

NOZICK'S ENTITLEMENT THEORY OF JUSTICE

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Robert Nozick's [9: Chapter VII] sharp and ingenious attack on all patterned views of distributive justice has attracted much attention, respectful if on the whole sharply critical. It is part of a larger attack on political power in general. The entitlement theory of justice is designed in particular to undermine the view that the state or something like it is needed to insure redistribution of property in the name of justice.

In formal terms, Nozick does not accept the widespread doctrine that the just distribution of goods is to be regarded as the outcome of a social decision process. Indeed, he would probably go as far as Buchanan [3] in denying meaning to social decision-making. All decisions are individual, and these are controlling.

This attitude might draw some justification from the difficulties of constructing a thoroughly coherent social choice mechanism. But in my judgement, there is really no way of escaping a notion that justice is a social phenomenon, and some view that it must be the resultant of an impartial procedure is essential. Beyond that, I do not believe that Nozick has constructed a genuinely coherent structure of supporting arguments. Indeed, his case rests primarily on a few dramatic examples, rather than any systematic argument. Further, there are grave difficulties in any defense of his system as it stands. It can be refuted by examples at least as compelling as his.

But it must be admitted that he does raise serious issues that are neglected in the utilitarian tradition, including such offshoots as social choice theory and welfare economics, and in Rawls's fairness doctrine. These revolve in one way or another about the notions of privacy and property of an individual, his capacity and his scope of decision, which cannot or should not be overridden by social obligations of justice. This modest conclusion, however, is a long way from agreeing that there is no role for socially motivated concepts of justice and for the role of the state and of moral obligation in large redistributions of goods and services.

1. Where the Nozick System Differs

The tradition of welfare economics, which is in many ways an application of utilitarian principles to a world where goods and services are produced and traded, is to emphasize two stages in the allocation of resources. In the first, individuals hold bundles of goods. In the second, these bundles of goods are traded and transformed into other goods under the motivation of individual improvement at given prices. If the prices are such that supply and demand balance, then the final distribution is efficient in the sense of Pareto: no other resource allocation would have made everyone better off. The final distribution is a function of the initial allocation. Hence, any desire to achieve a more just final allocation can be achieved by a reallocation of the initial holdings; and it should be so achieved for fear of interfering with Pareto efficiency.

This tradition is a theorem, valid under certain restrictive hypotheses, primarily that the utility of each individual depends only on the allocation of goods to him and that production does not involve increasing returns to scale. If either of these hypotheses is false, the just final allocation has to be made in some other way. Even if the hypotheses are true, the final allocation could be arrived in practice in some different way, for example, by a computer which has been provided with all the relevant facts, the preferences and production possibilities for all individuals and productive units and the initial endowments of all factors.

The general criterion of judgment, as opposed to the means of implementation, is based on the distribution of satisfactions resulting from the final allocation. If everyone is better off in one allocation than another, then society is judged better off: if everybody is indifferent as between the two allocations, then the two allocations are indifferent from the viewpoint of justice as well as that of efficiency. It is not the specific goods but the levels of satisfaction to which the criteria of justice and efficiency are meant to apply in welfare economics (as, for example, in Bergson [2] or Samuelson [13: Chapter VIII], but following on Edgeworth [5], [6] and at least consistent with Sidgwick [15]).

Nozick's criteria are very much like the welfare economics theorem, but now they are the axioms, not the conclusions, and there are significant differences. There is an original acquisition of property, and a transfer, made voluntarily. Both the original acquisition and the transfer are to be restricted to be just; any allocation resulting from just original acquisition followed by just transfers is just.

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An individual is entitled to any goods acquired in this manner. Before turning to the content of justice in each of the two modes of acquisition, note already that there is one important difference from the utilitarian tradition. What is acquired is the right to specific goods, not merely to levels of satisfaction. Nozick is very explicit on this matter. A reallocation which hurt no one but which involved an involuntary reshuffling of goods would not be just in Nozick's view.

Pareto optimality does not enter Nozick's story; indeed, levels of satisfaction do not enter in any way. No doubt, if transfers are voluntary, we may assume that individuals do not injure themselves, so that the parties involved are at least as well off. But of course there is no guarantee whatever that others are not injured by any definition; if A gives goods to B, B may cease to acquire them from C, who is thereby injured. This possibility exists in a competitive market in any case; but the utilitarian will argue that while efficiency would demand that the market not be interfered with, there may be grounds for compensation to C. Nozick however sees no such case; the justice of the original acquisition is not influenced by any effects on the future transfers.

Nozick, unlike the welfare economist, does not assume perfect competition (see [9: Chapter VII, footnote 19, p. 346]). Hence, Pareto optimality is not implied by Nozick's voluntary, just transfers. Indeed, they may be unilateral, gifts or bequests. Despite the importance of the matter for Nozick's theory, the precise definition of justice in transfers is nowhere presented. Perhaps the best statement is that transfers are just if voluntary or if the individual transforms what is his own to another form by production (p. 160); force and fraud are excluded (p. 152), but no principles are given to justify these exclusions or even to define them properly (is offering a product known to the producer to be unsafe a fraud if there is no positive affirmation that it is safe? Is a failure to make safety tests fraud?).

Justice in original acquisition is still more difficult a concept, as Nozick acknowledges. I will not rehearse here the problems which he himself raises, under the name of the Lockean proviso, that the original acquisition not be at the expense of some future individual. As he notes, if taken literally, it can never hold for any scarce good. He suggests a weaker condition, that the original acquisition never made any future individual worse off when the good acquired has scarcity value. We may simply note two points here: (1) at this point, the idea of rights to individual goods has been replaced by an equivalent-satisfaction concept after all; (2) there really is no reason

why even the weaker version of the Lockean provision should be valid. With regard to the second point, suppose a piece of land will eventually be a desired scarce good; then, if this event is foreseen and permanent property rights exist, it will have value today, namely the discounted value of its future use-value.

I will follow Nozick in overlooking completely the role of public goods and externalities, though they are in fact very important. I will also, though this is still harder to swallow, overlook the problem Nozick himself raises of rectification of past injustices. The very existence of such a problem already shows that a social decision procedure is needed; and once it is granted that it is needed for this purpose, there is no reason not to face the problem of justice itself in that language.

2. Two Arguments

One might expect some serious arguments for so bold a departure from the usual modes of argument about justice. In fact, the case is remarkably thin. Really, as far as I can tell, there are just two formal arguments, accompanied by three examples whose greatest value is negative, casting doubt on alternative theories of justice. The formal arguments are not in my judgment very strong; the examples are much more effective. In this section, I will analyze the arguments.

The main argument, not explicitly stated, is the right of individuals to make some private decisions. This is reinforced by appeal to Sen's liberalism paradox [14: Chapters 6 and 6*]: If the right of an individual to make a private choice is interpreted as his right to fix the relative positions of certain alternatives in the social ordering, then a contradiction to the Pareto principle can be found.

It is not exactly true that privacy requirements are completely neglected by either welfare economists or Rawls [2]. They appear as the limits to redistribution imposed by incentive considerations. The actions needed for the achievement of a just resource allocation may not be possible or desirable to enforce. Thus, an individual with special talents may not choose to exercise them without special reward; if we do not wish to leave the choice to his private decision; for the good of others, we may therefore have to pay him more than what would otherwise be a just reward. For further comments on the theme of privacy, see section 5.

A second argument is that other theories of justice emphasize distribution rather than production. These theories "that objects as if they appeared from nowhere, out of nothing," whereas in fact,

"Things come into the world already attached to people having entitlements over them." (P. 160).

This argument is not well put. Welfare economics certainly does not imagine that there is no production. A redistributionist would simply hold that the ownership which gave some individuals special claims to products should be modified in the direction of egalitarianism, either by direct redistribution of ownership or by taxation which has the same effective aim.

What is true is that in welfare economics the ownership of the product is conceived of mainly as control of the purchasing power it generates. If we want to redistribute the income from producing steel, we tax the money income not the steel itself. Nozick instead emphasizes the role of entitlement to the physical product. But in any complex economy with considerable specialization and division of labor, is the entitlement to specific goods of any interest to anyone? The purpose of production is not indeed the production of goods but the right to acquire other goods. Once it is granted that a producer seeks a value (generalized control over goods) rather than product for its own sake, the choice between receiving the market value and receiving that value less a deduction for redistribution becomes simply a choice between alternative social arrangements. Neither one has the kind of special saliency that Nozick's emphasis on entitlement to specific goods would seem to require.

3. The Three Examples.

(a) The Wilt Chamberlain Story: Suppose an allocation of resources deemed just according to some criterion (Rawls's or utilitarian, e.g.) is achieved. Individuals nevertheless wish to engage in some exchange, in the example, pay for the services of a basketball player, as a result of which one individual becomes very wealthy. Should this be prohibited?

Actually, if the just allocation of resources were Pareto efficient, as is usually assumed, this example could not occur (a point which Nozick himself observes, p. 164, fn.). But a more compelling version of this example would refer to unilateral transfers. Should an individual be forbidden to give money to someone who has already been judged to be getting enough? The most obvious problem here, as Lewis Carroll pointed out long ago [4: pp: 542-546] is bequest; if an individual is entitled to consume, is he to be denied the right to forego the consumption in favor of an heir who might not otherwise be entitled to it?

(b) Forced Labor: "The taxation of earnings from labor is on par with forced labor." Forced labor is not unknown, at least in the form of compulsory military service; it must be admitted that, in situations where the war itself is approved of and most eligible individuals are needed, an overwhelming majority would prefer conscription to voluntary service. But let us not use majority voting as a criterion of ethical theory.

It is worth noting that, from the viewpoint of welfare economics, taxes on labor income are *not* ideal. Such a tax distorts the choice between labor and leisure (leisure is a form of income which escapes taxation) and hence leads to inefficient resource allocation. The ideal redistributive tax would be on potential income, the income the individual would earn in the highest value use of his time for some number of hours fixed in advance, independent of his own choice of occupation and hours of work.

However, such a tax is infeasible because it required information about the individual which the state cannot have. The actual income tax is defended as a best approximation. Hence, in some sense, Nozick's criticism would in fact be met in an ideal application of welfare economics.

Nevertheless, one must concede that actual taxes do fall on labor income. They fall equally on property income, and it is interesting that the rhetorical value of Nozick's example, requires a differentiation of the two sources of income which, in general, he is loth to make. I return to this question in section 6.

Moreover, it must be remarked that there is a considerable difference between a tax on labor income and forced labor, although there is some resemblance. Once it is recognized that labor is specific in nature and that there are many kinds, it becomes clear that the freedom of choice under a tax is vastly greater than that under compulsory labor. It is surprising that Nozick, who is so concerned over rights to specific bundles of goods, should not take cognizance of this difference. In short, though neither yields absolute freedom of choice, there is a large difference in a quantitative sense between the two situations.

(c) A World of Isolated Individuals: Nozick's refutation of Rawls starts by asking us to consider a world of individuals with no economic interdependence. The production of each is in no way affected by the behavior of others. Suppose in fact the products differ because of personal attributes or sheer luck or whatever. Would there be any obligation on the part of the fortunate to help the less lucky?

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This is a starting point for his argument that even with interdependence there is no obligation.

The example clearly has some compelling aspects. However, its hypotheses are somewhat hard to envision. If the individuals did not even know of each other's existence, then the question of obligation would hardly arise. Hence, we must envisage a situation where the individuals, perhaps on separate but neighboring islands or in a frontier situation, know of each other's existence, could transfer goods to each other, but are self-sufficient.

If there are uncertainties, say of weather, then we would expect a mutually advantageous insurance contract; if communication can take place before the event, there should be a contractual achievement of egalitarianism.

Hence, the only case where one would expect inequality to arise would be when there are personal differences in ability, known in advance. As in the previous example, attention does get focussed on one's right to personal ability.

Even if the example is accepted at face value, it does not itself answer the question of obligation when there is economic interdependence, in the form of cooperation in production or in mutually beneficial exchange. At most, it suggests that the rights of society to redistribute are restricted to that part of the property of individuals over and above what each could achieve by himself alone. How much of a restriction this is will be touched on in section 8 below.

4. Some Counter-Examples

As already stressed, Nozick's case does not rest on the assumption of perfectly competitive markets but rather on the freedom to transfer and to enter into mutually agreeable contracts. But then a whole host of possible difficulties arise, some well known in economic theory.

An economic theorist would worry about the possibility of monopolization and collusion. Suppose some individual owns all of a certain commodity, not indispensable to life perhaps but very useful. Clearly, he can set unusually high prices and engross for himself what most individuals would judge to be an unjust portion of the world's goods. It may be objected that an individual could not arrive at such a position; if he sought to monopolize, he would find, as Nozick remarks, that the price of the good would rise. More precisely, it would rise in a competitive world. But suppose every

original owner of the good just happened to give it to one individual. This would be just in Nozick's world, and the outcome would have to be deemed just, though in fact the monopolist received more value than the donors intended.

Or, to be slightly more realistic, suppose all the owners of some good (a primary good, not one produced) were to collude to charge a higher price. All the actions involved are voluntary; is the outcome just?

Suppose a dominant group, say whites or "Aryans", agreed to trade with the complementary minority only on very unfavorable terms. Indeed, they might not have to agree in any concrete sense: suppose each one happened for his own reasons to resolve to so act. Racial discrimination is very frequently the result of individual free actions, just decisions on the part of the members of the majority in Nozick's theory. Are we to say that the results are just?

In the last case, it might be replied that the minority would be free to trade among themselves. If they had the same *per capita* resources, they would not suffer. If in fact they had inferior resources, then presumably there was a previous injustice which, Nozick would hold, should be rectified. I want to return to this argument in section 8; I note here only that in the presence of increasing returns to scale, a minority can suffer from discrimination even with equal *per capita* resources.

Nozick, it must be admitted, is courageous about the implications he draws: if an individual has discovered a cancer cure, he is entitled to withhold this knowledge, though he cannot prevent others from making the same discovery.

5. Privacy.

One conclusion which Nozick's examples make reasonable is that an individual is entitled to some sphere of decision-making on his own. Interestingly enough, Rawls, usually thought of as Nozick's complete opposite, shares this viewpoint as against utilitarians and welfare economists. Rawls's distributional criteria are in terms of what he calls "primary goods," abilities to determine life plans, rather than specific goods or the levels of satisfaction achieved from them. In effect, what an individual does with his primary goods is his private business, and any transfer of them is just.

One may grant that there should be some scope for individuals to make private decisions. One may add to the conditions of justice, conditions of privacy. As far as choice of commodities is concerned,

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the Pareto principle implies that there can be no contradiction between the demands of privacy and the demands of justice so long as there are no externalities. What if there are? Can we make a consistent set of privacy judgements which yet permit social decisions? Of course, Sen's paradox shows that we have to sacrifice the universal applicability of the Pareto principle, but perhaps we can still retain it for the non-private parts of the decision.

The question may be posed this way. The total decision space for society may be expressed as a Cartesian product $X_0 \times X_1 \times \dots \times X_n$, where there are n individuals. X_i ($i=1, \dots, n$) is the space of private decisions available to individual i ; if individuals are to be treated symmetrically, these spaces are isomorphic. X_0 is the space of social decisions, for example, some allocation of primary goods in Rawls's sense, or, perhaps, some allocation of goods in the ordinary sense from which the individuals are still permitted to make further trades and unilateral transfers. Whatever rule of social decision-making is used will be applied to satisfactions *given* the private decisions $x_i \in X_i$.

To illustrate, let us use the convenient utilitarian form. Suppose each individual has an interpersonally valid cardinal utility, U_i ; in the presence of externalities, U_i will in general depend on all decisions, x_0, x_1, \dots, x_n . Then for given x_i ($i=1, \dots, n$), x_0 is chosen to maximize,

$$\sum_{i=1}^n u_i(x_0, x_1, \dots, x_n),$$

with respect to x_0 (in some feasible set). Presumably, x_i is chosen by individual i to maximize,

$$U_i(x_0, x_1, \dots, x_i \dots x_n),$$

holding x_j ($j=0, \dots, n, j \neq i$) constant.

This description of justice in the presence of privacy involves game-theoretical considerations; the outcome is the equilibrium point (in the sense of Nash) of a certain game. (Though I have chosen a utilitarian formulation for its simplicity, a maximin principle would have a similar form.) Actually, this viewpoint generalizes a principle already found in the theory of justice over generations, due to Phelps and Pollak [11]. There they assume that no generation can be bound by desires of its predecessors.

Nozick's formulation, in these terms, amounts to omitting the

space of social decisions, X_0 , altogether. However, in the presence of externalities, he still requires a game-theoretical construction.

I have tried here to sketch a possible approach to the reconciliation of the claims of justice with those of a private scope for each individual. This has taken for granted that by some process we can defend a set of privacy judgements. There is an alternative approach, implicit in many discussions of the virtues of the price system among economic theorists and others. This is to regard claims to privacy not as primary value judgements but as derived from the inability of others to know everything relevant about an individual. Specifically, an individual knows his own preferences and perhaps his own personal abilities. This knowledge is not directly available to anyone else; they make inferences from the individual's observed behavior, but if it is known that these observations will be used as a basis for inference and therefore for distributive judgements, there will be in general an incentive to behave differently so as to improve the distributive judgement. Gibbard [1973] has shown that there is no general way of formulating a game structure in which individuals might not have some incentive to misrepresent their preferences by their actions.

One can then deliberately factor the decision space into social and private decisions so as to optimize a criterion of justice, where it is assumed that the private decisions are functions of information private to the individual, whereas the social decisions are functions only of public information. This is the argument usually advanced to argue that, among the ways of realizing an optimum in accordance with welfare economics, the *laissez-faire* approach is the best. It happens that, under the strong assumptions of absence of externalities and of increasing returns to scale, it yields a Pareto optimal solution; hence, there is no conflict between the demands of privacy and those of efficiency. However, if, say, a utilitarian criterion of justice is used, the optimal redistribution of income would require an invasion of privacy to establish satisfaction levels. Short of that invasion, one would have to rely on presumptions, for example, of equal possibilities of different utility functions for different individuals. There is room here for a new formulation of the problem of achieving justice in the presence of mutual uncertainty about preferences and other personal characteristics.

One last remark on this approach to privacy as a reaction to lack of information: it does in a way presuppose a basic privacy judgement, that individuals are not required to reveal their preferences and personal abilities as a matter of obligation. It is presupposed that

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given any revelation mechanism they will behave selfishly. It is possible to take still another tack — that individuals have an obligation to tell the truth but that communication is costly. After all, finding out one's own preference structure, especially in areas not yet experienced is none too easy. Hence, privacy may still appear as an economy, rather than a moral requirement or an unavoidable necessity.

6. Original Acquisition and Personal Abilities.

Because Nozick is so concerned to defend property rights in general, he does not make a case which would distinguish between personal assets (labor, skills, and the like) and material assets. Still, as noted above, the identification of taxation with forced *labor* suggests an awareness of this difference.

The problem of original acquisition and the difficulties of the Lockean proviso disappear or at least are greatly attenuated when reference is made to personal assets. These do unmistakably, and clearly belong to an individual.

Both Rawlsian and utilitarian views imply that personal assets are available for redistribution. The extent to which they can be used may be limited by the privacy considerations suggested in the last section. It may be difficult to know the extent of an individual's talents and therefore it may be better to induce their use by rewards than to require it.

To strip away an inessential point, it is clear that to the extent that personal talents are developed by the use of scarce resources, they should be paid for. In Nozick's minimal state, this would happen automatically; in a world where education is supplied by the state or below cost, there is no reason why education should not be paid for by the recipient, of course, in ways which allow for difficulties in financing at the time of education and for uncertainties in the future receipt of income.

Further, to minimize the interference with privacy, the use of personal assets should be restricted to taxing the income derived from them.

With these constraints, it must be admitted that it is still arguable that personal assets should be treated separately from material assets. Personally, I see no consistent argument that individuals with highly valuable natural assets should not share them with others. (This point is not the place to go into a detailed discussion of Nozick's analysis of the arguments for and against this position; let

me say simply that the idea of a presumption of equality strikes me as a perfectly reasonable starting point for discussion.) On the other hand, I have some difficulty constructing an airtight argument in favor of such an obligation. It would have to proceed from the moral arbitrariness of the actual distribution of talents, but that may amount to presupposing the result.

If one grants some rights in personal assets to an individual, then for individuals living over time, there is some claim to material property. If I perform a service, I may want my reward in the future rather than in the present. Presumably there should be some mechanism for permitting this, if the postponement is advantageous to others as well as myself. Hence, I am paid with some commitment to future goods. But why does it follow from my entitlement to the proceeds of my personal assets that I am also entitled to use this commitment as freely disposable property. I see no reason why, for example, I would be entitled to interest in exchange for the postponement. (There may be grounds in efficiency, and under the Pareto principle one should accept efficiency until it interferes with justice.)

7. The Meaning of Property.

This leads into the meaning of property, a subject which would lead to another paper. I will merely summarize some views, perhaps rather dogmatically. Nozick's concept seems unsophisticated. He keeps on referring to the ownership of "things", whereas property really refers to rights. The same piece of land may have separable rights, for example to surface use and mining, and these rights may be separable pieces of property and indeed are in modern law.

Let me take the activity of covenanting as an example. Suppose I own a piece of land and insist that any sale be accompanied by a provision prohibiting in perpetuity the residence of blacks. That is, not only do I extract this promise from the buyer but also require that he promise not to sell it without this clause. After a period of time, it may be that no one living wants this clause; but there is no way of getting it released. Such clauses were of course very far from hypothetical, and indeed were never declared illegal; it was only held that the courts, as instruments of the government which was prohibited from discriminating, could not enforce them. Further, covenants with regard to other uses, e.g., sale of alcoholic beverages, are still enforced. This appears to be a historical theory of justice with a vengeance.

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There is another way of looking at this. The property system is in fact a social construct; not every possible right, particularly with regard to the future, is a possible piece of property. Nozick speaks of everything coming into existence already owned; but that is merely a particular socially determined property system. Pollution does not come into existence already owned; that is the problem.

The incompleteness of property rights in general creates well-known problems in welfare economics, being in fact the basic component of externalities. In particular, markets for future commitments are relatively under-developed compared with those for the present or immediate future. Individuals have to supply for themselves expectations as to future developments in order to make decisions with consequences extending into the future, e.g., investments. These expectations, for example of prices or of supply availabilities, are not "property," but they influence the use of property and are taken into account in the present legal system. For example, an obligation to sell a product for the next few years at a given price is understood in the law to hold only if conditions do not change in a strongly unexpected way; this understanding does not require explicit statement. One of Nozick's own examples would not, in its full implications, be accepted by current legal principles. He supposes (p. 269-270) that a station wagon was lent to some people for a while and that they became accustomed to it; this would create no obligation on your part to give it to them. But in fact if someone walks across your land for a sufficiently long period, without interference, he acquires the right to permanent use. The view is that expectations have been created which it would be unjust to deprive him of.

If markets were sufficiently complete, with all futures periods and all uncertain contingencies already provided for in the contracts, the concept of property would cease to be problematic. All decisions would have been made in advance, and there would be no further questions of transfers to treat as just or unjust. Because in fact many of these markets do not exist, there are direct non-market relations which affect individuals' levels of satisfaction. Voluntary transfers become possible, but not all conceivable transfers can be made. Hence, voluntary transfers become biased in direction, and the possible injustice of the whole system of transfers must be recognized.

8. Justice and the Core.

I noted earlier (section 3) that Nozick's example of the isolated individuals might lead to the conclusion that society was entitled to redistribute only the gains of trade that it produced over and above what individuals could get for themselves without trade (or cooperation in production). This view is indeed attributed to Rawls by Phelps [10].

Carried a bit further, as suggested by Vickrey to Phelps in the cited paper, this argument might also suggest that any group of individuals within the total should be allowed to keep what this group could collectively achieve. Only the amount above that would be available to society to redistribute.

Formally, this can be stated as requiring that just allocations must satisfy the property that there should not exist a coalition of individuals and an allocation that they could achieve with their own resources such that every member of the coalition would be better off under their own allocation than in the proposed over-all allocation.

This is precisely the definition of the *core* of an economy, a now well-known concept in game theory and economic analysis (see, e.g., Hildenbrand and Kirman [8: Chapter 3], Arrow and Hahn [1: Chapter 8]). If one makes the assumptions of absence of externalities and of increasing returns to scale, then, if the number of individuals in the economy is large (and no one is large on the scale of the economy), the core shrinks to the competitive equilibrium. There would be no problem of justice left!

This is not precisely Nozick's conclusion, since he does not wish to assume perfect competition, but it is certainly complementary to it.

My own view is that, in some deep sense, there are increasing returns to scale. The true basis for division of labor is the value to specialization, not merely in the economy but in society as a whole. Fundamentally similar people become different to complement each other. This vision informs the work of Adam Smith and also Rawls's concept of social union [12: Section 79]. If this is true, then the core remains large even with many individuals. There are large gains to social interaction above and beyond what the individuals and subgroups could achieve on their own. The owners of scarce personal assets do not have a private use of these assets which is considerable; it is only their value in a large system which makes these assets

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valuable. Hence, there is a surplus created by the existence of society as such which is available for redistribution.

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