Dissertation Abstract: A Theory of Economic Justice

Trade, specialization and division of labor are by far the most important and widespread forms of cooperation among human beings. For instance, millions of people cooperated in a mostly decentralized way to produce the device you are now using to read this. Yet, the normative dimensions of the institutions that ground economic cooperation have been under-theorized. My dissertation develops a theory of justice fitting to the domain of economic cooperation. There are two basic processes that generate economic value. Production (ch. 1-3) is the conversion of natural resources into useful artifacts. Consumption (ch. 4-6) is the use of these artifacts to enhance human welfare.

In an introductory chapter, I imagine individuals in the *economic state of nature*, where each person produces everything that they consume. In Hobbes's political state of nature, life is "nasty, brutish and short" because of ubiquitous violence, but life is just as bad if people cannot economically cooperate. I sketch how institutions that facilitate economic cooperation might emerge and allow people to exit the economic state of nature, forming economic society. In the second chapter, I examine one foundational institution of economic cooperation: property. Property rights over natural resources and improvements to those resources, though treated similarly in the law, are in fact very different. Locke famously argued that mixing one's labor with a natural resource gives one an entitlement to the resource. But the most this labor mixing argument establishes is that one is entitled to the value of the improvements one creates. Indeed, if natural resources are scarce, those who own resources will collect monopoly rents from and oppress those with no resources. Following Henry George, and others, I argue that a *land value tax* would be an efficient and just institution; it would prevent exploitation and ensure that everyone receives what they are entitled to, and would eliminate unjust inequality. After developing this view of original acquisition, the third chapter analyzes the conditions of just exchange, which are quite demanding. Perfectly competitive markets constitute the ideal of just exchange, and I pay special attention to analyzing the distributive obligations of participants in imperfect, real-world markets.

The dominant view of consumer welfare among economists and policy makers is desire satisfactionism: the satisfaction of someone's desires is what makes them well-off. Though this approach enables certain insights, it has important limitations. In chapter four (recently published in *Analysis*), I propose a thought experiment—*the desire machine*—in which all of one's desires are changed to match the world. As such, according to desires satisfactionism, one is perfectly well-off. But this is not right: wanting what you get is not, in general, as good as getting what you want. The satisfaction of desires that are formed in the wrong kind of way (e.g., through manipulative advertising) or for the wrong kind of object provide only limited well-being. In the fifth chapter (recently published in *Utilitas*), I argue that there must be temporal overlap between when one desires something and when one gets the desired good, and one must be aware that one receives the goods that one desires, in order for those goods to make one well-off. In the final chapter, I examine the problem of incoherent desires. Just as it is always bad for an individual to have incoherent desires, it is also bad for a group of people to have collectively incoherent desires, which occurs when inconsistent desires are possessed by different individuals. Unfortunately, collectively incoherent desires are a ubiquitous feature of social life, and they lead people to waste resources in a destructive competition over scarce goods. Veblen was the first to offer a systematic treatment of how, as society advances, greater amounts of resources are wasted in the pursuit of a fixed supply of positional goods through the process of conspicuous consumption. But he did not see that there is a social institution that can reclaim these wasted resources and put an end to destructive competition: the *progressive consumption tax*. This tax shares the core virtuous property of the Georgist land value tax: both tax a feature (land and social position) that has an intrinsically fixed supply and to which no one could justly gain a permanent, exclusive entitlement. Both penalize people who act on preferences that are inconsistent with the preferences of others, and both enable and subsidize cooperation in the pursuit of diverse but compatible ends. As such, these institutions are cornerstones of a just economic order.