

Anarchy, State, Utopia: Suggestions for Econ Readers

Robert Nozick's 1974 monograph *Anarchy, State, Utopia* is a critical response to Rawls' 1971 *Theory of Justice* from a classical liberal perspective. The book is expansive, and I found some parts of it more relevant for economists trained like me. Below I suggest a few parts of the book for an interested economist to read first.

Section 1: State-of-Nature Theory

Chapters 1-2,4-6

Skip

These chapters are an account of how a minimal state may have originated from a state of nature. Nozick's goal in these chapters is to create an account of why a minimal state is necessary for a liberal society. In the background, he is replying to anarchists who do not believe that any state is necessary. I believe most economists are not anarchists, and will already support a state which protects its citizens from internal and external threats, extracts compensation for violations of rights, and enforces contracts. For this reason, I think this part of the book can be skipped. Moreover, the rest of the book can be understood without reading these chapters, except possibly Chapter 9.

Chapter 3

Read

The only part of Section 1 which I think economists will find particularly interesting is Chapter 3, which contains Nozick's argument in defense of rights against utilitarianism. He argues that the protection of rights should be a constraint on moral actions, not simply one type of moral good that can be traded off with other moral goods. Since economists tend to be well-versed in utilitarianism, I think most will find this chapter thought provoking. Among other things, Nozick makes an argument for vegetarianism, and also comes up with a Parfit style science fiction example to argue that something more matters than only our personal experience/utilitarian preference satisfaction.

Section 2: Beyond the Minimal State

Nozick's goal in this section is to respond to arguments, mostly those of Rawls, that the state should do redistribution. I believe that this is the part of the book economists will find most surprising and provocative.

Chapter 7

Read

This chapter is the core of Section 2, and really of the book. It explains Nozick's entitlement theory, it explains how utilitarianism and Rawls' theory of justice assume away the role of history, and much more, including a defense of why we should think of taxation on par with forced labor. This chapter is the "must read" chapter of the book. If you only have time to read one chapter, read this one.

Chapter 8

Read

This chapter discusses why we find it intuitively good to have equality, or at least equality of opportunity. Most of the chapter is worth reading, including a discussion of rent control as partial forfeiture of property rights, and whether voluntary exchange is really voluntary if someone has no outside option. There is a discussion of Marxism in the middle of the chapter that is less relevant today, since Marxism is no longer as popular as it was when Nozick was writing.

Chapter 9

Skip

Here Nozick writes an account of how the state might grow beyond the minimal state he advocated in Section 1. The chapter is in the spirit of Section 1, and can be skipped.

Section 3: Utopia

Chapter 10

Read

Nozick argues that utopia, the best of all possible worlds, would involve different institutions for different people. He imagines an idealized utopian framework for allowing various types of communities to exist at the same time. Then he takes the idealized framework and projects it into something that might work in the real world. This turns out to basically look like the charter city idea of Paul Romer, with people choosing among communities and explicitly agreeing to a social contract. Worth reading.