

วารสารสังคมศาสตร์ มหาวิทยาลัยนเรศวร
ปีที่ 12 ฉบับที่ 2 (กรกฎาคม–ธันวาคม 2559)

Ethics, Freedom, and Capitalism: A Critical Account of Marxism and Libertarianism

Wanpat Youngmevittaya*

*Postgraduate of Politics, Philosophy and Economics (PPE), University of York, 2015-2016.

Youngmevittaya, W. (2016). 12 (2): 71-111

DOI: 10.14456/jssnu.2016.15

Copyright © 2016 by Journal of Social Sciences, Naresuan University:
JSSNU

All rights reserved

Abstract

This is an article in moral and political philosophy, addressing the significant differences between Marxian Ethics and Libertarian Ethics in relation to the justification of capitalism. The reason for choosing Marxism and Libertarianism is mainly because they are the strongest opponent and advocate of capitalism, respectively. While Marxian ethics refers to works of Karl Marx, libertarian ethics refers to that of Robert Nozick, F.A. Hayek, and Milton Friedman. My main argument is that while Marx bases his ethical judgement on communal beings and positive freedom, libertarians on egoistic beings and negative freedom. These differences lead to different standpoints on capitalism. However, I will not express my own judgement on capitalism as it goes beyond this paper's objectives.

Key Words

Capitalism, ethics, freedom, Marx, Nozick, Hayek, Friedman

Introduction

This paper is a philosophical exploration of the morality of capitalism according to the two competing schools of thought: Marxism and Libertarianism. Interestingly, although they judge capitalism very differently, their judgments are based on the conception of freedom. This raises a crucial question: how do they interpret the conception of freedom? So, I aim to show how their different conceptions of freedom lead to different judgments of capitalism. I hope that this paper will help draw attentions of scholars in Marxian studies and political theories to Marx's early writings as an independent and powerful criticism of capitalism. I also hope that this will make moral philosophy more relevant and engaging to the capitalism debate.

The first section is to explore Karl Marx's ideas on capitalism. It is widely held that Marx criticizes capitalism as a system based on the exploitation of surplus values: capitalists get richer by stealing/exploiting some part of workers' labors. For many, the Communist Manifesto (1848) expresses the Mature Marx who detaches himself from any philosophical grounds of judgement and embraces scientific grounds instead. Althusser (1965) proposes that there is an epistemological break of Marx's writings before and after 1845. Namely, while before 1845 Marx was a 'humanistic' socialist, after 1845 he became a 'scientific' socialist. Van Herpen proposes that '*Theses on Feuerbach*' (1845a) and the '*German Ideology*' (1845b) are the indicator that Marx has shifted from the conception of 'species being' to 'historical materialism' (2012; 12). However, in this article I will show that Marx never has such an epistemological break and the distinction between the Young and Mature Marx is flawed. The second section is to represent libertarians' ideas on capitalism. It should be noted that libertarians here refer to someone like Robert Nozick, F.A. Hayek, and Milton Friedman. I follow the distinction made by Michael J. Sandel who distinguishes them from egalitarian liberals like John Rawls and Ronald Dworkin (1994; 211). We may call them "right libertarians." According to these libertarians, capitalism is properly compatible with individual rights and freedom, and thus capitalism is a just society. The final section is to propose the causes of their different ways of judgment of

capitalism. It is important to remember that throughout the paper I only focus on the theoretical implications and leave empirical evidence aside.

1. Karl Marx and His Ethical Critique of Capitalism

Marx is a very radical opponent of capitalism, who disagrees with every aspect of it. For him, the capitalist mean of production is based on the alienation of 'every' human being: not only laborers who are supposed to be exploited by capitalists are alienated, but capitalists also. In other words, the conception of alienation can be applied to every individual in the capitalist society (Buchanan, 1982: 39). It should be noted that capitalism here is the society that most people live in the market system. Namely, production, consumption, exchange, and trade in the market is the only source of the existence. They have to depend on the market otherwise their lives would end.

This section is divided into three parts. Firstly, I will show how Marx understands the real nature of human beings. Secondly, I will show that the conceptions of alienation and exploitation are very ethical and necessary for understanding Marx's criticism of capitalism. Finally, I will compare Marx with other thoughts, that is, utilitarianism, communitarianism, and cultural relativism in order to show how his standpoint on capitalism is different from that of them.

1.1 The Real Nature of Human Beings: Communal Beings vs. Egoistic Beings

Marx sees that the real nature of human being is a 'communal' or 'social' being, not 'egoistic' being. Marx expresses this view explicitly in the 'Economic and Philosophic Manuscript of 1844' as follows: 'The individual is the social being. His life, even if it may not appear in the direct form of a communal life carried out together with others - is therefore an expression and confirmation of social life' (Marx, 1844b: 74). He also distinguishes between 'the political state' which is the sphere of the general interest and 'civil society'¹ which is the sphere of private property (Van Herpen, 2012: 6). He opposes the civil society because men have to live their lives as an egoistic being instead of a communal being. In the 'On the Jewish Question' (1844a), Marx writes that:

"Where the political state has attained its true development, man - not only in thought, in consciousness, but in reality, in life - leads a twofold life, a heavenly and an earthly life: life in the political community, in which he considers himself a communal being, and life in civil society, in which he acts as a private individual, regards other men as a means, degrades himself into a means, and becomes the plaything of alien powers" [underline added]

(Marx, 1844a: 13)

He believes that only the communist society can make every individual reach a communal being, and so only communism is justified. In contrast, capitalism does not emancipate man from the civil society and an egoistic being, but allow/encourage them to do everything according to their egoistic beings. This means that even though every individual is allowed to pursue everything they want that harms no other people, men still have no real freedom, and so unethical. In the civil society, man has no 'rights'² to pursue his real human being (communal being); instead, he only has 'rights' to pursue his 'egoistic' being which is alienated from his communal being.

As Marx writes that "the so-called rights of man, the droits de l 'homme as distinct from the droits du citoyen [the rights of the citizen], are nothing but the rights of a member of civil society [a member of civil society] - i.e., the rights of egoistic man, of man separated from other men and from the community' (Marx, 1844a: 22). Marx also sees that 'private property,' which is the most fundamental aspect of capitalism or civil society, makes man detach from his communal being. 'The right of man to private property is, therefore, the right to enjoy one's property and to dispose of it at one's discretion (a songre), without regard to other men, independently of society, the right of self-interest. This individual liberty and its application form the basis of civil society. It makes every man see in other men not the realization of his own freedom, but the barrier to it" (Marx, 1844a: 23).

This passage really reflects Marx's ethical criticism of capitalism. First of all, Marx does not use the term 'capitalists' and 'proletarians' or any other certain classes; instead, he simply refers to 'general' individuals. Secondly, he does not use the term 'bourgeoisie property' or 'proletarian property' or any other certain properties; instead, he refers to a 'general' private property. Finally, even though he starts by criticizing the right to private property as the behavior of self-interested men who do not care other people, he finishes by emphasizing individual freedom. What do these remarks tell us? Marx criticizes private property not only because it is an instrument of exploitation between capitalists and workers, but also an institution alienating 'every' individual from their real nature and freedom. When Marx argues that the capitalist society makes man self-interested and distant themselves from the society and other men, it seems at first glance that he does not value individual freedom at all. But, surprisingly, this is not the case. In fact, he thinks that individual freedom is very important for human life, but he just sees that the capitalist society prevents them from real individual freedom. Self interest and private property are the barriers to real freedom of man because when we are afraid that other men would take advantage of us and have to protect our own properties from other men, we are not free from fears and insecure. The similar idea is also addressed in *the Grundrisse* when Marx is said to become the Mature Marx. Let me cite his passage in length:

'The more deeply we go back into history, the more does the individual, and hence also the producing individual, appear as dependent, as belonging to a greater whole: in a still quite natural way in the family and in the family expanded into the clan [Stamm]; then later in the various forms of communal society arising out of the antitheses and fusions of the clans. Only in the eighteenth century, in 'civil society', do the various forms of social connectedness confront the individual as a mere means towards his private purposes, as external necessity ... The human being is in the most literal sense a political animal, not merely a gregarious animal, but an animal which can individuate itself only in the midst of society. Production by an isolated individual outside society - a rare exception which may well occur when a civilized person whom the social forces are already dynamically present is cast by accident into the wilderness - is as much of an absurdity as is the development of language without individuals living together and talking to each other. There is no point in dwelling on this any longer" [underline added]

(Marx, 1858: 84)

According to the above passage, Marx still holds that the human nature is a political/communal being. Capitalism or civil society which emerged in the eighteenth century really changed the nature of man from communal being to egoistic being. And he still sees that a man can reach his real individuality only through the participation in the society. He also firmly suggest that "there is no point in dwelling on this any longer." All of this reminds us of On the Jewish Question when Marx is said to be the Young Marx. So, the claim that Marx has transformed from the Young Marx to the Mature Marx after 1845 in relation to his methodological shift, that is, "philosophy" to "science," is questionable.

1.2 Alienation, Exploitation, and Capitalism

In this section I argue that alienation and exploitation are the very ethical concepts. Since Marx holds these ethical concepts from his early works to later works³ (before and after 1845), it is important to understand these concepts. Many Marxist students would be very familiar to the idea that workers are alienated from his own labour because capitalists appropriate some portion from his labour, that is, the surplus value. Anyway, I would like to consider these conceptions in another less popular version, but I think it is important to better understand Marx. This version is to contemplate the relationship between each individual as a seller and buyer of commodity. In other words, I want to show that Marx concerns about this ethical problem in a very radical sense which goes beyond the relationship between capitalists and proletarians. Though we may be free to do anything we prefer, given we do not harm others, we still cannot live our lives ethically because we alienate ourselves from our real nature, that is, a communal being. Men should be treated as an ends in themselves, not a mere means for other ends.

Communal beings can be reached only if every individual does not see others as their means whom they can use for their own benefits. For example, a producer may voluntarily serve his consumers very friendly in order to get money from them, and this seems to be a mutual benefit between him and his consumers. But for Marx, this is unethical because both producers and consumers do those actions just because they want to take advantage of each other. They do not serve other people because they really feel that they are

human beings. Producers do not give consumers their products and services because they think that those consumers really deserve them, but just because they can give them benefits (money) in return. In one word, they treat other human as a mere means to serve for their own ends, and fail to treat each other as an ends in themselves.

I absolutely agree with Buchanan who says that 'Marx's general conception of exploitation is broad enough to apply to relationships between persons who are not producers" and "even though two merchants or two bankers, for example, are members of the same class, even though both have property in means of production and stand in no wage-relationship to one another, they nonetheless exploit one another in their transactions. Each harmfully utilizes the other as a mere means to his own advantage." (1982: 39). Therefore, if we want to treat others as an ends in themselves, we should produce things we think its "use-values" are really worth for them, not just for our own profit (exchange-values). We should serve other humans because we really love them, not just for our own advantages. But this is clearly impossible in the capitalist society. This is why Marx blames capitalism immoral.

Adam Smith advocates capitalism and the division of labor because every individual does not need to sacrifice their interests for the sake of community, but the society and individuals can benefit from the division of labor without any coercion. But for Marx, this is unethical because, again, the higher is the level of the division of labor, the higher is the level of egoistic beings. For Marx, the ultimate aim of production is not to increase the wealths of nation or productivity of labour, but for the development and fulfillment of the real nature of human beings. In this sense capitalism and the division of labour distort this goal/end, as Marx writes that:

'[in capitalist society] He is a hunter, a fisherman, a shepherd, or a critical critic, and must remain so if he does not want to lose his means of livelihood; whereas in communist society, where nobody has one exclusive sphere of activity but each can become accomplished in any branch he wishes, society regulates the general production and thus makes it possible for me to do one thing today and another tomorrow, to hunt in the morning, fish in the afternoon, rear cattle in the evening, criticize after dinner, just as I have a mind, without ever becoming hunter, fisherman, shepherd or critic"

(Marx, 1845b: 53)

In the capitalist society, working is an alienated activity. People do not regard the working activity as a part of their meaningful lives but the barrier to their freedom and happiness. They do not perform working activities in order to develop their higher human nature but just to survive day to day. In the capitalist society, the community, where one should see as a place for the fulfillment of communal essence, becomes an arena of competition where one tries to take advantage of it. In the communist society, humans interact directly with each other, which makes any intermediary (e.g. money, market, division of labor) no longer necessary, and thus working becomes an aesthetic activity. People have no more feeling of alienation towards working and the community.

1.3 Marx: Individualist or Collectivist?

It should not be surprising if one would understand that Marx is a diehard collectivist who always calls for individuals to sacrifice for the bigger benefits of the society. This is because Marx takes the ideas of 'communal' or 'social' beings and objects to 'egoistic' beings. More obviously, he advocates the abolishment of private property. I agree that Marx is a collectivist who sees that individual interests are justified only if they are compatible with some certain values external to their own wills, that is, communal beings. Anyway, Marx is different from other collectivists in the sense that he claims that he bases his ethical grounds on individuality: each individual should be free from "any" coercion. But this is also very different from libertarian points of view.

Collectivism either holds that each individual must be ready to sacrifice their private benefits for the whole society or that each individual should conform to some certain values external to their own wills. This may include authoritarianism, utilitarianism, communitarianism, cultural relativism⁴, and so on. They may differ in details but they have something in common: the violation of the principle of the separateness of persons. Theoretically, Marx is one of them. He argues that the need for any conception of rights is merely the symptom of the morally weak society: only the morally weak society calls for the conception of rights to protect its citizens from harming each other. He encourages us to think beyond the existing facts and search for its fundamental causes. Discourses like 'human rights' and 'justice'

raised by eighteenth-century liberal intellectuals were just the illusive conceptions to camouflage economic interests of the bourgeoisie class. They need the concepts of right because they have something to protect, and this is the beginning of 'egoistic' being and the alienation from the community and other humans. Marx points out that 'something' we need to protect comes originally from the existence of 'private property,' and this is why he refuses it.

Since Marx opposes private property, individual rights, and the conception of justice, and also advocates the conception of social/communal beings, he is clearly not an individualist. But to say simply that he is a collectivist seems to be too broad to make sense of his political theory. I suggest that what makes him different from other collectivists is that he accepts only the communist society, and he believes that political economy (class struggle, production, and so on) is adequate to do justice for everyone: once the moral problems of political economy (economic relationships) are solved, Marx believes that individuals would find their ways to live together peacefully and ethically (Singer 1980; 85). In other words, Marx believes that the most fundamental cause of any human alienation/conflicts stems from the existence of private property and classes, and once these are abolished there is no need to talk about justice any more. Characteristics of his political theory should be clarified by comparing his views with other collective views.

Utilitarianism⁵ would say that individuals have to abide by the consensus of the majority voice because this leads to the greatest happiness of the total sum of individuals. Whether individuals can rightly do something depends on the majority of the society. Each society may have different ways of judgement because the majority in each society may think and need differently. Let us investigate the differences between Marx and utilitarians regarding the human nature. Utilitarians insist that human nature is to seek for the greatest happiness and avoid pains as much as possible, and any law or action that enables them to maximize this human nature is justified (Bentham 1879; 117-120). Marx is clearly not a utilitarian because, for him, to morally fulfill the real human nature is to work consciously/aesthetically along with other humans, not just to work for their own interests and see other humans a threat to their own happiness. Therefore, Marx does not give the priority to the majority over

minorities like utilitarians do because the majority in the capitalist society is still dominated by the alienation of communal beings. In one word, as long as the capitalist society is unjust, neither the majority nor minorities can be the ethical standard.

Another collectivism is communitarianism⁶, which is the idea that individuals have to conform to the common good of the social practice in question as this is the only way to show respect to the nature of a particular thing and do justice to those who possess particular merits. This is the so-called the teleological theory which can be traced back to Aristotle and Hegel (Avineri and de-Shalit, 1999: 1-2). This is different from utilitarianism in the sense that the majority may not necessarily be the right voice if they do not conform to the common goods.⁷ Each community⁸ has different ways of judgement because they hold different teleological values. Michael Walzer, a well-known communitarian, proposes that the Young Marx is a communitarian: 'The writings of the Young Marx represent one of the early appearances of communitarian criticism, and his argument, first made in the 1840s, is powerfully present today' (1990: 8)⁹. In principle, I agree with Walzer in saying that Marx is a communitarian like him and other contemporaries. But there is still a significant difference between Marx and communitarians. But before I will give my explanation about this, let us be exposed to a clearer sense of communitarian critique of libertarianism.

Liberals like Immanuel Kant and John Rawls insist that we are all born as an unencumbered self (autonomous self) in the sense that the right priors to the good. Since we are born with freedom of choice and ability to reason, we should be free to pursue our ends, given we harm no others (Sandel, 1984). Anyway, communitarians disagree and argue that we are born as an encumbered self in the sense that the good priors to the right. We are not born with freedom of choice but with particular ends/goods, so what we have to do in our lives is not to choose whatever we want but to figure out our own particular ends that we are given and have not chosen. This is what Alasdair MacIntyre called the "narrative view of the self" (1981: 220). Let me cite one of the most popular quotes from MacIntyre:

"We all approach our own circumstances as bearers of a particular social identity. I am someone's son or daughter, someone else's cousin or uncle; I am a citizen of this or that city, a member of this or that guild or profession; I belong to this clan, that tribe, this nation. Hence what is good for me has to be the good for one who inhabits these roles. As such, I inherit from the past of my family, my city, my tribe, my nation, a variety of debts, inheritances, rightful expectations and obligations. These constitute the given of my life, my moral starting point. This is in part what gives my life its own moral particularity"

(MacIntyre, 1981: 219-20)

According to communitarians, we are all born to find out our own ends/roles given by a particular teleology of the community in question. Walzer writes that "in a liberal society, as in every other society, people are born into very important sorts of groups, born with identities, male or female, for example, working class, Catholic or Jewish, black, democrat, and so on" (1990: 15). This means that everyone has a certain moral obligation to his/her own identity¹⁰ in one way or another. More importantly, communitarians hold that each social practice requires different social norms, and private property is not always a vice or hindrance that prevents them from realizing their nature¹¹. In this sense even though communitarians accept that human is a communal being, communist society may not be the just society for everyone as they see that people still have legitimate claims on their communities, lands, and other legacies. For Marx, when he says that human nature is a communal being, he refers only to the communist society which has no private property and classes. Marx's communal being cannot be applied to any existing society with private property and classes. In the communist society there is no any serious conflict of interests among human beings because the most important source of conflict has been abolished already via the abolition of private property.

I propose that Marx can be said to be a communitarian in that he searches for the teleological essence of human beings, and from that he argues that anything preventing humans from becoming/realizing their essence is immoral and unfree. But Marx is different from other communitarians for at least three reasons. First, Marx gives no place for private property at all because it is assumed to be the real hindrance for human essence. But other communitarians like Aristotle, Hegel, MacIntyre, and Sandel do

not always see that private property is a barrier that alienates humans from their real nature. They insist that we do not need to treat everyone else in the same way. It is plausible to treat my family members better than and different from foreigners, and so on. But Marx insists that we have to treat everyone else as an equal human being. In this sense they merely disagree about what the real essence of humans is and how it is to be realized. Second, Marx believes that political economy is the fundamental cause of all injustices, whereas other communitarians see that different social practices require different justices which implies that a discussion/critique of political economy is inadequate to do justice for the whole community. Finally, Marx discusses only the essence of human beings in relation to the working activities and leave other issues aside, while other communitarians discuss many more issues.

The last collective theory I want to contrast with Marxism here is 'cultural relativism' which says that there is no such things as universal laws and natural rights. The discourse 'universalism' is said to be a strategy of Western imperialism to dominate and conquer other non-Western countries. So, cultural relativists call for the concept of particularism rather than universalism in order to allow different cultures determine what is right and wrong according to their cultural understandings. The most important assumption is that the controversial concepts such as 'rights,' 'justice,' and 'goods' are usually understood and defined according to different cultures, so no any single particular culture should dominate other different cultures. Van Herpen proposes that Marx, after 1845, tried to avoid any ethical justification of capitalism and embraced the "ethically neutral concept of 'ensemble of the social relations'" instead.

'Marx considers communist ideas as the expression of the "historical movement" and seems therefore to reduce its immanent ethos to sheer historical facticity. He makes, as it were, an inverse naturalistic fallacy because he does not try to induce values from facts, but, on the contrary, tries to reduce values to facts. Marx, therefore, runs the risk of falling into a value relativism. For as the "historical movement" justifies communist ideas, why should the "historical movement" not also justify other (e.g. fascist) ideas? Marx avoids this historical consequence of his train of thoughts by taking refuge in a historical determinism. According to him the "historical movement" can finally only move in one direction, namely that of communism"

(Van Herpen, 2012: 13)

According to this view, Marx, after 1845, tries to replace an ethical theory by a scientific one, and this is what Althusser (1965) calls an 'epistemological break.' The communist society is not viewed as an ideal society any more; instead, it is justified because it is an inevitable result of the 'historical movement.' In this sense Marx seems to say that any inevitable result of the facts is justified by itself, so he is a cultural relativist. However, I disagree with this account of Marx.¹² I will criticize this account by referring to one of Marx's best-known books: The Communist Manifesto. This book is appropriate for this task because (1) it was written in 1848 when Marx is said to become the Mature Marx, and (2) it is held that it represents Marx's thoughts consistently.

One passage says that "what the bourgeoisie therefore produces, above all, are its own grave-diggers. Its fall and the victory of the proletariat are equally inevitable" (Marx and Engels 1848: 65). This seems to suggest that Marx's judgment of capitalism is based on historical determinism as he uses the strong terms like 'own grave-diggers' and 'inevitable' to suggest that communism must happen for sure because it is an inevitable result of scientific law of motion of the capitalist society. With this scientific theory, Marx thinks that he can avoid any ethical theory which seems to be too subjective and unscientific. Anyway, I suggest that this passage cannot be read separately from the larger context of his justification. In other words, we cannot take this passage seriously and independently as I think Marx just wants to say that the ideal society (communist society) can happen as the result of scientifically historical movement. It does not mean that Marx accepts "every" result of the scientific movement. Just the next few pages, Marx says that:

"We Communists have been reproached with the desire of abolishing the right of personally acquiring property as the fruit of a man's own labour, which property is alleged to be the groundwork of all personal freedom, activity and independence ... Or do you mean modern bourgeoisie private property? But does wage labor create any property for the laborer? Not a bit. It creates capital, i.e., that kind of property which exploits wage labour, and which cannot increase except upon conditions of begetting a new supply of wage labor for fresh exploitation. Property, in its present form, is based on the antagonism of capital and wage labour"

(Marx and Engels, 1848: 67)

This passage shows that Marx's criticism of capitalism is based on the concept of freedom which is very ethical. If he really is a cultural relativist who justifies anything as a result of scientific movement, then why he has to bother with the reproach that communists destroy the private property and personal freedom? I think this is because he is actually not a cultural relativist, but rather an ethical communist.¹³ For him, the existence of the bourgeoisie property is illegitimate because it is based on the exploitation of labour. This means that Marx hates capitalism because of its injustice. Another passage says that:

"We by no means intend to abolish this personal appropriation of the products of labor, an appropriation that is made for the maintenance and reproduction of human life, and that leaves no surplus wherewith to command the labour of others. All that we want to do away with is the miserable character of this appropriation, under which the laborer lives merely to increase capital, and is allowed to live only in so far as the interest of the ruling class requires it. In bourgeoisie society, living labor is but a means to increase accumulated labor. In communist society, accumulated labor is but a means to widen, to enrich, to promote the existence of the laborer. In bourgeoisie society, therefore, the past dominates the present; in communist society, the present dominates the past. In bourgeoisie society capital is independent and has individuality, while the living person is dependent and has no individuality"

(Marx and Engels, 1848: 68)

This is a very important passage that proves that Marx's criticism of capitalism is based on the concept of ethics and freedom, and justification of communism is not because of its historical movement but because it emancipates individuals from the illusive and distorted freedom in the bourgeoisie society. Please consider the terms like 'We,' 'intend,' 'want,' and 'miserable.' These terms indicate ethical justification that is full of conscious will and far from historical inevitability. Marx advocates the communist society not because it is the inevitable result of scientific movement, but because it is more appropriate for human nature and individual freedom. This is why Marx has to compare between the 'bourgeoisie' and 'communist' society.

Finally, let us turn to the differences between Marx and traditional individualism or libertarianism¹⁴, Libertarians assert that everybody has individual rights that even the democratic community cannot overrule¹⁵. Each individual should

be free to pursue what they think it is the best for them, given that they do not harm other people. Each individual has the right to self-determination in the sense that they can choose to do and be anything they like regardless of the external society.

Thus any external value cannot dictate them what to do. Marx argues that individualism in this sense is too narrow and deceptive as, in fact, our selves are determined by certain social relations. We cannot determine our lives in any way we like, but are determined by the external world (1845a: 570).

Marx disapproves of libertarian claims not because he ridicules individual rights and freedom in any case, but because he believes that there is no such things in the capitalist society. Marx argues that we have no 'true' individual rights and freedom under capitalism because we are all coerced economically. We may be free from political and social constraints such as freedom of religion, freedom of speech, and freedom of occupations, but we are not free from economic coercion. We are forced to work by the "necessity" of living. We do not work because we really see it important for our moral lives. We do not work for the fulfillment of human nature, but for survival only (Marx 1844b). Therefore, freedom of occupation is not equal to freedom from economic coercions. Capitalism cannot provide us real individual freedom. Marx would say that true individualism can be reached only in the society without private property and classes. Only in this kind of society that individuals are free to engage in any productive activities according to their preferences without any restricted division of labor.

To sum up, Marx is neither a traditional individualist nor collectivist because both of them (traditional) is still under the capitalist society that accepts private property and classes. In contrast, Marx's concept of communal beings goes beyond the capitalist society and does not appeal to any bourgeoisie conception of rights and freedom at all.

2. Libertarianism and the Justification of Capitalism

We all know that many libertarians such as John Locke, Adam Smith, Robert Nozick, F.A. Hayek, and Milton Friedman really advocate private property in one way or another. Even though they are usually criticized by marxists as the excusers of capitalists, their thoughts are still worth to be taken

into consideration seriously. This section consists of three parts. First, I will explore the conception of human nature in libertarian points of view. Second, I will explain the conception of methodological individualism in order to understand why and how libertarians approve of capitalism. Finally, I will show how libertarians perceive the concepts of freedom and equality.

2.1 Human Nature: Autonomous Self

Before we will see how libertarians explain their theory of the ontological self, I would like to answer the question why metaphysics and moral philosophy are important for the justification of political economy. In my opinion, it is almost impossible to judge capitalism or any other system if we do not embrace a particular theory of the ontological or moral self¹⁶ (human nature).

Metaphysics or ontology is the study of how things are the ways they are, without any normative justification. For example, if we want to know how the natural world really is independent of any human opinion, this is the metaphysical study. Therefore, to talk about a human nature is to talk about an ontological or metaphysical theory because we want to understand how our human nature is, whether like it or not. Because of the nature of this study, it is very controversial as one may have different explanations. Some might say that the human nature is a communal being, others might say an egoistic being, and so on. Philosophers like Hobbes, Locke, Kant, and Marx have their own metaphysical explanations of the human natures, and these different concepts lead to different moral and political theories. For example, Kant advocates liberal politics because it is appropriate to the conception of human nature, which is an "autonomous self." In this sense their political standpoints are built from their ontological grounds. However, some philosopher like Rawls claims that we can avoid discussing such a controversial issue and just embrace political philosophy directly.

Rawls' Political Liberalism (1993) suggests that his liberalism is not metaphysical in the sense that it does not matter whether the human nature is actually an autonomous self or not as we still can say that we and government should regard them that way so that their freedom of choice is really respected. In other words, Rawls suggests that we can have a

normative theory without an ontological theory as a prerequisite. His position on political liberalism has been criticized by many scholars, especially by Sandel who argues that "once Rawls disavows reliance on the Kantian conception of the person, however, this way of justifying the original position is no longer available. But this raises a difficult question: what reason remains for insisting that our reflections about justice should proceed without reference to our purposes and ends? Why must we "bracket," or set aside, our moral and religious convictions, our conceptions of the good life? Why should we not base the principles of justice that govern the basic structure of society on our best understanding of the highest human ends?" (1994: 218-9)¹⁷. For me, we cannot avoid discussing what the human nature is or should be before discussing how the society and economic system should be, otherwise we would fall into the same theoretical failure as Rawls (1993) did.

Now the question is how libertarians explain the human nature? For me, it does not matter whether they explicitly announce their explanations or not, but their ontological theory of human nature must be found in their theory, especially on the justification of capitalism. I would like to begin with Locke's theory of private property in his Second Treatise of Government (1690). Locke insists that human beings have three natural rights: right to life, right to liberty, and right to property (1690: 9). He sees that any natural resource in the state of nature belongs to no one in the first place. However, whenever someone inserts his or her labour into those natural resources, they would become their own properties. This is the beginning of the right to private property, especially the property in land because this is the very first factor of production. Anyway, Locke does not support unrestricted private property in land in the sense that someone can take any resource in his hand as much as he can, but the right to private property must be limited unless others have 'good and enough' resources (1690: 19). But after the use of money is introduced, the unrestricted private property becomes possible because we can keep our products in money form which prevents the products from spoiling. This also motivates people to increase productivity which make an abundant amount of food enough for everybody even if someone may not possess any factor of production. I think this implies that the productivity of labour is a crucial

factor that brings justice in the society.

I think that Locke should advocate the present capitalist society because it really respects natural laws (right to private property) and an autonomous self (moral agent). Capitalism allows individuals to pursue their own interests, and since it increases the productivity which is important for social justice, so nothing is morally wrong with capitalism. It is worth noting that Locke does not insist that every human being actually needs the rights to life, freedom, and property; instead, he insists that every human being has the ability to access God's rules or universal laws, so their rights should be protected. Locke's theory of the self is that the human nature has the ability to access universal reasons by themselves without any intermediate like the monarchy or the church. In this sense capitalism is appropriate for the human nature (autonomous self) as it respects our ability to reason. I see that Locke's autonomous self is shared by almost every kind of libertarian such as Kant, Rawls, Hayek, and Friedman, although they actually interpret the autonomous self quite differently from Locke. Nevertheless, they all give the priority to the right over the good (deontology) because they all embrace the notion of an unencumbered self. Individuals are an independent self and have the ability to reason (rationality), so capitalism is preferable.

2.2 Methodological Individualism

This section is to explain how libertarians justify capitalism from the concept of methodological individualism. As a rule, political economists apply this concept to define the nature of neoclassical economics (Arnsperger & Varoufakis, 2006; Colander, 2000; Lowenberg, 1990; Tabb, 1999). But I will use this concept to define the ethical methodology of libertarianism. This theory holds that individuals are the beginning of everything and the only moral agents. This is an abstract individual who has no history, culture, and other moral bounds. They are self-interested and have the ability to reason, and also hold different conceptions of good life in that what is good for someone may be bad for someone else. The community is just a voluntary association of individuals. Their separateness should be prior to a community. Since they are all equally moral agents who have freedom of choice, they should not be used as a mere means to serve the ends of other people.

It should be noted that Rawls' moral agents simply own their abstract selves (Being) but not their properties (Having). His two theories of justice allow the society to redistribute the wealth of its members. He does not see that the redistribution of income is the violation of the principle of the separateness of persons because their properties are given arbitrarily. For example, someone may be lucky to be born in a very wealthy family and has an intelligent brain, whereas someone else may be accidentally born in a very poor family and has no skills demanded by their community at the moment. Therefore, any results of arbitrariness must be distributed in the society as individuals do not deserve what they 'have' as long as the least advantaged members of society suffers. But libertarian like Nozick (1974) points out that Rawls' difference principle violates his theory of equal liberty (the first principle of justice) because if we cannot determine what to do with our own properties, then how can we say that we have autonomy? To put it another way, Nozick holds that our autonomy (the moral agent) must cover both our 'being' and 'having.'

Now the question is how libertarians' concept of the moral agent justifies the capitalist society. There are two main answers. First, the capitalist society is justified because it is the cause (condition) of individual freedom. Second, the capitalist society is justified because it is the result (end state) of each individual's free decisions. In fact, these two answers are dependent and indivisible, but I distinguish them here to show that we can approach to the question from two different directions. Let me discuss them in turn.

First, the 'cause' view. This view sees that the capitalist society is appropriate and compatible with individual freedom. It should be made clear that competitive capitalism is quite different from monopolistic capitalism, and libertarians support the former only. To understand how competitive capitalism is a proper condition of individual freedom, I would like to start with Adam Smith. First of all, in contrast to general misunderstanding, Smith actually supports capitalism not because he prefers capitalists to workers, but because he believes that it would lead to mutual advantages among different classes in the society. Smith's individualism is that each individual should have 'freedom to pursue their own interest, limited only by respect for the freedom of others' (Tabb, 1999: 35). His idea on the 'invisible

hand' is very important: "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, and never talk to them of our own necessities but of their advantages" (Smith, 1776: 119). Unlike Marx, Smith does not view that 'treating others as a mere means for our own ends' is unethical. Instead, individuals' self-love can be acceptable as long as this does not harm other individuals and there is no the state intervention¹⁸. Smith's another judgement of capitalism is the improvement of the productivity as the result of the 'division of labor.' This seems to make capitalism justified because we can achieve two important goals at the same time without the need for sacrificing one goal for another. These two goals are 'the wealth of nations' and 'freedom of individuals.'

Before Smith's theory became popular, many European countries were dominated by 'mercantilism' (Ekelund and Hebert, 2007: 44-67). It believes that 'the wealth of nations' should be measured by an amount of golds and money, which is fixed and finite: if some nations are richer, then their trade partners must be poorer. Mercantilists suggest that a nation protects its own national producers from international competitors, and encourages them to export goods as much as possible. This can make values of exports greater than that of imports. And to gain the surplus balance of trade, mercantilists support national monopolistic enterprises and oppose competitive market because it would lead to many small enterprises which are less competitive than big enterprises. Their policies imply that beneficiaries are certain national producers and sufferers are both national and international consumers which have much greater numbers. National individuals as consumers have no a variety of choice because they are forced to buy goods from domestically monopolistic producers only. They may be better off if international goods are permitted to their choices. In this sense we can say that mercantilism calls for individuals' sacrifice in order to achieve the wealth of the nations. But for Smith, the real source of the wealth of the nations is the 'productivity of labor,' not golds or moneys, and this goal can be reached by the division of labor: 'The greatest improvement in the productive powers of labour, and the greater part of the skill, dexterity, and judgement with which it is anywhere

directed, or applied, seem to have been the effects of the division of labour" (Smith, 1776: 109). If we consider the effects of the division of labour along with the principle of the invisible hand, then we can reach the conclusion that the goals of the 'wealth of nations' and of 'individual freedom' can be implemented consistently at the same time. No one needs to sacrifice themselves for the bigger interests of the society.

In order to fully understand how libertarians justify capitalism as a cause of freedom, we have to take political freedom into account. Libertarians justify any political or economic system that really respects individual freedom/rights, and not just treats someone as a mere means for the benefits of someone else by force. In one of his best-known book 'The Road to Serfdom' (1944), Hayek warns us how the central planning economy can bring in our society dictatorship in every aspect. First of all, like Smith, Hayek supports only the competitive market, and government intervention is justified only if it leads to more competition. Hayek justifies capitalism on the ground that it is the only system that allows every individual to pursue their own interests, and argues that political and economic freedom cannot be separated. He does not only focus on economic freedom, but also on individuals' freedom as a whole. If economic freedom is restricted, then individual's freedom is impossible. In this sense the claim that the planning economy only deprives individuals of economic freedom is invalid.

"There is no "economic motive" but only economic factors conditioning our striving for other ends ... If we strive for money it is because it offers us the widest choice in enjoying the fruits of our efforts ... It would be much truer to say that money is one of the greatest instruments of freedom ever invented by man" (Hayek, 1944: 92-3). From this view, the free use of money is treated as the exercise of individual freedom. In contrast to Rawls, Hayek regards the "Having" as an indispensable element of freedom of choice of individuals which cannot be overridden by the government or someone else.

Some advocates of the planning economy would argue that it should be justified if people are given secure jobs and incomes even if they are not allowed to choose them by themselves. They are saying that the government is justified to control all productions of the society, and turn every individual to be public servants. But Hayek totally

disapproves of those claims. 'So long as we can freely dispose over our income and all our possessions, economic loss will always deprive us only of what we regard as the least important of the desires we were able to satisfy ... It is whether it shall be we who decide what is more, and what is less, important for us, or whether this is to be decided by the planner' (1994: 93-4). And 'some freedom in choosing our work is, probably, even more important for our happiness than freedom to spend our income during the hours of leisure' (p. 97). This means that we cannot separate economic activities from other activities. Economic factors (e.g. money, jobs) just facilitate people to pursue what they want. It does not make any sense to say that we can have political democracy with economic planning. If people cannot choose what and how to work, then they do not have real freedom.

Each individual is metaphysically held to know the best thing for their rank of preferences and wants. Of course, when economic loss occurs (e.g. a decrease in income) people suffer by being unable to pursue 'everything' they want, but they still can rank what is the most important and the least important for them, and so they can choose not to buy the least important thing. This is better than the situation in the planning economy because one cannot choose what they really want. Someone else (government) is supposed to know better than autonomous individuals themselves. Like Marx, Hayek exploits the conception of 'means and ends' to justify how capitalism treats individuals. Unlike Marx, he sees that capitalism treats individuals as an ends in themselves, while the planning economy treats individuals as a mere means for the ends of others and does not respect the separateness of persons.

In the planning economy there is someone else who decides what is good and bad for all of us. We do not have the rights and freedom to decide on our own. In this sense individuals are treated as a mere means for other ends that we may not want. 'The principle that the end justifies the means is in individualist ethics regarded as the denial of all morals. In collectivist ethics it becomes necessarily the supreme rule; there is literally nothing which the consistent collectivist must not be prepared to do if it serves "the good of the whole", because the "good of the whole" is to him the only criterion of what ought to be done' (Hayek, 1994: 151). Hayek also opposes the idea that individual has to sacrifice

their private benefits for the bigger benefits of the society. 'Once you admit that the individual is merely a means to serve the ends of the higher entity called society or the nation, most of those features of totalitarian regimes which horrify us follow of necessity' (p. 153).

Second, the 'result' view. Let's think about the world without anything but abstract individuals. They first must learn how to cultivate lands and produce things for their consumptions, and then how to exchange their products with other individuals so that they can get things they really want rather than consuming what they could produce only. They also have to learn how to exchange their products with money so that they can get things they want at any time. When these processes go on, it turns out that someone who is more intelligent/diligent/enduring/frugal/lucky is more likely to be richer than someone else. The market society is justified because people are not forced to work and no one has an absolute power to determine how the society should be. Therefore, whatever resulted from the market should be justified because it is the result of all individuals' wills.

Robert Nozick's best known book, *Anarchy, State, and Utopia* (1974), proposes a typical libertarian account of private property, which he called the entitlement theory of justice. 'The entitlement theory of justice in distribution is historical; whether a distribution is just depends upon how it came about' (1974: 153). This theory consists of three elements as follows.

"If the world were wholly just, the following inductive definition would exhaustively cover the subject of justice in holdings.

A person who acquires a holding in accordance with the principle of justice in acquisition is entitled to that holding.

A person who acquires a holding in accordance with the principle of justice in transfer, from someone else entitled to the holding, is entitled to the holding.

No one is entitled to a holding except by (repeated) applications of 1 and 2"

(Nozick, 1974: 150)

The principle of justice in acquisition is that in the state of nature when natural resources are still unowned, the principle of "first-come, first-served" justifies those who appropriate those natural resources, given "other people must not be made worse off" (Parvin and Chambers, 2012: 171). However, if we investigate Nozick's theory of justice in detail

we can find that his theory is either ambiguous or flawed and self-contradictory.

It is ambiguous in the sense that even though he makes a bold claim that the proviso of the legitimacy of private property must make sure that no one is worsen off by another's appropriation, he could not give a satisfied answer of the question "worsen than what?" This is what we call "the problem of baselines" (Wolff, 1991: 112-5). Nozick tries to reply that the criterion of the baseline is the situation without private property. So, appropriation is unjust only if it makes someone worsen off than when he would have been in the non-private-property world. But since he undoubtedly believes that everyone would be better off for sure in the world with private property, so he, in effect, justifies any case of appropriation even if sometimes someone may be worse off than he was before when he had his property. If someone used to own his private property which yielded a certain standard of living for him, but later he loses his property to someone else and becomes an owner of non-property at all. And suppose that under the new situation, his standard of living becomes worsen than he was before. In this case, Nozick would still justify another's appropriation because, at least, he is better off than he "would have been had there been no private property at all" (Wolff, 1991: 112). In this sense, for Nozick, any case of appropriation is justified, whatever the degree of inequality. But it should be noted that Nozick's argument is also a matter of empirical evidence, not only philosophical reasoning.

"Is the situation of persons who are unable to appropriate (there being no more accessible and useful unowned objects) worsened by a system allowing appropriation and permanent property? Here enter the various familiar social considerations favoring private property: it increases the social product by putting means of production in the hands of those who can use them most efficiently (profitably); experimentation is encouraged, because with separate persons controlling resources, there is no one person or small group whom someone with a new idea must convince to try it out: private property enables people to decide on the pattern and types of risks they wish to bear, leading to specialized types of risk bearing; private property protects future current consumption for future markets; it provides alternate sources of employment for unpopular persons who don't have to convince any one person or small group to hire them, and so on"

(Nozick 1974; 177)

This passage shows that any private property system is always justified because it increases the social outcome as a result of increasing efficiency in production. If Marx says that it is unjust for the fact that only a few capitalist can possess the means of production whereas a huge proletarian do not, then Nozick would argue that this is not a problem at all as long as the capitalists use them 'most efficiently.' 'Nozick believes that the advantages of capitalism are such that those unable to appropriate land because it is all in private ownership are, nevertheless, likely to be better off than they would have been without the existence of individual private property rights" (Wolff 1991; 111). But this may raise a further question, what if the social outcome did not increase as he thought? He has no a reply to this question as he already takes it for granted that capitalism would always bring the improvement into the society.

His theory of justice is also flawed and self-contradictory. Nozick strongly believes that only his entitlement theory is compatible with freedom of individuals, and any kind of patterned distribution is wrong. Before putting his assertions further, we should go back to Marx's definition of communist society proposed in the Critique of the Gotha Program (1875). Marx proposes that the principle of communist society is "from each according to his ability, to each according to his needs" (1875; 10). This principle really conflicts with the capitalist society because it does not necessarily hold that we could receive according to what we need. Marx's principle is clearly unacceptable in the view of libertarians as it violates freedom of (egoistic) individuals. Nozick points out that

"to think that the task of a theory of distributive justice is to fill in the blank in "to each according to his ____" is to be predisposed to search for a pattern; and the separate treatment of "from each according to his ____" treats production and distribution as two separate and independent issues. On an entitlement view these are not two separate questions ... Things come into the world already attached to people having entitlement over them. From the point of view of the historical entitlement conception of justice in holdings, those who start afresh to complete "to each according to his ____" treat objects as if they appeared from nowhere, out of nothing"

(Nozick 1974; 159)

The sentence "things come into the world already attached to people having entitlement over them" suggests that freedom of individuals includes both "Being" and "Having" and these two elements are inseparable. Therefore, to say that "to each according to his ____" is to say that the owner of labour has no right and power to decide about their lives. There must be someone else who decide for them about what virtues/merits (e.g. moral merit, needs, marginal product, how hard he tries, the weighted sum of the foregoing, and so on (Nozick, 1974: 156)) they should be rewarded. Nozick suggests that the only acceptable principle for distributive justice is "from each as they choose, to each as they are chosen" (Nozick, 1974: 160). And this principle can be found only in the capitalist society: only the capitalist society ensures freedom of individuals without treating people as a mere means for others' ends. As he concludes that "no end-state principle or distributional patterned principle of justice can be continuously realized without continuous interference with people's lives," and "to maintain a pattern one must either continually interfere to stop people from transferring resources as they wish to, or continually (or periodically) interfere to take from some persons resources that others for some reason chose to transfer to them" (Nozick, 1974: 163).

However, I argue that his theory of justice and justification of capitalism is flawed because while his theory and justification are based on the non-patterned theory, his assertion that the private property is justified only if his proviso is met suggests that he also employs a particular patterned theory of the entitlement (Kuflik, 1982: 75). As G.A. Cohen (1985) argues, the Nozickian proviso is not the only possible proviso as we may compare the actual situation to other possibilities. For example, if the actual situation is that A is the owner of all lands, while B has no lands at all, according to Nozick, this is justified because B is assumed to be better-off than he had been in the situation of common ownership or non-private-property at all. But Cohen argues that B may be better-off if he had been the owner of all lands instead of A, or if all lands are shared by both A and B, and so on (Conway, 1990: 2). All of this implies that there could be more than one proviso. We should remember that the Nozickian proviso is quite controversial and conflicts with provisos provided by others. The question is why we should accept that the Nozickian proviso is more acceptable than

that of others? Does this not suggest that Nozick already chooses a particular pattern of distributive justice?

The reason I call Nozick's theory of justice self-contradictory is because he always insists that human life is not just about the outcomes (utility or something else), but also about being able to do the real thing in the real world (1974: 44-5). So, it seems inconsistent to suggest that B should accept his actual situation only if his outcome is not worse than his situation in common ownership. The question is why should B accept this situation? How dare does he judge in the name of B? Perhaps B may want to work on his land even with the lower outcomes. Nozick might argue that even though B may want to work on his land, he cannot do so as all lands belong to A already. The question raised from this reply is that what justifies A's appropriation of all lands in the first place? According to this reply, A is entitled to all lands before any proviso is met, and this means that B has no freedom to choose whether he would accept A's appropriation, but he is forced to accept it if it is proved that he receives the better outcome. In this sense Nozick obviously imposes a particular pattern of distribution on individuals.

It should also be noted that Nozick has no problem with any changes about the capitalist society only if individuals see it fit. Workers can gather together to buy a capitalist's existing factory and change it to be a worker-controlled factory. They are legitimate to do so if they think this way can make their lives better by not having to do boring and repetitive works any more. But Nozick warns that workers have no right to seize the capitalist's existing factory as it violates the entitlement principle (Nozick, 1974: 250). To recall Marx's thought on meaningful work, Marx criticizes the capitalist society because people (workers) have to work unconsciously and repetitively under the wage-labour system. Therefore, he suggests, the capitalist society is inappropriate for meaningful works which is essential to meaningful humans. Since Nozick emphasizes the entitlement theory and the principle of the separateness of persons very seriously, so he would admit Marx's proposals only if they are implemented by voluntary actions of relevant individuals, including workers and capitalists.

'How does and could capitalism respond to workers' desires for meaningful work? If the productivity of the workers in a factory rises when the work tasks are segmented

so as to be more meaningful, then individual owners pursuing profits so will recognize the productive process. If the productivity of workers remains the same under such meaningful division of labor, then in the process of competing for laborers firms will alter their internal work organization" (Nozick, 1974: 247). This means that the decision power whether to alter ways of working in the factory is in the hand of the capitalist, not the workers. If the workers want the capitalist to respond to the desires for meaningful work, then they have to show that by doing so their productivity would be higher, otherwise the capitalist can see no point why he should do what the workers demand.

2.3 Capitalism: Freedom vs. Equality

It cannot be denied that the capitalist society and inequality of wealth have actually been prevailing throughout its history, and this fact is one of the most important factors motivating those who want to fight for equality to embrace Marxism. Marx predicts that huge inequality is inevitable as a result of the capitalist movement: the rich (capitalists) would get richer, the poor (proletarians) would get poorer. Scientifically, the socialist revolution must happen when the polarization between the capitalists and the proletarians comes to a critical point in one way or another. The capitalist society and equality/(communal) freedom cannot go together, and we have to choose one of them. Marx reproaches some of liberal democrats who believe that we can compromise freedom with equality under the capitalist society if we have democracy on the superstructure that they are either mere leftist innocents or excusers of the capitalist class.

Libertarians strongly believe that, under the capitalist society, (egoistic) freedom and equality cannot and should not go together, and we have to choose one of them as a matter of trade-off. They insist that only the former is acceptable, while the latter is not. This is because they embrace the concept of an autonomous self which would be really respected only if their freedom of choice is respected. In this view, any redistribution of wealth of members of the society to attain equality is the violation of individual rights. If we choose freedom of individuals as the first priority, then any kind of outcome should be acceptable, even that is the huge inequality of the society.

It is worth noting that there are two different sorts of equality: equality of opportunity and equality of outcome. For the former, people are equal only if they all are not 'unfairly excluded from the same opportunity to succeed, or to live the life that they want.' For the latter, people are equal only if they all 'end up with an equal amount of some set of goods.' (Parvin and Chambers, 2012: 47). To put it another way, while equality of opportunity looks at the starting point of everyone, equality of outcome the final point. One may think that Marx is either one of them. But I would argue that he is neither one of them. It should be noted that those two equalities are possible only in the capitalist society which individuals have to compete with each other. The conceptions of equality in the capitalist society are just the way to do justice for egoistic individuals. But for Marx, the society with classes and private property are unjust and cannot be remedied with any way but to overthrow the society and create the new one.

In this section I would like to illustrate how libertarians like F.A. Hayek and Milton Friedman criticize the conceptions of equality. Those who support the welfare state would suggest government redistributes income/wealth in the society as this can lead to the 'equal' society. But Friedman really opposes this idea. In his well-known book 'Capitalism And Freedom,' he argues that any redistribution of income by government is unjustified because it infringes individual freedom. He considers this problem by dividing it into two situations.

In the first situation, we assume that every individual has the same ability and initial endowment. In this situation, Friedman argues that "given individuals whom we are prepared to regard as alike in ability and initial resources, if some have a greater taste for leisure and others for marketable goods, inequality of return through the market is necessary to achieve equality of total return or equality of treatment" (1962: 162). This means that it is unfair if every individual receives the same amount of return because it intervenes each individual's freedom. For example, if someone prefers a certain job because of its high salary, he would always choose a high salary job, and whenever the salary of that job decreases, then he would look for other jobs, and so on. The market can be his best guide. This is the redistribution of income in a free market and this is the

only redistribution of income that Friedman justifies.

One may ask what the ethical difference between the redistribution of income in a free market and in hands of economic planners is? Friedman does not respond to this question directly, but I think we can use Hayek's words which I think Friedman would agree:

"Inequality is undoubtedly more readily borne, and affects the dignity of the person much less, if it is determined by impersonal forces, than when it is due to design ... The unemployment or the loss of income which will always affect some in any society is certainly less degrading if it is the result of misfortune and not deliberately imposed by authority ... While people will submit to suffering which may hit anyone, they will not so easily submit to suffering which is the result of the decision of authority"

(Hayek, 1994: 110-1)

This means that individual should be able to choose anything on their own even if its result would be suffering. In this sense the distribution of income by a free market is always more ethical than by an economic planner. The former, whether its result is good or not, makes us bearers of rights, while the latter does not.

In the second situation, we assume that each individual has a very different amount of ability and initial endowments. This is a more realistic world. Let's think about the fact that someone was born in a rich family, while others in a poor one. Many would advocate the government to tax inherited wealth the former receives from his parents because he does not earn it from his own capacities. But for Friedman, inheritance tax is unethical. "It seems illogical to say that a man is entitled to what he has produced by personal capacities or to the produce of the wealth he has accumulated, but that he is not entitled to pass any wealth on to his children; to say that a man may use his income for riotous living but may not give it to his heirs. Surely, the latter is one way to use what he has produced" (1962; 164). Friedman shows that if one really has freedom to dispose of what he belongs, then he should be free to give them to anyone else he pleases (Freedom to give). In the same way we should be free to receive something from someone else, given they are not forced to give us (Freedom to take). Thus both equality of opportunity and outcome violate individual freedom equally.

To sum up, competitive capitalism is ethical because it allows each individual to exercise their freedom even though sometimes they have to suffer a lot, but this should be viewed the responsibility of their free actions. We can see that Marx and libertarians embrace the completely different standpoints on capitalism. The question worth to be asked is that why Marx and libertarians reach absolutely different conclusion about the justification of capitalism despite the fact that they all lay their ethical grounds on individual freedom? A rough answer would be that they understand the term differently. But to have a clearer answer, we need to take into consideration two different conceptions of freedom: positive and negative freedom.

3. Positive and Negative Freedom

So far we have seen that while Marx embraces the concept of communal beings, libertarians take the concept of egoistic beings. This difference is the important cause of their different standpoints on capitalism. Anyway, we may have a complete picture of their differences by taking two conceptions of freedom into account. Isaiah Berlin proposes that there are two different conceptions of freedom, that is, negative and positive freedom. 'Negative' freedom means freedom from any human interventions, and 'positive' freedom means freedom to have 'the resources to achieve personal autonomy' (Weeks, 2014: 254). I can say that I have 'negative' freedom when I am left to decide on my own under 'non-human' constraints like Berlin explains: "coercion implies the deliberate interference of other human beings within the area in which I could otherwise act. You lack political liberty or freedom only if you are prevented from attaining a goal by human beings" (1969: 122).

Insofar as I do not harm someone else, no one can force me to do or not to do something. Of course, I should accept that I cannot do everything in the world because I am restricted by some constraints such as limited natural resources, poverty, and incapacities. But I cannot claim that I lack 'negative' freedom just because I have no enough money to buy things I want. The only possible case to have such a claim is when I can prove that my inability to buy things stem from other human arrangements. In this sense many libertarians are supporters of the conception of 'negative' freedom. 'The wider the area of non-interference the wider my

freedom" (Berlin, 1969: 123). 'Positive' freedom would argue that freedom is impossible if one does not have enough resources to pursue what he or she wants. In the capitalist society, without money means without freedom. In this sense welfare and equality seems to be the most important condition for each individual's freedom. If you are very poor, you have a very little number of choice: the higher welfare the higher freedom. I think it is possible to put Marx in this group if we develop and revise the conception of 'positive' freedom as follows.

While Marx does not accept any external coercion at all, libertarians think that it should be liberal enough if someone is left to decide on his own without political coercion. For example, freedom of religion means that we can choose which religion to hold or not to hold without other human coercion. In this sense capitalism is the only possible society that makes the absence of political coercion possible because the role of government is very restricted. Marx would totally agree about that. But he argues further that this is not real freedom of men because they are still under 'economic' coercion. They have to work for survival, not for the development of their human nature. They also have to treat each other as a mere means, not an ends in themselves. Therefore, the only possible way to make the absence of every coercion possible is to overthrow private property and classes. Since 'negative' freedom means freedom from any coercion except 'economic' coercion, we cannot put Marx into this group. But since 'positive' freedom means freedom to be "his own master" (Berlin, 1969: 131), so if we add that human beings must be able to go beyond 'economic' coercion and every member of community has the duty to help each other, then Marx is proper to be put in this group.

One might ask that why we cannot put Marx into the former group by revising that men have to be free from any coercion, including 'economic' freedom. I would argue that it is because the most important distinction is that while Marx can accept the interventions (e.g. the abolition of private property and classes) in order to build the ideal society, 'negative' freedom cannot accept any intervention at all. It does not even accept the intervention for social welfare and equality (Friedman, 1962: 5-6). In this sense we can see that capitalism, in which the absence of political coercion except economic coercion is prevailing throughout the society,

Conclusion

This article shows how Marx and libertarians judge capitalism ethically. I propose that their very differences come radically from their different conceptions of human nature. While Marx holds that human nature is a communal being and there is a certain end to be met, that is, to work consciously and aesthetically with other human beings, libertarians' human nature is an autonomous self born with freedom of choice. Moreover, their different conceptions of freedom lead them to different standpoints on capitalism. While Marx embraces positive freedom which justifies the welfare and equality, libertarians take negative freedom which insists that we are free only if we are free from any human intervention.

Marx argues that capitalism alienates each individual from their real human nature. They are forced by the market mechanism to treat each other as a mere means, not an ends in themselves. They are also coerced economically to work for their survival, and do not produce things for the development of their human beings. So, capitalism is unethical. Libertarians, on the other hand, argue that capitalism allows each individual to pursue their own interests. The market mechanism is viewed a 'non-human' coercion that compels individuals to provide benefits to other people without political coercion. This means that no one is superior than anyone in terms of rights and freedom. Every contract must be based on mutual advantages. Because of this, capitalism is ethical on negative freedom ground.

Notes

¹ For Marx, 'civil state' and 'capitalism' can be used interchangeably (Marx, 1844a).

² Please note that 'Rights' and 'Freedom' can be used interchangeably in this context because men must have rights as a prerequisite to pursue their own interests, and this means that they have freedom.

³ Even his best known book '*Capital Volume I*' (1867) in which, for many marxists, Marx has already forgone his ethical views on capitalism and turned to political economy entirely, Marx still use the conception of alienation in ethical sense. Just cite two quotes: 'The first way in which an object of utility attains the possibility of becoming an exchange-value is to exist as a non-use-value, as a quantum of use-value superfluous to the immediate needs of its owner. Things are in themselves external to man, and therefore alienable' (Marx, 1867: 181-2). This means that man has to produce things not for his own use (non-use-value), but for exchange (other purposes). We do not produce them because they are important for us directly. So, it is alienable to us. This passage is interesting because Marx, in this context, is concerned about the pure production without any exploitation. Alienation can be applied to "every" individual who merely produces things for exchange. And another quote: 'The seller has his commodity replaced by gold, the buyer has his goal replaced by a commodity ... a relation between owners of commodities in which they appropriate the produce of the labour of other by alienating the produce of their own labour' (Marx, 1867: 203). It should be noted that 'alienation' here refers to the relationship between the 'seller' and the 'buyer' who exchange their own products in the market. Even though they exchange things voluntarily and mutually, they alienate themselves from communal being because they treat each other as mere mens for their own ends (produces things for other products).

⁴ It is very important to distinguish between 'communitarianism' and 'cultural relativism.' Though they look similar at first glance, they are very different in many aspects. However, this is a very serious theoretical matter which requires many pages to explain and goes beyond the aims of this paper, so I will only give a very brief explanation. To put it very simply, communitarianism gives the priority to the 'ideal' community over individuals all the time, while cultural relativism just insists that each given community has the authority to determine the relationship between the community and individuals. While the former leaves no room for individualism except it would be accepted by the teleological natures of a particular community, the latter allows each community to decide on their owns, and individualism may be possible according to the authorities regardless of whether it is accepted by the teleological natures of a particular community or not. Michael Freeman is one of those who misunderstands these differences: 'Communitarians raise complex issues, and not all their ideas are compatible with human rights, but the supposed incompatibility between human rights and community is often overstated. For example, persecution and poverty

undermines communities and family life, and better protection of human rights could strengthen the solidaristic values that 'communitarians' like to defend. We should also remember that the value of 'community' can often be invoked to hide cruelties and injustices (especially towards women and children) that should not be defended" (2011: 85). In fact, communitarians never say that we should admit any value attached to a particular community just because it has been practiced for a long time. In contrast, they ask what the value of a particular issue (community) should be in the first place. Thus it is unlikely for them to accept 'persecution' and 'poverty' because they always insist that the teleological nature of family and community is mutual love and solidarity, and everything inclining to distort this nature is unacceptable. They never reject protecting individuals from their community but for the sake of the good life, not for individual rights.

⁵ Utilitarianism here refers to 'Act Utilitarianism' which justifies an action in any given circumstance [the short term]. This thought can be found in Bentham (1879). For the differences between 'Act Utilitarianism' and 'Rule Utilitarianism,' please see Parvin and Chambers (2012: 135-50).

⁶ "Communitarians" here refer to MacIntyre (1981), Sandel (1982), Walzer (1983), and Taylor (1989a: 1989b). This category is influenced by Mulhall and Swift (1996).

⁷ We can understand this much better when we realize that Michael J. Sandel, a well-known communitarian, always criticizes modern American ways of life. He sees that American ways of life embraced by the U.S. majority is going towards extreme individualism which is the wrong way. Therefore, he aims to convince people to turn to communitarianism and the politics of the common good instead of the right. We can see this attempt in every of his works. But I think his best practical books are *Democracy's Discontent* (1996) and *What Money Can't Buy* (2012).

⁸ It should be noted that when a communitarian like Sandel uses the term 'community,' he usually refers to a particular issue rather than authorized community such as the United States, the United Kingdom, and China, and so on. His community can be everything in question such as flutes, tennis courts, university, politics, sports, state lotteries, branding, money, pollution, and so on (Sandel 2005). In a strong sense, Sandel's communitarian ideas imply that we have to conform to the teleological good of a particular issue (community). It should be noted that his well-known book "*What Money Can't Buy*" was written for every society, not mere American society. This means that communitarianism really differs from utilitarianism and cultural relativism.

⁹ Walzer expresses this idea by citing Marx's *On the Jewish Question*: "the assurance of his egoism ... that is, an individual separated from the community, withdrawn into himself, wholly preoccupied with his private interest and acting in accordance with his private caprice ... The only bond between men is natural necessity, need, and private interest" (Marx, 1844a: 24).

¹⁰ However, unlike how many scholars understand communitarianism, the identity does not tell us what's the right thing to do directly in the sense that if one is a member of a mafia family, then he must become a mafia, and so on. This is a very misinterpretation of communitarianism. But this is a major work which cannot be discussed here.

¹¹ For the communitarian discussion of private property, please see Sandel (1996).

¹² In this sense I agree with Peter Singer who argues that 'Marx did not just predict that capitalism would be overthrown and replaced by communism. He judged the change to be desirable' (1980: 81).

¹³ I suggest that one can better understand the philosophical differences between Cultural Relativism and Marxism through Althusser's *What Is Philosophy?* (1971). Althusser distinguishes between 'common-sense philosophy' and 'Philosophy.' His idea is that ideological/philosophical thinking is just a form of resignation to the existing social formation (capitalism) without an attempt to alter it. A philosopher sees it a necessity, and it is himself who has to learn how to live with them. Althusser calls this philosophy as 'common-sense philosophy.' In contrast, 'Philosophy' is not only to understand the existing social formation, but also to replace it with communist ideology. To put it simply, there are two kinds of philosophy: passive philosophy (common-sense philosophy) and active philosophy (Philosophy). While the former resign oneself to necessity, the latter wants to change that necessity (Althusser, 1971: 10-7). In this sense, cultural relativism may be called 'common-sense philosophy,' and Marxism 'Philosophy.'

¹⁴ For the full account of libertarianism, please see the second section of this paper.

¹⁵ Since egalitarian liberal like John Rawls endorses some reasonable violations of the principle of the separateness of persons only if it prevents the least advantaged members of society from extreme sufferings (e.g. redistribution of wealth). This is what Rawls called the 'difference principle' (Rawls, 1971: 83). But for libertarians like Robert Nozick, any redistribution of income is the violation of individual rights. Libertarianism in this paper just refers to the latter thought.

¹⁶ When I say that one has a theory of the ontological self or moral theory, I do not mean that he or she has to believe that the human nature is how the way they explain. In fact, one can have a theory of the ontological self by just saying that the human nature should be a particular way. In this sense I can say that I have a theory of the ontological self even if I say that I do not know how the human nature actually is but can say that persons should be like this or that. This is because, in theory, a person cannot accept any principles that tell him what he should do/be until he must accept that those principles are compatible with his real (ontological) self. This is very different from Rawls (1993) who insists that we can talk about political liberalism without discussing the human nature.

¹⁷ In this sense I agree with Sandel. If Rawls claims that his political liberalism is not based on any conception of moral philosophy in personal sphere, then how can he claim that everyone should embrace political liberalism in public sphere? If, for example, I believe in a particular religion, then why should I leave it behind when I enter into political sphere? If Rawls follows Kant, then he may answer that it is because I need to follow an universal and moral duty, and so on. Or if he follows Locke, then he may answer that it is because I need to follow natural laws provided by God, and so on. But the problem is that he accepts neither Kant nor Locke. So, his only reason is that it is because political liberalism is essential to democratic politics. But this clearly rejects his own claim that individuals are prior to the community.

¹⁸ It is not unethical if people are willing to be treated as a mere means for the benefits of other people, and vice versa. This is because autonomous individuals have the right to do anything that harms no others. But this would become unethical if the state comes into play because the state usually uses the force to dictate people what to do. This concept will be very important when we turn to how libertarians justify economic inequality.

References

Althusser, L. (1965/2005). *For Marx* (Brewster, Ben., Trans.). New York: Verso.

Althusser, L. (1971/2014). *On the Reproduction of Capitalism: Ideology and Ideological State Apparatuses* (Goshgarian, G. M., Trans.). New York: Verso.

Arnsperger, C. and Varoufakis, Y. (2006). What Is Neoclassical Economics?: The three axioms responsible for its theoretical oeuvre, practical irrelevance and, thus, discursive power, *Panoeconomics*, 1: 5-18.

Avineri, S. and De-Shalit, A. (1999). *Communitarianism and Individualism*. New York: Oxford University Press.

Bentham, J. (1879). An Introduction to The Principles of Morals and Legislation. In Curits, M. (Ed.), *The Great Political Theories Volume 2: A Comprehensive Selection of the Crucial Ideas in Political Philosophy From the French Revolution to Modern Times* (pp.117-120). New York: Harper perennial Modern Classics.

Berlin, I. (1969). *Four Essays On Liberty*. Oxford: Oxford University Press.

Buchanan, A. E. (1982). *Marx and Justice: The Radical Critique of Liberalism*. London: Methuen.

Curtis, M. (Ed.) (2008). *The Great Political Theories Volume 2: A Comprehensive Selection of the Crucial Ideas in Political Philosophy From the French Revolution to Modern Times*. New York: Harper perennial Modern Classics.

Cohen, G.A. (1985). Nozick on Appropriation. *New Left Review*, 150: 89-105.

Colander, D. (2000). The Death of Neoclassical Economics, *Journal of the History of Economic Thought*, 22 (2): 127-43.

Conway, D. (1990). Nozick's Entitlement Theory of Justice: Three Critics Answered, *Philosophical Notes*, 15: 1-7.

Ekelund, R.B. and Hebert, R.F. (2007). *A History of Economic Theory and Method*. Long Grove: Waveland Press.

Freeman, M. (2011). *Human Rights: An interdisciplinary approach*. Malden: Polity Press.

Friedman, M. (1962/2002). *Capitalism and Freedom* (40th Anniversary Edition) Chicago : The University of Chicago Press,

Hayek, F. A. (1944/2001). *The Road to Serfdom*. New York: Routledge Classics.

Kuflik, A. (1982). Process and End State in the Theory of Economic Justice. *Social Theory and Practice*, 8 (1) :73-94.

Locke, J. (1690). *Second Treatise of Government* (Macpherson, C. B., Ed.) Cambridge: Hackett, 1980.

Lowenberg, A.D. (1990). Neoclassical Economics As a Theory of Politics And Institutions. *Cato Journal*, 9 (3): 619-639.

MacIntyre, A. (1981/2007). *After Virtue: A Study in Moral Theory* (3rd edition). Indiana: University of Notre Dame Press.

Marx, K. (1844a/2012). *On The Jewish Question*. Chicago Illinois: Aristeus Books.

Marx, K. (1844b). Economic and Philosophic Manuscripts of 1844. In Marx, K. and Engels, F. (2011). *Economic and Philosophic Manuscripts of 1844* (pp. 8-122). Blacksburg: Wilder Publications, .

Marx, K. (1845a). Theses on Feuerbach. In Marx, K. and Engels, F. (1998). *The German Ideology* (pp. 569-575). New York: Prometheus Books, .

Marx, K. (1858/1993). *Grundrisse: Foundations of the Critique of Political Economy* (Rough Draft) (Nicolaus, M., Trans.) London: Penguin Books.

Marx, K. (1867/1990). *Capital Volume I: A Critique of Political Economy*. London: Penguin Classics,.

Marx, K. (1875/2009). *Critique of the Gotha Program* (Dutt, C.P., Ed.) New York: International Publishers.

Marx, K. and Engels, F. (1845b). The German Ideology. In Marx, K. and Engels, F. (1998). *The German Ideology* (pp. 25-568). New York: Prometheus Books.

Marx, K. and Engels, F. (1848/1998). *The Communist Manifesto*, New York: Signet Classics.

Mulhall, S. and Swift, A. (1996). *Liberals and Communitarians* (2nd edition). Oxford: Blackwell Publishing.

Nozick, R. (1974/2013). *Anarchy, State, and Utopia*, New York: Basic Books.

Parvin, P. and Chambers, C. (2012). *Political Philosophy: A Complete Introduction*. London: Hodder & Stoughton.

Rawls, J. (1971). *A Theory of Justice* (original edition) Cambridge: Harvard University Press.

Rawls, J. (1993). *Political Liberalism*. New York: Columbia University Press.

Rousseau, J.J. (1762/1998). *The Social Contract*. Hertfordshire: Wordsworth Editions.

Sandel, M. J. (1982/1998). *Liberalism and the Limits of Justice* (2nd edition) Cambridge: Cambridge University Press.

Sandel, M. J. (1984). The Procedural Republic and the Unencumbered Self. *Political Theory*, 12 (1): 81-96.

Sandel, M. J. (1994). Political Liberalism. *Harvard Law Review*, 107 (7): 1765-94.

Sandel, M. J. (1996/1998). *Democracy's Discontent: America in Search of a Public Philosophy*. Massachusetts: Harvard University Press.

Sandel, M. J. (2005), *Public Philosophy: Essays on Morality in Politics*. Massachusetts: Harvard University Press.

Sandel, M. J. (2009). *Justice: What's The Right Thing To Do?*. London: Penguin.

Sandel, M. J. (2012). *What Money Can't Buy: The Moral Limits of Markets*. London: Penguin.

Singer, P. (1980/2000). *Marx: A Very Short Introduction*. Oxford: Oxford University Press.

Smith, A. (1776/1999). *The Wealth of Nations: Book I-III*. London: Penguin Classics.

Tabb, W. K. (1999). *Reconstructing Political Economy: The great divide in economic thought*. London: Routledge.

Taylor, C. (1989a). Cross-Purposes: The Liberal-Communitarian Debate. In Rosenblum, N.L. (Ed.), *Liberalism and the moral life* (pp. 159-82) Cambridge, MA: Harvard University Press.

Taylor, C. (1989b). *Sources of the Self: The Making of the Modern Identity*. Cambridge, MA: Harvard University Press.

Van Herpen, M. H. (2012). *Marx and Human Rights: Analysis of an Ambivalent Relationship*, Cicero Foundation Great Debate Paper, No. 12/07.

Walzer, M. (1983). *Spheres of Justice: A Defense of Pluralism and Equality*. Oxford: Blackwell.

Walzer, M. (1990). The Communitarian Critique of Liberalism. *Political Theory*, 18 (1): 6-23.

Weeks, M. (2014). *Philosophy In Minutes*. London: Quercus.

Wolff, J. (1991). *Robert Nozick: Property, Justice and the Minimal State*. Cambridge: Polity Press.