Article

Contemporary Liberalism and The State: The Rawls - Nozick Debate

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Abstract
Bourgeois society is defined by the market principle, private enterprise, exchange of commodities, price determination by the forces of demand and supply, etc. One major defining feature of liberalism is, as much as possible, the absence of state interference in the efficient functioning of the liberal market beyond the provision of infrastructure, maintenance of law and order, enforcement of contractual obligations, and similar non-market-related administrative responsibilities. However, certain inevitable fall-outs of the unrestricted operation of the bourgeois market have necessitated state intervention in various aspects of the liberal economy, particularly in moments of economic crises. This article is designed to explore the. various strands of the theoretical debate on the operations of the bourgeois free market vis-a-vis the responsibility of the state to ensure economic stability, growth, and development based on some distributive justice as articulated in the Rawls/Nozick debate.

Keywords: Free Market, The State, Private Property, Liberalism, Justice, Capitalism, Competition.

Introduction

The precise theoretical nexus between the bourgeois state and the liberal free market society has generated considerable debate since Hobbes. The much postulated and widely expected harmony in the working of the atomized private-property and profit-driven liberal market, became suspect as wealth disparity rather widened in the Western capitalist countries. Theoretically, the functional reciprocity of the bourgeois market was expected to create enough wealth from which every citizen could draw his prosperity since it offered bright and equal opportunities based on the principle of equal and unrestricted participation. Adam Smith had prescribed that:

> It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, ana never talk to them of our own necessities but of their advantages (http://econl61.berkeley.edu/Economists/smith.html).

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A hallmark of the classical bourgeois society was the creation of general prosperity through the self-seeking capitalist entrepreneur. By each pursuing his individual self-interest general social welfare was enhanced through the creation of social wealth. However, while the creation of this social wealth and prosperity is undeniable the tendency for disparities in wealth distribution is equally a stark reality of capitalist societies. Smith draws attention to this inevitable negative logical outcome of the liberal market, stating that:

> Servants, labourers, and workmen of different kinds, make up the far greater part of every great political society. But what improves the circumstances of the greater part can never be regarded as an inconveniency to the whole. No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable (Smith, ibid.).

Smith's expectation that the rationality of the entrepreneur would improve the condition of the greater population still remains a partial fulfilment in contemporary bourgeois society. Another problematic of the capitalist mode of production is the unavoidable cyclical crises generated by "the tendency of the rate of profit to fall" (Marx, 1978,211 -240). One effect of this tendency is the contradictory propensity towards over-production and under-consumption, a condition that calls for the obligatory intervention of the state.

Under-consumption has in contemporary times necessitated the credit economy, a largely false society in which people live virtually on credit. It is an economic contradiction in which the majority, having been pushed down the societal ladder through income deprivations, experiences a deficiency in purchasing power while the mega-industries produce at machine-induced speed in large quantities, which the population is unable to consume. Furthermore, the more production is mechanized the less labour is required in production. This creates a crisis of unemployment which is a greater misery than the exploited worker. Since continued consumption of manufactured goods offers the greatest incentive for further investment and production it becomes only logical to impose these goods on the working class in form of credit-purchase; credit that with time would become impossible to recover. The inevitable result is an economic crisis of monumental proportions as is being witnessed across the world today.

The recent global economic crunch or "'melt-down" necessitated the state's bail¬out strategy, which required the deployment of public funds to arrest the inevitable collapse of a preponderantly private sector-driven economy. All across the globe, nation after nation, followed the American lead by pumping public funds to sustain largely privatized economies. Though Marx had predicted with accuracy the ineluctable cyclical crisis of the capitalist mode of production the expected revolutionary upheaval :ha: would transform the capitalist societies into socialism has remained elusive. Capitalism has demonstrated an extraordinary ability to contain the cyclical economic :r.ses generated by the same functional principles that sustained it. Jalee (1977:78) has identified the new role of the state as the ability to prop up the capitalist system from total collapse by serving as a counteracting factor against the imbalances inherent in the system. This is why "the recessions and depressions have not reached the full proportions of a true crisis".

Some of the instruments available to the state include "credit, money, prices, direct, direct, economic subsidies, foreign trade, differential tax policies, etc." (Jalee, p.78). These instruments of state

intervention in the capitalist economy, play such a systemic regulatory role that one could argue that capitalism would not have lasted as long as it has without them. At the same time, however, the internal transformation that has been forced on the capitalist economies and societies has been so deep and far-reaching that some scholars have argued that the capitalist mode of production in the West has actually been transcended. Xxxxxxxx ref.

On their part the socialist societies rather than progress towards communism as predicted°by Marx, have actually retrogressed back into the capitalist orbit. Capitalist-oriented economic forces such as private capital investment (both domestic and foreign), price and production determination by the forces of demand and supply rather than state planning, etc. now define economic relations in the East. Scholars have already suggested a tendency for some convergence between capitalism and socialism or "increasing homogenization of all human societies" (Fukuyama, http://www.corrupt.org/ data/files/fukuyamajfrancis). Waltz (in Art and Jervis, 2005: 354) has remarked that "globalization means homogenization", where forms of government count less but rather " stability, predictability, transparency, and the ability to transfer and protect... private property." Melman (2001:5) has also argued that capitalist markets are actually regulated and determined by managerial and administrative personnel, as opposed to the principle of laissezfaire regulating it. He said:

> [I]n reality, "the market" is not a thing or an animate being; to ascribe such decision power to it is to indulge in a form of fetishism. This kind of fallacious thinking involves a displacement of categories in which human behaviour is described in a way that shields the identity of the real decision-rhakers, whether they are individuals or social groups - like managers of corporations or the executives of the federal government.

Thus, prices are determined not by an "invisible hand" but rather by conscious and rational individuals operating within the corporations and government institutions. This calls to question the actual reason for the periodic capitalist economic downturn; whether they are attributable to the malfunctioning of the invisible market forces or the failure of conscious corporate managerial decisions. This scenario has re-ignited the age-long debate on the role of the state in the capitalist economy and society, and it is in this context we would situate the Rawls/Nozick debate. Contemporary liberalism is definitely confronted with a dilemma defined by the pressing need to temper possessive individualism with some distributive justice. Classical liberal theories of the state, from Hobbes to Locke had actually served the purposes of an era of healthy competition among capitalists operating and interacting in the liberal competitive market environment with the state as a disinterested arbiter. Market freedom, price determination by the invisible forces, private investment decisions and similar principles that regulated the liberal market with time created wealth disparities between individual capitalists competitively seeking to expand their investments and maximize their profit (Ntete-Nna, 2004).

Ineluctably competitive capitalism evolved into monopoly capitalism. It was a process of systematic transfer of the wealth of society into very few hands as weaker businesses became agglomerated into larger and stronger corporations. Thus, a very negligible proportion of the population began to control the greater proportion of the wealth of society. These inequalities in wealth, influence, and power, coupled with the weakness of the regulatory power of the invisible forces in the age of monopoly capitalism began to question the passivity of the liberal state. New theories of distributive justice are

seriously challenging the classical theories of the state which limited its role in society to the passive maintenance of law and order to ensure the peaceful operation of capitalism .

The shift from the classical liberal theoretical tradition to contemporary theories of liberalism is purposed to redefine capitalism in the context of contemporary inevitable internal transformations moderating the principle of possessive individualism, which is the motivating force behind capitalism, to accommodate principles of state regulation and even expansive intervention during systemic crises. The debate between John Rawls and Robert Nozick on contemporary liberalism a id the state is to be located within the liberal tradition and the internal transformation of capitalism. Should capitalism continue to function on the basis of its fundamental assumptions of competitive and possessive individualism or a regulatory mechanism introduced both to protect the less privileged and ensure systemic stability and continuity? This is the question or problem the debate is designed to address.

Liberalism and the Liberal State

C.B. Macpherson has appropriately dealt with the evolution of western society as liberal first before becoming democratic later, i.e. the liberal democratic state evolving to suit the purposes of a pattern of social relations already in place. "Before democracy came in the Western world there came the society and politics of choice, the society and politics of competition, the society and politics of the market. This was the liberal society and state" (Macpherson, 1974:6).

Individual freedoms were extended to enable association in political parties and religious worship, decisions on acquisition and production, based on the prevailing price and availability of capital, savings and investment options, etc. Men were free to make the best bargain for themselves. This extensive capitalist market economy matured into the commoditization of labour where the worker has freedom to offer his labour power to the controllers of capital to work and earn wages on terms that are the product of "mutual" bargain, rather than force. It was a liberalized society that had completely dispensed with custom, privileges, noble birth, royalty, etc., but rather granted the individual freedom to take his own rational decisions. Relations between citizens were converted into open market transactions defined by contractual obligations (Gamble, 1951:32).

This liberal society needed a liberal state to maintain and promote liberalized r reduction relations among the citizens by also liberalizing political interactions. It involved the ability of the individual to make effective political choices and the extension of various freedoms and rights, including the right to vote and be voted for. The liberal state functioned to maintain and promote this system without any direct intervention, particularly in the economy. Thus liberalism presupposes the ability of the individuals to make rational choices. The emphasis is on the individual and his capabilities defined in terms of skills, possessions and opportunities, which he galvanizes and transforms into assets. Classical liberalism was based on a free market in which the individual functions by making the right decisions leading to the accumulation of wealth. This wealth he reinvests to gain more and expand his business and possessions.

The functioning of the liberal system naturally generated competition in the free and open market. The citizen was free to enter a particular market and make his investment based on his rational preferences. It was a healthy competition that ensured continuous innovation and improvement on the quality of products and services. Thus, liberalism formed the bedrock of capitalism. The capitalist owned the means of production and by that ownership created wealth, reinvested his wealth for greater profit and became even wealthier. In effect, the underlying principle of liberalism was possessive individualism

(Macpherson, 1974), which views the citizen as a social atom functioning on his own, but guided by his own rational decisions. These decisions and choices lead to social friction. The society becomes disorderly and anarchic because every social atom is constantly in motion, and in apparent collision, being pulled by economic compulsion and psychological impulse (Hobbes, 1651/1982:185).

The capitalist or liberal society of the free market needed a state for the maintenance of law and order as well as adjudicating over contractual breaches. The liberal state also needed a philosophical or theoretical foundation or guide which liberal scholars provided. Hobbes (1651/1982: 227) had argued that without the state society would be in a state of nature characterized by lawlessness, chaos, insecurity, fear, violence and sudden death. This is because men are driven by the motions of pleasure and pain, the former are appetites which attract them while avoiding the latter. Men seek power in a competitive environment; in fact, man's natural inclination is that of "perpetual and restless desire for power after power that ceaseth only in death." (Hobbes, 1651/1982:161)

Civilized men would see the need to end this chaotic situation in the state of nature and surrender their powers to one man whose responsibility it became to maintain order and hence peace. This became a social contract entered into between a self-perpetuating sovereign and the people, which is irrevocable (Hobbes, 1651/1982: 227). These powers so surrendered were total and could not be revoked unless the sovereign acted in such a manner that threatened their safety and possessions. The sovereign's responsibility is to provide the condition in which each man can make full use of his property. This is the root of the liberal state which had the mandate to only maintain peace, order and security without meddling in the functioning of the liberal market. It only functions to maintain the liberal society, the realm of competition and acquisition of wealth by individual citizens. It is an individualistic rather than collectivist society.

Building upon Hobbes' theory, Locke theoretically produced the quintessential liberal state. To him the state of nature was not a licentious one but rather one in which men took decisions based on reason and operated under natural law. They however felt the need to enter into a social contract to create a state to take care of the " inconveniences" of the state of nature. Locke based his theory of property on natural rights and natural law; rights that are inalienable by nature (Locke, 1960:326).

Locke's theory of the state was a minimalist one, which restrained the state from interfering with the process of private property acquisition. In the broad sense his theory of property included "life, liberty and estate", which meant that man had property in himself that could not be alienated by the state. The state could not interfere with the property relations among the citizens and could not dispossess the individual of his property. However, the permissive possessiveness of individual liberal man began to lead inexorably toward greater accumulation of wealth and a simultaneous decrease in the possessions of others, particularly those who did not own the means of production and who became poorer and poorer. Ake (1981:16) characterizes this process of impoverishing the worker thus;

> To realize as much surplus value as possible, the workers are paid low wages, the power of the state is used to prevent them from effectively increasing their wages, attempts are made to increase the productivity of labour so there is less outlay on wages, working hours are extended. The drive for maximizing surplus value, which is necessarily a drive for the intensification of exploitation, increases the wretchedness of the workers,

> their earning power lags behind this general standard of living, and their unsatisfied wants increase.

This is an inevitable contradiction in the logic of capitalism. Competitive capitalism was actually superseded by monopoly capitalism characterized by the buying over of smaller and weaker businesses by the bigger and stronger ones. Monopolization of the means of production and hence the centralization of wealth could mean that:

> two enterprises of similar size may also amalgamate by agreement the better to face competition. In this case neither is said to dominate or absorb the other. It is, however, very common for a large or very large enterprise to be satisfied with 'taking control' of one or more smaller enterprises, allowing them to continue as legal entities, rather than buying them up outright. (Jalee, 1977:73)

Competition in the age of monopoly capitalism is no longer fair and the market no longer open to all. The result is the concentration and control of the wealth of the society by a few individuals leaving the rest of the society to struggle over the crumbs. Social inequality introduced vices such as unemployment, collapse of businesses, mass poverty, frustration, anger and criminality, calling into serious question the minimalist state theory. Scholars began to put forward new theories on the role of the state in regulating the liberal society and the liberal economy.

Utilitarianism

The ever widening gap, in terms of property between rich and poor soon began to redirect philosophical thought to develop theories of moderation or distributive justice as a means of resolving the crisis of capitalist production and property relations and averting the threat facing capitalism. It is in this context that social moderating such as utilitarianism and justice will be discussed.

Rawls is not the first to embark on a philosophy of justice. Before him the Utilitarians had, on account of the increasing pauperization of the ordinary citizens, advocated, on moral grounds, a principle with a rule of practice which would do the "greatest good to the greatest number of people" (Sabine & Thorson, 1973: 613). The guiding principle of utilitarianism is the moral attitude to always take actions that would do more good for the greatest number of people than any other line of action on any issue or any situation. It is not difficult to see the moderating effect such a principle would have on the driving forces behind capitalism, which include freedom, competition, and choice. Utilitarianism had sought to maximize human happiness and for that singular reason stood on such a solid moral ground that critical moral philosophy could only dress its rough edges. Jeremy Bentham (1748-1832), generally regarded as the father of utilitarianism had advanced a principle of utilitarianism which evaluates actions based on their consequences, in particular the overall happiness created for everyone affected by that action. He sought to explain human behaviour by reference to the two primary motives of pleasure and pain. He said:

> [n]ature has placed mankind under the governance of two sovereign masters, pain and pleasure. It is for them alone to point out what we ought to do, as well as to determine what we shall do. On the one hand the standard of right and wrong, on the other the chain of causes and effects, are fastened to their thrown. They govern us in all we do, in all we say, in all we think: every effort we can make to throw off our subjection, will

> serve but to demonstrate and confirm it. (Bentham, http://www.iep.utm.edU/b/bentham.htm)

To Bentham pleasure and pain serve not only as explanations for action, but they also measure one's good. It refers not only to the usefulness of things or actions but also the extent to which these things or actions promote the general happiness. It is a moral principle that mandates people to take actions which produce the greatest amount of happiness for the greatest number of people. Therefore, what does not promote this greatest happiness is morally wrong. He repudiated concepts such as natural right, state of nature, and social contract, but rather held the view that people have always lived in society and so there can be no state of nature though he distinguishes between 'political society' and 'natural society'. Rights are not natural but are rather created by law and law is simply the command of the sovereign. To him, liberty is the absence of restraint and to the extent that one is not hindered by others,- one has liberty and is free. Liberty reflects the greatest happiness principle, because since liberty is good it is also pleasant and restriction is evil because it is painful.

John Stuart Mill was a follower of the Benthamian school of utilitarianism. To him pleasure is the end of morality. The maximization of pleasure and happiness is therefore a moral end. Mill insists on welfare which consists of pleasurable states that imply quality rather than the quantity of pleasure obtained. Here, he differs from Bentham who makes no such distinction. As he puts it" better Socrates dissatisfied than apig satisfied", meaning that some experiences are qualitatively better than others and should be taken into account in measuring pleasure. If the state must function, it must make more of "Socrates" from "pigs". Pleasure or utility must be the benchmark of the moral role of the state. In other words, actions are right in proportion as they tend to promote happiness, wrong as they tend to produce the reverse of happiness.

The pig may therefore be satisfied but Socrates' life, with its dissatisfaction, is preferable. Pleasures are not the sum of more elementary pleasures but should be qualitatively different. Furthermore, among the qualitatively superior ends there are moral ends, and it is in this that moral ends are superior to self-interest. Here, Mill has attempted to temper possessive individualism anchored on self-interest with morality, i.e. an ethical theory.

Mill argues further, that since each person aims to maximize his or her own pleasures, the overall effect will be to maximize the pleasure of all. Here, he commits the fallacy of composition. The satisfaction of one's happiness cannot automatically translate to the satisfaction of the happiness of all. That one person has a mother, the second person has a mother, does not mean all persons have a mother. To him forms of government are to be evaluated in terms of their capacity to enable each citizen to exercise and develop in his/her own way, his/her capacity for higher forms of happiness.

Utilitarianism denies that any other precepts of justice are valid except insofar as they are useful 'rules of thumb' to help promote the only true good - the maximization of utility. Utilitarianism has been seen as providing a clear theoretical standard on which to resolve moral conflicts or indeed unjust distribution. However, it has been seen as having achieved this theoretical coherence at the price of running against existing moral intuitions or perceptions. Moreover, most people believe that ideas about meeting needs, respecting agreements and rewarding effort, have independent weight and not just means of maximizing the overall sum of utility.

The Rawlsian Justice

In advocating distributive justice, Rawls, like the utilitarians had sought to moderate the effects of possessive individualism on the rest of liberal society. However, he had to distance himself from them in order to be able to re-enter social contract theory as the philosophical foundation of his work. Rawls' basic objective is to provide a theoretical foundation for a conception of justice that could be presented in opposition to the utlilitarian point of view. Like other social contract theorists, Rawls takes us back to the original position, not necessarily a state of nature. He begins by describing justice as the first virtue of social institutions. For him justice is the foundation of the social structure. Consequently, all political and legislative decisions must be taken within the constraints of the principles of justice.
The primary area where justice operates is in the distribution of goods to which people aspire such as wealth, opportunities, skills, liberty, and self-respect. The manner of distribution of such goods in a just society depends on the principles of justice operating in that society, and does reflect in the system of rights, laws, processes and positions that constitute the society. The main aim of Rav, Is was to articulate and defend a :heory of justice that would account for our commonly shared beliefs about what is ind what is not just, and then use that theory as the conceptual foundation for a system of constraints on human interaction that contrasts from utilitarianism with specific consequences for framing socio-economic policy.

Rawls assumes that the satisfaction of human wants depends, in part on the possibility of engaging in social interaction with others. On this basis, he sets out to establish a heuristic device whereby a group of people could come together TO negotiate the principles of justice that they would be bound to live by and also publicly endorse those principles. It is a hypothetical device and not a historical one. he admits. He adopts the rational choice theory to construct a society by bringing together rational agents as negotiators, each of whom is broadly well informed about psychology, economics, sociology, etc. and each armed with a rational life plan. This life plan includes a set of goals and objectives in terms of which each negotiator determines what institutes, and what does not constitute the advancement of his personal interest. Each is concerned solely to advance his own interest and is not interested in the welfare r: the other negotiators, neither does he want to impede the pursuit of their own goals. Hence, he does not sympathize with them, and does not envy them either.

Rawls further argues that principles of justice should be determined by asking what people behind a "veil of ignorance" would agree to as the rules governing their society, or what natural talents they possess. This prevents them from manipulating the agreement to their personal benefit. Because the veil of ignorance requires people to consider the good of each person in society as if it were their own, the resulting contractual agreement "represents equality between human beings as moral persons" Rawls, 1971:133).

The negotiators come together to fashion a social contract that would define a body politic with scope and limits. Being constrained by the "veil of ignorance". they have no facts about themselves or others. Though they have good knowledge of general truths about physics, economics, sociology, etc. they know nothing about who they are, what positions they occupy in society, what natural talents they possess and what their personal characteristics are, e.g. age, sex, race, ability, etc. Thus, they are unable to distinguish themselves from each other. They know that they have goals to pursue but do not know what the goals are.

The negotiators are thus put in a difficult position known as the "original position" in which they have general wisdom but particular ignorance. This enables them to negotiate dispassionately since each could be a victim of his own choices. From this position they begin to negotiate the best principles of justice from various perspectives. Rawls is sure that they would reject utilitarianism, interest of the stronger, etc. hut choose "justice as fairness". Justice as fairness would first establish a principle of liberty since any form of deprivation would not work in their interest. Next, they would choose their material goods based on the fact of scarcity. They would not favour any section, class, or group and realizing that they would benefit more by introducing certain inequalities than general maximization of goods since certain goods would he wasteful to some people. These social and economic inequalities are to be arranged in such a manner as to promote the greatest benefit of the least advantaged, which he calls the ' 'Difference Principle ".

The choice of "difference principle" means that social goods should be distributed equally unless the inequalities work to the benefit of the least well off. i.e. by providing incentives for the talented to use their skills in socially beneficial ways. Thus, the principle allows inequalities which work to the benefit, rather than disadvantage, of those with fewer resources. Rawls believes that this would be preferable to the principle of utility, under which one might be endlessly sacrificed for the benefit of others.

The negotiations continue until all issues, including mode of ownership of]property, basic rights of citizens, framing of a constitution, resource distribution, etc., choosing from various alternatives, are resolved. In all, creating a just society is the underlying principle and the least advantaged are always taken into consideration and accordingly provided for, especially to make up for the inequalities. What Rawls seeks is something at odds with the unrestrained free enterprise of rugged individualism, of classical capitalism and also the highly controlled communist or socialist system. He claims moral superiority over utilitarianism by seeking to establish a just society based on fairness to all, particularly the less privileged. It is a redistributive justice that secures the weak, the poor, indeed an inverse discrimination.

Rawls' book not only re-established the pre-eminence of justice as an issue, but also re-invented the tradition of social contract thinking about justice which had more or less disappeared since Kant. Contemporary theorizing about justice arose from dissatisfaction with utilitarianism. Rawls' account of 'Classical Utilitarianism' is the best known expression of this dissatisfaction. According to Rawls, utilitarianism (i) may require the endless sacrifice of some people for the greater good of others, and so is intuitively unfair, (ii) is a teleological theory, and so ignores the separateness of persons, and (iii) counts every kind of utility, no matter the source, and so ignores the difference between morally legitimate and illegitimate interests. Having offered various arguments against utilitarianism, Rawls then set about developing an alternative approach to justice. He appeals to two different ideas in developing his theory - the idea that justice can be based on a social contract, and the idea that justice precludes morally arbitrary inequalities.

Each of the three charges above by Rawls has been the subject of debate. Richard Hare in his "Justice and Equality" (1978) and James Griffin, in his "Towards a Substantive Theory of Rights" (1984) respond to Rawls' first charge, arguing that utilitarianism in practice would rarely require sacrificing some people's basic rights for the greatest good of others. According to them, various factors such as the

declining marginal utility of increasing wealth lead utilitarians towards affirming egalitarian principles of distribution.

Kymlicka in his, 'Rawls on Teleology and Deontology' (1988) analyses Rawls' second charge (a teleological theory and so ignores the separateness of persons). He argues that there is a fundamental difference between 'teleological' theories, such as utilitarianism, which define the right as the maximization of the good and 'deontological' theories, such as Rawls' form of social contract which defines the right in terms of respect for people's equality. Kymlicka argues that this contrast is unhelpful, that utilitarians seek to maximize utility because this is their way of respecting people's moral equality. Dworkin in his 'Rights: A Trump over Utility' (1985) develops more on Rawls' third charge. He argues that the principle of moral equality that underlies utilitarianism requires discounting any source of utility which violates that principle of moral equality. Hence, 'external preferences', e.g. preferences based on the view that some people's interests matter more than others, should not count.

The Nozickian Libertarianism

It is obvious that both the utilitarians and Rawls had advocated state intervention, with various degrees of intensity in the economy against the fundamental tenets liberalism. The extremities of wealth disparity in capitalist society have generated questions relating to the moral virtues of capitalism. Theory of justice is an attempt to moderate the disparities in capitalism. However, against this revivalist trend in liberal theorizing Robert Nozick has risen in defense of orthodox liberalism. In the classical tradition Nozick (1974) has argued for a minimal state, i.e. an economy operating on the principles of individual freedom or liberty. As a libertarian, he opposes Rawls' view that a welfare state should re-distribute resources to compensate for undeserved differences in social circumstances or natural talents. In defence of market capitalism, Nozick emphasizes "self-ownership", which can be divided into three steps: (1) each person should be recognized as having full rights of self-ownership. This means, among other things, that each person owns his/her talents, and hence owns whatever is produced by those talents, (2) while owning one's self does not, by itself, say anything about owning external resources, self-owners should be allowed to acquire exclusive property not the originally unowned world so long as no one is made worse off by this appropriation (Nozick calls this the Lockean proviso). Self-ownership rights, combined with exclusive property rights mean that people are entitled to exchange goods and services in the market as they see fit, regardless of the resulting pattern of distribution.

Nozick essentially argues that the citizen possesses absolute rights to life and liberty and no one has the right to interfere with these rights except for self-defence or legitimate punishment by the state. Other than that, even the state cannot interfere with individual rights. The citizen also acquires rights to property by going through certain procedures, following Locke, by mixing our labour with nature and reinvesting profit. However, there is no guarantee that these rights to property would be respected. Interference could come in form of forceful removal, theft, fraud, etc. The role of the state is only to prevent these interferences from occurring. In other words, the role of the state in society is the protection of property and enforcement of contracts. Any form of interference by the state other than the protection of property constitutes a violation of peoples' rights. Nozick is a libertarian theorist that seeks to delineate the distinctive character of the minimal state in terms of what it cannot do rather than what it does.

> The distinctive nature of the minimal state is revealed in what it is not permitted to do, rather than in what it does, for all modern states include

> those functions performed by the minimal state. Where the modern state goes beyond this, it acts, according to Nozick's libertarianism, without justification. Thus, in the minimal state there is no central bank, no department of public works, no department of education, no instruments of welfare policy, and so on. These roles so often assumed to be the proper tasks of government, will be undertaken by private individuals or firms, for the sake of profit or out of public spirit, if they are to exist at all in a Nozickian society. (Wolff: http://world.sstd.com/~mhuben/libindex.htmllO 25 07.

He insists further that individuals, i.e. the poor cannot seek help from the state no matter how deserving. It would appear in this context that the old, poor and starvelings have no right to food, but the real question, from the point of view of Nozick, is why they are poor and starving. If it is because they were dispossessed then they deserve compensation, though not from the state but rather from whoever is responsible.

He argues that the theory of property has three principles, (1) the principle of justice in initial acquisition, to explain how the individual becomes the first appropriator of a resource from nature, (2) the principle of justice in transfer, and (3) the principle of justice in rectification, i.e. compensation for dispossession. Nozick is more concerned about the first which introduces a conflict between liberty and property right in the sense that when an individual takes control over an object it belongs to him and nobody else can use it except with his permission. This means that when an object is acquired as property others lack the liberty to acquire or use it. One man's right therefore impinges on another's liberty and right. He tries to resolve this conflict by returning to Locke's idea of mixing one's labour with nature, though on a critical note. He also accepts Locke's argument that one individual should appropriate and leave enough for others. But here again he weakens Locke's position by adding that one should not make another worse off by his appropriation. This way the conflict between property rights and liberty is circumvented rather than being resolved.

He however develops this idea into a general principle of property right that the system of individual private property should not make others worse off than they would have been in a situation where all individuals have legitimate access to all natural goods. This is his answer to monopolistic tendencies, but from all indications the problem still lingers. Nozick draws a distinction between enforceable rights and what is morally required and argues that under the minimal state citizens have enforceable duties not to interfere with each other but that charity or aid is simply a matter of individual discretion. This is how he resolves the principle of rectification. He however insists that the state has no place to enforce welfare, though individuals are free to make voluntary donations for the poor and needy. Enforcement by the state is unnecessary.

There is also the argument over philanthropy and the desirability of the welfare state. Under the liberal state there was massive philanthropy in the 19th century which began to wane with the rise of the welfare state. Nozick maintains the libertarian position and argues that the welfare state is unnecessary and should be dismantled. He essentially argues in favour of the minimal state under the free market pure capitalism with great faith in the ability of the invisible forces of demand and supply regulating the market without state interference, the disadvantages to the less privileged notwithstanding. It would appear that

libertarianism is somewhat inconsistent with capitalism since it rejects as unnecessary interference some of the familiar roles played by the state, like regulating the supply of money, the various central bank instruments of intervention, etc. The requirements of the minimal state as espoused by the libertarians would disqualify many of the existing capitalist states. Consequently what Nozick advocates as the minimal state could only be viewed under contemporary circumstances as a Utopia. He tries to juxtapose various forms of the minimal state based on the possible relationship between property owners and the poor, none of which is likely to endure. Consequently, defining the proper limits of the state in a capitalist society, particularly in the Third World with the IMF and World Bank imposing unorthodox and questionable economic 'conditionalities' or 'reforms' that no longer obtain even in advanced capitalist societies, remains the enduring challenge to contemporary bourgeois political theory.

The Debate in the Contemporary Context

Be that as it may, the debate on the capitalist market economy and the liberal state has assumed various strands in contemporary intellectual discourse, particularly in the 21st century. The motivating forces behind the new trend include the concept of globalization, the internationalization of capitalism, the concept of global economic interdependence and the compulsive requirements for economic reform in the Third World countries as well as the former socialist bloc. It has been argued that one of the countervailing instruments for mitigating the internal economic crisis in the advanced capitalist societies was the inevitable expansion of capitalism outside Europe and America or imperialism, now euphemistically referred to as 'globalization' and variously conceived in terms of the increasing interdependence, interconnection or integration of economies across the globe. Nwosu (2005:8) has synthesized the various theoretical perspectives on globalization as

A neo-liberal reform of capitalism designed to globalize market, not production, so that in the developed world production includes marketing; in the Third World market excludes production, particularly industrial production. It is therefore a systemic phenomenon expressing the dynamics of the market economy for liberalized free markets, privatization and diminishing state power over economic decisions, a creation by a new transnational elite.

This definition presents several connotations and challenges, differentially for the advanced capitalist and underdeveloped Third World countries. For the developed countries it means organizing the entire globe as a single market for the manufactured products from its mega-transnational industries, but for the Third World it is the story of mass consumption of dumped goods, the removal of tariffs and other trade restrictions, the diminishing power of the state to control its economy and the development process, increasing whittling down of the public sector in favour of the private sector or the outright sale of public companies to private businessmen (or privatization), the domination of the local economy by powerful transnational companies, the continued disarticulation of the developing economy through the economically disastrous prescriptions of the twin institutions of IMF and World Bank, etc. Ironically the same West that preaches this new gospel of globalization continues to pursue policies of social welfare, protectionism by means of tariffs and social controls, the extension of agricultural subsidies, state bail-out strategies, employment creation, etc. especially in the wake of the recent global economic melt-down.

Apart from the question of the welfare interventionist state there is also the strand of communitarianism to the debate on liberalism, justice and the liberal state. Liberalism emphasizes social atomization, individualism, privatized possessiveness, aggressiveness in the process of profit-making, individual liberty, personal rationalism particularly in taking investment decisions, etc. All these principles essentially present the liberal man as selfish, individualistic, and a social atom having very little or nothing to do with other members of the society, human relations being defined by "naked self-interest" (Marx). The most potent theoretical rationalization for individualistic liberalism provided by Adam Smith is that the individual in pursuing his private business interest inadvertently meets the needs of society generally. Against this position there has arisen a varied surge of communitarians generally arguing that man primarily belongs to a community into which he was born and which in nurturing him into adulthood inculcated certain moral and cultural values into him. Man is essentially a social being and society plays a major role in formulating his world outlook, his values and ideological inclination, etc.

Communitarianism is so varied that it encompasses Aristotle, Hegel, Marx, Rawls, Kant, etc. 'Right' and 'left' communitarians have been so categorized. There has also been a general nostalgic lament over the loss of the concept of man in community, which formed the fundamental basis of classical political theory from Aristotle, who viewed man not just as the citizen but necessarily the good citizen crafted and moulded by his rather mandatory participation in the political community (the Polis). The classical conception of man was therefore essentially communitarian, not individualistic. The new liberal Communitarianism is an attempt to integrate elements of the classical direct participatory citizen into a vision of building bonds of solidarity between different social segments in terms of class, race, culture, neighbourhood, the workplace, etc. A strand of the right communitarian movement championed by Amitai Etzioni has been organizing the creation of neighbourhood communities. Left Communitarianism is essentially Marxist, deriving inspiration from Marx's conceptualization of the communist society as one in which production is based on some principle of distributive justice. It would appear that Rawls sought to achieve by means of negotiations what Marx aimed to achieve through revolutionary action.

Barry (2005) introduces an interesting dimension to the debate on social justice which aims to redistribute the income and wealth of better-off members of society through the instrumentality of state-regulated taxation along with protecting traditional liberal freedoms for all by the liberal or just state. From this point of view, the state in an affluent society could adopt tax policies aimed at taking from the rich in those societies and transferring the proceeds to the poor in the underdeveloped Third World countries. This proposition, though clearly desirable from the perspective of the poor countries of the Third World, however actually runs contrary to the exploitative character of the dynamics of the global economy and might really be considered a utopia.

Friedrich August von Hayek, though an advocate of liberalism with all its individualistic principles, however conceptualizes the individual as a social being. He thus attempts to balance the individual with the society. Hayek's individualism is therefore "primarily a theory of society, an attempt to understand the forces which determine the social life of man" (Hayek, 1948:6), the whole nature and character of man derived from his social existence. His theory, though essentially liberal differs from the atomistic approaches which tend to isolate man from society. Takis Fotopoulos advocates economic democracy rather than social welfare or the welfare state. He argues that Athenian democracy failed essentially because it was partial, embracing only part of its population and was never complemented with economic democracy which he associates with

> Every social system that tends to minimize the socio-economic differences and in particular those differences which are due to the unequal distribution of private property and the consequent unequal distribution of income and wealth. Finally economic democracy refers both to the mode of production and to the distribution of social product and wealth. (http://www. democracynature.org/dn/voll/fotopoulos _athens.htm)

His central argument is that bourgeois political democracy is empty in meaning and destined to fail for the simple reason that it is not complemented with economic democracy. The dynamics of neo-liberalism characterized by the liberalization of markets in the process of mass takeovers, mergers, etc. imply a high degree of concentration of political and economic power, rather than global economic interdependence, as the advocates of globalization would try to force down our gullets.

Conclusion

In conclusion therefore the debate still rages over what ought to be the role of the state in the economy and society generally, between the egalitarian liberalism of John Rawls and the libertarian liberalism of Robert Nozick. The entire debate is however confined within the tradition of liberal capitalist state and society as distinguished from socialism. Some scholars of the liberal state have however even conjectured that with the rise of the bourgeois welfare state and the collapse of the socialist state such a distinction would no longer be necessary. Hence liberal man becomes the last man just as the liberal state is perceived to be the last state courtesy of Francis Fukuyama. However Fotopoulos has warned that the' The collapse of actually existing socialism does not reflect the triumph of capitalism'. The new society which could lay claim to superior egalitarian organizational quality reflective of individual freedom and equality must also include economic democracy. Any society that contains and protects wide wealth disparity and hence social inequality certainly contains contradictions whose resolution would definitely transcend capitalism and contemporary liberal society. What precisely that society will be still remains the subject of theoretical enquiry.

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