Just Market Exchanges

Editor’s Pick. Written by Neera Badhwar.

Aristotle defines a voluntary act as one that has its cause in the agent rather than an external force, and that is done in knowledge of the relevant particulars. This is entirely commonsensical. Everyone would agree that in being blown away by the twister, Dorothy leaves Kansas involuntarily, and that the hunter who kills his son mistaking him for a rabbit kills him involuntarily (even though he pulls the trigger voluntarily). Aristotle notes, however, that some voluntary acts are done only because the other available options are far worse. He gives the example of someone who does something shameful in order to protect his family from the tyrant’s wrath, or the captain of a ship who throws the cargo overboard to save the ship from sinking in a storm. In each case, the individual acts under duress. His action is, therefore, not fully voluntary. It is mixed (or, in Michael C. Munger’s words, voluntary but not “euvoluntary”).

This distinction between fully voluntary actions and actions done under duress provides a much-needed framework for understanding and evaluating market exchanges. Some economists maintain that all that is needed for a just exchange is that it be voluntary and give both parties what they expect, ex ante, to get from it. And all that is needed for a voluntary exchange is that it be free of force and fraud. Hence all exchanges free of force and fraud are just, and the law has no business banning just exchanges. This last is certainly true; indeed, for reasons I explain below, the law has no business banning all unjust exchanges either. However, the claim that all voluntary exchanges are just rests on a far too narrow conception of justice, a conception that reflects neither everyday thinking about justice nor philosophical analysis of it.

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