and apply anti-discrimination laws only to hiring by state agencies. Under this setup, business owners would have “wide freedom to hire and promote workers by whatever criteria they choose—even when such decisions may reasonably be said to be based on race, gender, religious beliefs, sexual orientation, or aesthetic judgments about a person’s ‘looks’” (241). Democratic limited government would permit somewhat more government intervention in the economy, but not much. It would allow limited state funding for education—possibly in the form of a voucher program—and would apply antidiscrimination laws a bit more widely, for example in key sectors like banking or real estate, so disfavored groups can get a loan or buy a house (*ibid.*). If necessary, both regimes might make public provision for the poor, perhaps by extending a minimal safety net of social services to the most needy or guaranteeing them a basic income (116–18). And while taxes on intergenerational bequests might be permitted if essential to funding essential public services (256), market democracy strongly discourages inheritance taxation. Instead, heads of families should save responsibly and pass their wealth to their descendants (256–57).

If by this point, you are feeling that a rabbit named Milton Friedman—by some unbelievable sleight of hand—has been pulled out of a hat labeled John Rawls, I don’t blame you! How can we have gotten so far? As stated, I think we should grant Tomasi’s claim that economic liberties beyond freedom of occupation and personal property, like the right to start a small business, may implicate self-authorship. But if we grant this claim, are we thereby committed to endorsing the total package of classical-liberal policies, as advocated by Friedman or Hayek?

I doubt it. To see why not, consider Rawls’s definition of the *significance* of a liberty: “A liberty is more or less significant depending on

whether it is more or less essentially involved in, or is a more or less necessary institutional means to protect, the full and informed and effective exercise of the moral powers" (Rawls 1993, 335). The more a particular claim of right can be argued to be an essential institutional means to protect the moral power of self-authorship or the sense of justice, the weightier that claim will be. So suppose we sympathize with Tomasi's initial claim that additional economic freedoms may be important for the power of self-authorship. How might we argue for adding further basic liberties to Rawls's list?

As some other commentators have recognized, this raises large questions about the methodology for justifying basic liberties within the Rawlsian framework, questions that I cannot fully resolve in the confines of this essay.<sup>2</sup> But I take the following to be a plausible sketch. First, one needs to describe the essential interests that the proposed right would protect, and explain why safeguarding these interests is necessary for the adequate development and exercise of the moral power of self-authorship. This would involve showing that the protection of these interests is an important background condition for the pursuit of a wide variety of valuable life-plans. Then one needs to suggest feasible and narrowly tailored institutional guarantees to secure these interests, given the standard threats they face in societies like ours. Third and finally, one needs to consider the effect of the additional proposed liberties on other basic liberties, in order to form an adequate overall scheme. For example, would adding further economic liberties to Rawls's first principle of justice risk undermining other liberties already included in it, like the political liberties and their fair value? If so, we might want to reconsider whether the economic liberties should really count as basic constitutional liberties, or whether they are better guaranteed in some less rigid way, perhaps through incorporating a concern for economic freedom at the legislative stage as opposed to the constitutional one.

### *Basic Liberties or Bare Freedoms?*

My objection to Tomasi's argument for constitutionalizing economic liberty is that it does not undertake this hard work. Tomasi never attempts to show us precisely which economic activities implicate important self-authorship concerns, how these interests might be feasibly protected through narrowly tailored institutional guarantees, or how those proposed guarantees might be integrated into an adequate overall



scheme with the other basic liberties.<sup>3</sup> He simply advocates unfettered economic liberty as such, across the board. But there are core freedoms and then there are less essential freedoms. And it is hard to see why the liberty to discriminate, to work for less than the minimum wage, or to enjoy all the untaxed capital gains made by one's stock portfolio, implicate interests that are essential to the individual's ability to frame and revise a valuable life-plan, or how these proposed rights could be reconciled with the other claims we already protect as a matter of basic liberty.

Consider an analogy: The ideal of self-authorship also grounds an essential interest in freedom of movement. Only if I can enter public roads, buildings, and places of business can I access the social practices and spaces—like my workplace, my house of worship, my school, or recreational facilities—that are fundamental to my life-plans and projects. A regime that confined me within a small prison cell would not sufficiently guarantee the development and exercise of my moral powers. But that does not mean that I can claim constitutional rights to jaywalk, or to drive the wrong way down a one-way street if I wish (Dworkin 1978; Taylor 1985). While these too are freedoms of movement, they are not necessary to the adequate development of my moral powers. And granting me these additional freedoms would jeopardize other liberties in which other people have an essential interest. These are *bare freedoms*, not basic liberties. Bare freedoms need not be extended any special protection; instead, they may be regulated in whatever way best facilitates public order and effective social coordination. We may, if we wish, leave people free to cross the street where they like, but there is no presumption against our restricting this freedom. A mere “rational basis” for regulation—grounded in considerations of public order, or efficient social coordination—is sufficient. Similarly, I see no reason why liberties to discriminate, to work for less than the minimum wage, or to bequeath massive untaxed wealth to my great-grandchildren implicate core self-authorship interests. Nor does Tomasi provide any argument that they do. But such an argument is exactly what we need if we are to grant that there ought to be a constitutional presumption against regulating these activities. So I doubt that Tomasi has shown that “high liberal” justificatory commitments ground “thick” economic freedoms. At most, he has raised the possibility that high-liberal commitments may justify a somewhat more expansive set of economic rights than freedom

of occupation and personal property, without giving us a worked-out account of what particular rights this set might contain.

### *Self-Authorship and Market Democracy*

Let me now turn to my second line of criticism. Would market democracy, under its ideal institutional description, protect citizens' economic self-authorship and satisfy the requirements of justice as fairness? Tomasi argues that it would. Indeed, he not only claims that market democracy would do this as well as would social democracy, he defends free market fairness as the *morally best interpretation of justice* (176).

Granting that "thick" economic freedom should be treated as a basic liberty, however, has dramatic consequences in a Rawlsian framework. The priority of liberty ensures that basic rights have absolute weight when compared to the pursuit of social and economic advantages. To the extent that elements of Rawls's second principle of justice—like fair equality of opportunity or the difference principle—require redistributive taxation or economic regulation, they simply cannot be pursued once "thick" economic freedom is treated as a basic liberty covered by the first principle of justice. Society must devote its resources to secure basic liberties first, before it moves on to implementing policies to ensure the material prosperity or equality of citizens. On a Rawlsian approach, the exercise of a basic liberty may be restricted only if this is needed to protect some other basic liberty, or leads to a more secure or extensive scheme of basic liberties overall.

However, Tomasi argues that a market-democratic regime, with its constitutionalized economic liberties, could maximize income and wealth for the least well off, thereby satisfying Rawls's difference principle.<sup>4</sup> To make his case, Tomasi defends a new "market democratic" interpretation of justice as fairness. While he subscribes to Rawlsian commitments in a relatively generic sense, he also holds that these commitments can be given market-democratic as well as social-democratic interpretations (178–79). And it turns out that market democracy heavily revises Rawlsian requirements. On a market-democratic interpretation, all that is required to justify the basic structure of society to the least well off is to show that their basic liberties (including "thick" economic liberties) are guaranteed, and that their absolute level of income, wealth, and opportunity would be maximized by it. As a matter of ideal institutional description, Tomasi thinks these

requirements are better satisfied by classical-liberal institutions than by social-democratic ones, since classical-liberal institutions are organized to promote economic growth.<sup>5</sup>

However, “market democracy” leaves out key aspects of justice as fairness as developed by Rawls. Let me briefly discuss two: *fair equality of opportunity* (FEO) and the *fair value of the political liberties*. Rawls argues that FEO requires institutions that correct for differences in family background and social class: “Those with similar abilities and skills should have similar life chances. More specifically, assuming that there is a distribution of natural assets, those who are at the same level of talent and ability, and have the same willingness to use them, should have the same prospects of success regardless of their initial place in the social system” (Rawls 1999, 63). FEO imposes a duty on society to prevent excessive accumulations of property and wealth, and to offer educational opportunities that ensure that talented youth from disadvantaged classes can compete on fair terms with those from a more advantaged background. While Rawls does not go into extensive institutional detail, he envisions a broad dispersion of educational opportunity and human capital throughout society, through state-subsidized education and training. Rawls also holds that these requirements of fair opportunity must be satisfied prior to applying the difference principle. This is because fair opportunity is one of the social bases of self-respect. It is an affront to one’s dignity as a fellow citizen to be excluded or prevented from developing one’s talents and accessing higher professional positions.

Tomasi’s market-democratic interpretation, on the other hand, greatly minimizes the importance of FEO. While Tomasi accepts that positions must be formally open, he does not require that state institutions correct for differences in family and class background (nor could he, since this would require infringing the economic liberties, which are to be given constitutional status in a market democracy). Instead, Tomasi argues that as long as “inequalities of opportunity work to improve the opportunities of the least well-off” (237), we should be satisfied that justice has been done.

Tomasi calls this the “democratic interpretation” of FEO and claims to find textual support for it in Rawls (238). The passages he cites, however, come from Rawls’s discussion of unfavorable circumstances where fair equality of opportunity *cannot be fully established* (perhaps because a given society is too poor to provide state-funded education). Where “the conditions for achieving the full realization of the principles

of justice do not exist,” Rawls concedes that it may be necessary to accept restrictions on FEO temporarily, as long as the least favored benefit from these restrictions, in the sense that their “opportunities would be still more limited” if the restrictions were removed (Rawls 1999, 265). But for Rawls, such restrictions are justified only in non-ideal circumstances, and only insofar as they aim at bringing about future conditions in which fair opportunity can be more fully achieved. (Compare the discussion of the justification of unequal liberty, which has a similar structure [ibid., 217–18].)

Even granting Tomasi’s questionable interpretation of FEO, it seems possible—on this reading—for the better off to monopolize higher professional occupations and positions of responsibility, so long as the opportunities of the poor are thereby maximized. Much depends, of course, on what counts as an “opportunity.” But if income and wealth, as well as access to occupations and social positions, count as opportunities, then the total basket of opportunities enjoyed by the least well off might well be maximized in a stratified society. Even though members of the lower classes have no prospect of attaining higher professional and social roles, their total opportunity basket—including income and wealth—might be smaller were an equalizing system of education to be implemented. As I interpret Rawls, he would countenance such restrictions on equalizing education only in conditions where society is simply too poor to provide state-subsidized schooling. Tomasi, on the other hand, would embrace such a stratified society as fully just.

A second key aspect of Rawlsian justice as fairness underemphasized by Tomasi is the fair value of the political liberties. Rawls argues that the equal worth of the political liberties must be specially guaranteed within the first principle of justice. Otherwise the wealthy could control the political process and enact legislation for their own benefit, jeopardizing the ideal of equal citizenship: “Political power rapidly accumulates and becomes unequal; and making use of the coercive apparatus of the state and its law, those who gain the advantage can often assure themselves of a favored position” (Rawls 1999, 199). Measures like public funding of elections, restrictions on campaign contributions, and equal access to the media are meant to work to prevent politics from being captured by those with private economic power. Tomasi’s market-democratic interpretation of the first principle of justice, however, holds that the fair value of the political liberties need not be specially guaranteed. Instead, Tomasi seems to think it sufficient that economic issues are

largely taken off the legislative agenda (as they would be, once capitalist rights are constitutionalized and all economic regulation is subjected to strict judicial scrutiny). Since economic interventions are rarely permitted, this in itself will limit the power of citizens to dominate one another (249). No additional measures to ensure equal political influence are necessary.

### *Agency and Inequality*

Tomasi argues for the superiority of his view on the grounds that it prioritizes citizens' *agency* over their *status* (193). In interpreting the difference principle, for example, the market democrat seeks to maximize the income and wealth enjoyed by the least well off. At that point they can choose *for themselves* what to do with their maximized opportunities: whether to travel, buy a new iPhone, take more leisure time with their kids, and so on. This allows them to make their own responsible choices and to see themselves as the authors of the particular lives they are living. Social democrats, as Tomasi tells it, instead prioritize *status* at the expense of agency. They are concerned that citizens stand in relationships of relative equality with others, exercising an equivalent share of decision-making power within a solidaristic society. Tomasi repeatedly draws attention to the role of workplace democracy in "high liberal" views (188–89): for him, social democrats are committed to the perfectionist idea that "what people really want is meaningful work in free association with one another" (190, paraphrasing Rawls 1999, 257). The result is clear: While social democrats are committed to a perfectionist and paternalistic interpretation of social justice, market democrats simply maximize the real opportunities for citizens to do what they like, without imposing perfectionist visions on them.

I doubt that Rawls is committed to a perfectionist vision of justice. The "meaningful work" passage occurs in the context of a discussion of the just savings principle, where Rawls argues that citizens are required to save only enough so that later generations may enjoy just institutions. Citizens in a just society are not required to maximize their descendants' income and wealth indefinitely. Here, he emphasizes that a just society is compatible with various economic arrangements—including a stationary economy involving workplace democracy, should that arrangement be collectively chosen. Justice thus does not require that we maximize social wealth. But equally, Rawls allows that "additional accumulation" may

permissibly be undertaken: he does not rule out economic growth-favoring arrangements (Rawls 1999, 257; see also Rawls 2001, 159). Likewise, though workplace democracy is compatible with Rawlsian justice, it is not required. Indeed, when Rawls does explicitly discuss worker-controlled firms, he raises doubts about whether people actually “prefer” them to capitalist firms (Rawls 2001, 178).

Instead, I think the Rawlsian commitment to social democracy is best expressed in the language of agency, not status. To see why, imagine that you are a citizen from the lowest class in a market-democratic society. Since “thick” economic liberties have been constitutionalized, FEO is not pursued by any explicit measures to correct for differences in family or class background as they affect your opportunities to access education or professional occupations. Instead, the affluent and prosperous are able to bequeath large sums of money to their children, purchase more advantageous educational opportunities, and otherwise provide their kin a more favorable start in life. Over time, these favored classes might well come to enjoy a monopoly on all the powerful and highly regarded positions in your society. Even if this monopoly were part of an overall system that maximized the total “basket” of goods held by people like you, wouldn’t you have a valid complaint? Moreover, isn’t your complaint best phrased in terms of this system’s impact on your agency? If family and class background had less influence on people’s prospects, many more occupations and positions of responsibility might be open to you. You might have had the chance to go to an Ivy League university and become a Supreme Court justice or a famous scientist. As things are, though, you are limited to a choice between being a dental hygienist and a store clerk. Indeed, insofar as this inequality persists, it might encourage the more favored to view you as inferior, and even lead you to internalize this image of yourself.

Or consider political influence. Even assuming—as seems questionable—that you will be less dominated once capitalist liberties are constitutionalized and economic legislation becomes more difficult to pass, one wonders about non-economic issues in a market democracy. Suppose the wealthy systematically have different views on non-economic issues—say, about the role of religion in society—than the poor do. Wouldn’t their greater economic power enable them to exercise more influence over these matters? By contributing large amounts to political campaigns, buying air time, starting foundations and advocacy groups, isn’t it more likely that the political views of the wealthy will prevail? And couldn’t the poorer citizen

look around and reasonably think: “I live in a political system dominated by the rich. My views—and the views of people like me—are in no way reflected in the laws and policies I live under. I may as well stay home as go to the voting booth, since either way, my voice will go unheard.” Over time, this may produce apathy and alienation.

For Tomasi, as long this citizen’s basket of goods is maximized by the unequal economic arrangements prevailing in her society, we need not heed her other complaints. These complaints, he argues, merely reflect a questionable perfectionist prioritizing of status over agency. But that is not so. Tomasi neglects two very important features of an agency perspective: first, all citizens have an equal interest in agency; and second, extreme material inequalities can undermine agency, by allowing some private individuals to dominate others in ways that deprive them of self-direction.

The connection between inequality and agency is a classic theme in egalitarian political thought, going back to Rousseau’s *Social Contract*. There, Rousseau argued for equality, not because it was intrinsically desirable, but “because liberty cannot subsist without it” (Rousseau 2011, 188–89). Some inequalities give people an unacceptable amount of control over the lives of others. Those who have vastly greater resources often determine what gets produced, what kinds of employment are offered, what kinds of political decisions are made, what the environment of a place is like, and under what conditions others can meet their needs. When such class distinctions become rigid and inherited, the wealthy also monopolize social standing, regarding and treating others as inferior. Such crystallized inequalities can come to convey ideas of caste and rank. Because of these facts, Rousseau argued that it should be a legitimate goal of the state to bring the extremes of rich and poor “as close together as possible.” Material wealth need not be absolutely equal in order to achieve this goal, but disparities must not become so great as to enable the rich to dominate the poor, and to control their lives.

Tomasi shows no concern about this potential for class domination in a market democracy. He thereby overlooks an important tradition of advocating social-democratic institutions precisely for their effects on citizens’ agency. Classical liberals have no special monopoly on the value of agency; this is a value that social democrats have long embraced. Indeed, it seems to me that agency would likely be better protected in a Rawlsian property-owning democracy than in a market democracy. A property-owning democracy has several distinctive features (see

O'Neill 2009 for further discussion). First, citizens would control substantial (and broadly equal) amounts of productive and human capital. This allows a property-owning democracy to satisfy the difference principle without too much need for taxes and transfers, because it avoids great disparities in the pretax distribution of income and wealth. Second, significant estate, inheritance, and gift taxes would limit the transmission of advantage from one generation to the next (Rawls 2011, 161). This is necessary to secure fair equality of opportunity, by mitigating the influence of social background on individual life-chances. Third, a property-owning democracy safeguards against the political domination of the wealthy. It limits the effects of private and corporate wealth on politics, through campaign-finance reform and public funding of political parties.

If we care about agency, including economic agency, why not favor property-owning democracy? By widely dispersing control over productive resources we can give *each* citizen—not just the rich—an effective ability to chart her own economic course in life. Moreover, by limiting the intergenerational transmission of advantage and guarding against political domination, we ensure that future generations will continue to have opportunities for economic self-authorship—by starting a business, say—in ways that engage their sense of personal responsibility and self-respect. Under Tomasi's system, on the other hand, some people will be free to start a business with their inherited wealth, while others will be “free” to work for less than the minimum wage.

Tomasi is wrong to think these inequalities are in any way legitimated by a perspective that prioritizes citizens' agency. If economic liberty is so important to self-authorship, then surely it is equally important for everyone. Why should some be prevented through poverty or powerlessness from engaging in it? Surely we can do better.

## NOTES

1. In his late work, Rawls denies that welfare-state capitalism is compatible with justice as fairness. But like Tomasi, I leave open the possibility that Rawls might be wrong about the precise economic arrangements his theory should be taken to justify. For an interesting exploration of the compatibility of Rawlsian principles with the capitalist welfare state, see O'Neill 2009.
2. Both Steven Wall (2013) and Jeppe Von Platz (2014) discuss the difficulties involved in justifying additional basic liberties within the Rawlsian framework, and I have learned from their accounts.



3. In his reply to a recent critical symposium on his book, Tomasi (2013) concedes that a minimal inheritance tax would not necessarily violate citizens' economic self-authorship, but holds that at some level of taxation—15 percent? 25 percent?—self-authorship interests would begin to be threatened. Here he recognizes the necessity of providing some argument connecting specific economic regulations to self-authorship. But beyond his own intuition, he provides no sustained argument for why estate taxes should be thought to have this impact. And I don't share his intuition: it seems to me that an interest in untaxed inheritance is very hard to justify on grounds of self-authorship, since inherited wealth is not derived from my responsible pursuit of my own economic projects.
4. It is difficult to assess Tomasi's claims here, since he holds that—as a matter of ideal theory—all he needs to show is that it is *possible*, consistent with laws of economics and political sociology, that a market democracy could maximize the income and wealth of the least well off. He provides no empirical information to prove that this is likely to happen. Tomasi's interpretation of ideal theory here seems to me questionable. He denies that ideal theory incorporates any assessment of the predictable consequences of institutional arrangements. But as I understand it, Rawlsian ideal theory *does* incorporate such an assessment of consequences. Ideal theory assumes strict compliance with proposed principles of justice, allowing us to better imagine the predictable results of an institution “well-ordered” by those principles. To show that a proposed basic structure satisfies the difference principle, then, we must assess whether, under full compliance, the institution would indeed maximize the share of primary goods accruing to the least well off. Tomasi instead assumes that—operating at the level of ideal theory—it is enough to evaluate a proposed basic structure by the “quality of the regime's intentions” (173), without any regard to its consequences. I find this an implausible interpretation of ideal theory.
5. Samuel Arnold (2013) raises the challenge that the *unemployed* pose for Tomasi's view. Since unemployment will exist in any regime that limits economic regulation, and the income of the unemployed will be limited to whatever the safety net provides, it seems hard to believe that there are no alternative regimes in which the unemployed would be better off than in a *laissez-faire* system.

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