

Book Reviews

Tomasi, John. *Free Market Fairness*. Princeton, NJ: Princeton University Press, 2012.

John Tomasi's *Free Market Fairness* is an ambitious attempt to present a new research paradigm in liberal thought. Tomasi advocates a new type of liberalism which he calls "market democracy." Market democracy attempts to place economic freedom back into the protected realm of basic liberties that liberal thinkers should seriously consider in their philosophic and moral frameworks while still leaving space for the pursuit of social justice. Tomasi outlines the conflict between two camps of liberal thought which he mediates throughout. The first camp is the traditional one composed of classical liberals and libertarians. The second is the "high liberal" camp composed of left-liberals and egalitarians. Market democracy is a hybrid of the two. It combines the importance of economic freedom and the notion of society as a spontaneous order of cooperation (which derives from classical liberals like Friedrich Hayek) with the notions that institutions must be acceptable to all who live among them and that social justice is the standard measure of political evaluation (which derives from high liberals like John Rawls).

The book itself is divided into eight chapters surveying both classical liberalism and high liberalism, the philosophy and policies of market democracy, a critique and affirmation of distinct forms of social justice, and a market democratic approach to Rawls's justice as fairness. The book digs deeply into the nuances of different thinkers in both camps, canvassing liberal thought from the Magna Carta to the modern day. Hayek and Rawls are rightly identified as the representative thinkers for each camp, though Tomasi also spends time analyzing other key thinkers as diverse as Adam Smith, David Hume, John Maynard Keynes, John Stuart Mill, Thomas Jefferson, Ludwig von Mises, Jean-Jacques Rousseau, Robert Nozick, Martha Nussbaum, and Thomas Nagel among many others.

Tomasi starts off the book by having the reader imagine a cold, barren, winter landscape. Far off to one end of this landscape is the embattled camp of classical liberals and libertarians. While this camp has made some gains in previous decades, it is besieged. The dominant camp of high liberals is across the frozen terrain in well-constructed igloos with heaters and other luxuries. Every once in a while the embattled liberals will yell out to the high liberals, but their calls are not heard over the harsh winds and vice versa. In many ways, Tomasi is illustrating the notion recently explained in the work of

moral psychologist Jonathan Haidt: morality binds and blinds.¹ Each camp is bound together by its shared moral perspective, but blinded to the alternatives or pitfalls of its cherished beliefs. Both camps suffer from confirmation bias.

Market democracy seeks to break the ice between the camps and serve as a sort of theoretical diplomacy, communicating ideas from the other side in ways agreeable to each moral framework. For this reason, I think that *Free Market Fairness* is a most important book for liberal philosophy. It transcends the usual debate between the left and right, clearly outlines their contentions, and offers a new way of looking at the political landscape. *Free Market Fairness* explores the fundamental moral differences resulting from the traditional liberal's rejection of social justice and the high liberal's rejection of economic freedom. The rejection of each of these ideas is entangled with an acceptance of the alternative. In the minds of classical liberals and libertarians, one cannot both defend economic liberty (property rights, freedom of contract, voluntarism) *and* accept the ideas of social justice put forward by high liberals (wealth redistribution, minimum wage, affirmative action, etc.) The reverse is true for high liberals.

Tomasi writes that the essence of the "liberal program lay in the idea that the purpose of the state is to protect the freedom of citizens equally" (p. 7). John Locke's conception of self-ownership being tied up with the "natural fabric of the universe" (p. 5) is part of the liberal understanding of society and forms the bedrock principle of modern libertarianism. Hume demonstrates in Book III of his *Treatise of Human Nature* that respect for possession and the free transfer of property is necessary for society to function. The value of property is that it both allows people to keep those things that they strive for and to share their labor and knowledge with those around them in voluntary and mutually beneficial ways. Additionally, the respect for property creates societal order and interpersonal trust. Hayek makes the most convincing argument for liberal markets on evolutionary grounds, or on grounds that philosophers would call rule-utilitarian. On this view, society is not the rationally designed plan of theorists or government planners, but a spontaneous order which has evolved over generations, maintaining the rules and processes which have led to its prosperity and discarding those which are no longer useful, oftentimes for reasons that escape the members of the society.

While Tomasi is sympathetic to these classical liberal ideas, he does not accept classical liberalism or libertarian presuppositions as a complete packaged alternative. He is critical of what he sees as libertarian dogmatism, deriving from libertarian commitment to individual self-ownership: "unlike libertarians . . . market democracy affirms those economic freedoms as on par with the basic civil and political rights rather than as moral absolutes" (p. 96). The libertarian position can otherwise be used to argue against even the most

¹ See Jonathan Haidt, *The Righteous Mind: Why Good People Are Divided by Politics and Religion* (New York: Vintage, 2013).

basic governmental services or interventions, which Tomasi (by contrast with strict libertarians) supports. Classical liberalism also has problems, but for different reasons. Its theorists and supporters cannot agree on the justifications for its positions: some liberals favor it on utilitarian (consequentialist) grounds, others on the basis of natural rights. Classical liberalism, unlike high liberalism or libertarianism, cannot be reduced to a simple or manageable set of guiding principles. I would argue that this is both its strength and weakness, as it allows for a more complex and nuanced view of the world. While generally agreeing with the libertarian advocacy of markets and individual liberty, classical liberalism still allows for social safety nets, the provision of public goods, and government intervention to mitigate against externalities. On the other hand, its lack of clear moral principle makes its narrative less appealing to people who long for the main attraction of an ideology: a single principle to guide their thinking on a range of issues.

Free Market Fairness gives classical liberalism a different moral direction by justifying it on high liberal grounds of self-authorship and deliberative democracy. By doing so, Tomasi makes classical liberalism more appealing, especially to high liberals who already agree with the moral justifications that Tomasi sets out here. Tomasi argues that these justifications lead not to social democratic outcomes, but to market democratic ones. Tomasi also tries to persuade classical liberals and libertarians that concern for the poor has always been part of the liberal tradition, despite classical liberal (and some libertarian) hostility to the notion of social justice, on the grounds that social justice undermines economic freedom. (I'm inclined to think he does a better job of persuading libertarians than classical liberals of this.)

Arguably, though, classical liberal political philosophy affords room for social justice as a form of societal evaluation. That, in fact, is the main thrust of Tomasi's market democracy. On this view, "social justice" no longer plays the role of a vague political buzzword for left-liberal policies, but becomes a standard by which one can judge the outcomes of political-economic systems. This makes social justice an acceptable idea for classical liberals (and libertarians), relieving them of the worry that invoking the concept will directly lead to policy outcomes that violate economic freedom. As Tomasi puts it: "When considering any social system as a whole, *cosmos* and purpose, far from being opposites or antagonists, go together. In the social setting, spontaneous orders seem positively to require such normative evaluations: evaluations that is, in terms of social justice" (p. 157).

As noted above, Tomasi also addresses high liberals, seeking to convince them that economic freedom ought to be included in the basic liberties that such liberals protect. He describes the position of high liberal thinkers such as Rawls, Nagel, and Nussbaum as defending a "thin conception" of economic freedom, deriving from the work of Rousseau, Karl Marx, and Mill. These three thinkers provide the theoretical basis of high liberalism, as each offers a distinct critique of one central assumption of classical liberalism. Rousseau's critique of Locke's State of Nature brings one

foundational assumption of classical liberalism to question. Marx's critique of the class distinctions that grow within capitalist societies is arguably the best known critique of classical liberal economics. Finally, Mill distinguishes freedom of speech, association, conscience, and religion, on the one hand, from the freedom to trade and own property, on the other, thereby offering a theoretical basis for what would become the standard liberal bifurcation of the political and the economic.

In the late-twentieth century, Rawls's theory of constructivism asserts that "citizens are free and equal self-governing agents" (p. 38). Rawls develops the idea of "justice as fairness," which incorporates both a set of basic rights and a strong conception of distributive justice. Steeped in the high liberal tradition, Rawls does not include the right to earn productive property in his list of basic liberties; he is rather ambivalent about which economic system is preferable. The way he dismisses ownership over the means of production may be taken as advocacy of a socialist economic system. Tomasi writes that "Rawls seems unable to imagine how the self-respect of people could be tied directly to the exercise of general economic liberty" (p. 43). Tomasi seeks to expand Rawls' conception of basic liberties so as to include many more economic freedoms which improve and secure an individual's ability to be a self-author of his own life. He makes a strong argument to the effect that "[f]or many people, commercial activity in a competitive marketplace is a deeply meaningful aspect of their lives" (p. 182).

In brief, Tomasi accepts the Rawlsian or high liberal justificatory framework of the ideal of moral personhood, but offers a classical liberal insight to achieve it. I believe that this aspect of Tomasi's work is his strongest. He offers a valuable critique of the high liberal tradition's neglect of economic freedom and argues in favor of its inclusion with Rawlsian moral justifications. Economic freedom adds meaning to people's lives. In order to be a genuine self-author and a democratic citizen, one must have the ability not just to choose one's profession or own personal property (à la Rawls and other high liberals), but also to start an enterprise, enter into voluntary contracts, own productive property, and try to succeed or fail at reaching one's (economic) goals. By limiting or removing these capabilities, high liberals diminish individuals as self-governing agents and author of their own lives.

After Tomasi sets out the political philosophy and history of each camp via a wide survey of its theorists, he begins to build his research program for market democracy. This account starts by affirming a robust conception of social justice as a standard measure of political evaluation: "a set of institutions is just only if it works overtime to improve the conditions of the least well off" (p. 87). Market democracy also affirms a thick conception of economic freedom. This conception limits legislative authority in economic affairs, emphasizes the use of markets to pursue social goals, and facilitates the distributional requirements of social justice through the forces of spontaneous order (p. 87). As I see it, market democracy is (despite Tomasi's occasional denials) classical liberalism justified via a left-wing moral framework.

However, Tomasi argues that market democracy is deeper than that. In fact, it may be better described as a type of high liberalism rather than a species of the classical kind. It is open to being viewed as both, and this perhaps is its appeal. In the illustration discussed above, market democracy acts as an ice-breaker between the two camps, breaking down old boundaries. On a practical level, market-democratic policy prescriptions include a guaranteed minimum income, public education, and anti-discrimination laws, along with generally free markets and free trade. While I am not fully convinced that the high liberal moral justification of classical liberal politics is a completely tenable position, I am generally sympathetic to the type of society and politics that Tomasi's market democracy has to offer.

Throughout the book, Tomasi describes how liberal thought has moved away from its classical roots, planted in a soil of strong property and contractual rights, and has evolved into a less market-friendly philosophy, motivated in part by the desire to ameliorate the plight of the least well-off in present society. I use the word "present," because I believe that part of the distinction between classical liberalism and high liberalism involves a trade-off between long- and short-term goals. Should we stave off future economic growth so as to help those least well-off *today*, or should we help the least well-off today at the price of future economic growth? Can both be achieved simultaneously? If not, how far should we go in violating economic freedom for the material betterment of the poor?

While Tomasi does not couch his argument in these practical terms, I believe that the last question is the essential problem he is trying to resolve—it constitutes the central tension between the two forms of liberalism. Having said that, *Free Market Fairness* does not try to answer every relevant question. It offers a framework for inquiry, not a panacea. Market democracy is a research program in which questions such as those outlined above can be dealt with. It rebalances liberal thought in a market-oriented direction in an attempt to reverse the political trends that pulled liberalism in the direction of government intervention and socialism. Market democracy tries to pull liberalism back in the direction of economic freedom, while paying heed to the moral lessons that made socialism and social democracy so attractive to its modern proponents.

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