

## The Economic State of Nature

### Abstract

The idea of a state of nature has had enduring importance in liberal political philosophy since Hobbes. Hobbes conceptualized the problem of political philosophy like this: the state of nature is so horrible that we must figure out how to keep people from killing each other and stealing their things. In a war of all against all, there is no justice and each person can claim a right to the entire material universe. To exit the state of nature, Hobbes insisted that each person rationally ought to give up their claims to everything else other than themselves, transferring these to the sovereign. An ultimately powerful sovereign ends the violence that makes life “nasty, brutish and short.”

How a state might legitimately arise is an important question, to be sure, but it is only one aspect of the general question which we should be more interested in. The central question is this: how do we develop systems of cooperation that make everyone better-off, and how should we distribute the gains from these systems of cooperation? The distinctively *political* mode of cooperation involves introducing a system for the governance of violence. We cooperate with one another when we live at peace. But there are other modes of cooperation that are far more important for improving the welfare of human beings.

In this essay, I will discuss what I regard as the most important form of cooperation that human beings have yet devised, and will develop a theory of justice that is fitting to this kind of cooperation. That mode of cooperation is market exchange, and the division of labor and specialization of production that it enables. To see how this mode of cooperation emerges and to understand the norms that ought to govern it, I will rely throughout on a thought experiment I call “the economic state of nature.” In the political state of nature, everyone is constantly killing other people and taking their things, and for this reason, everyone lives in terror and misery. In the economic state of nature, every person is an economic island, producing everything that they consume, and having no economic interactions with any other person. For this reason, everyone lives in a state of crushing poverty unimaginable to anyone living in a developed country.

Like Hobbes’s political state of nature, the economic state of nature is not best understood as a historical account of the development of human society. Rather, it is best understood as a logical device that allows us to see the essential structure and normative contours of a system of cooperation. The logical points made in this essay and by Hobbes, however, also illuminate the causal structure of historical progress. There was no identifiable time when the people in a certain area convened and decided to empower a Leviathan, and there was no identifiable time when people convened and decided to start trading and dividing labor among themselves. Rather, political authority and structures of economic interdependence emerged gradually over the course of thousands of years.

After I give a detailed account of how economic society emerges from the economic state of nature in the first section, I will discuss the nature of the norms that structure economic interaction in the second section. This will give us a theory of economic justice: a complete account of how the cooperative surplus generated by economic activity ought to be distributed among participants in the economy. In the third section, I will explain why this domain of justice is distinct from the political domain, and more importantly, why we can have no general, domain-independent theory of justice for society as a whole. There is no single thing—society—in which we all participate and whose burdens and benefits political philosophers must determine how to justly distribute. Rather, there are many loci of cooperation between and among

individuals, and each locus of cooperation generates its own standards of justice for how benefits and burdens of that form of cooperation ought to be distributed. I conclude by noting some practical upshots of my view of economic justice, by identifying a ways that our present economic institutions fall short of the ideals that regulate market interactions.