

Discussing private law in *Chaos Theory*, Robert Murphy argued that the market is capable of defining and protecting property rights without a State. Individuals have natural rights, on which all (his emphasis, 13) social relations would be managed by contract. By intricately defining property rights, arbitrations methods, and remediation systems for torts, his theory aims toward a just and equitable society through the use of market mechanisms to control externalities, both negative (violations of individuals and their property) and positive (removing incentives to free ride.)

However, a crucial question remains open: will such a system create a flourishing society? Luigino Bruni engaged that question in *The Wound and the Blessing: Economics, Relationships, and Happiness*. He argued that market theory since Adam Smith has posited the market as a mediating “third” between parties in an exchange; behind that “there is the great illusion that the market ... could offer a painless and peaceful society, mediating encounters with others ... without contention or wound. ... The deception, however, is that this harmless encounter with the other, without injury, is also an encounter that cannot lead to a fully human life, either for the individual or for society” (xxi.)

In the *Nicomachean Ethics* Aristotle well articulated the tension in social relationships: friends are necessary for happiness (1169b,) but those same relationships can be the source of our greatest wounds. By reducing all social relationships to property rights mediated by contracts, Murphy proposed that the wounds of injustice and unfairness can be eliminated. Murphy does not simply relegate close relationships outside the market: by defining all social relationships around contracts and insurance against property violations, friendship and even marriage and family relationships are subjugated to contractual negotiation of rights and remediation of wrongs.

Was Aristotle simply wrong? No. With charitable respect for his intentions, I argue that Murphy has missed something absolutely basic about human happiness: happiness cannot be reduced to, and is not supervenient on, defining property rights and remediations to the nth degree. Only by developing social virtues and committing ourselves to others, accepting the risk of wounds, can we hope to achieve a flourishing society.

Bruni, Luigino. (2012.) *The Wound and the Blessing: Economics, Relationships, and Happiness* (Hyde Park: New City Press.)

Murphy, Robert. (2002.) *Chaos Theory*. New York: RJC Communications.

* This is adapted from a series of one page papers I wrote for an independent study in micro- and macroeconomics; the material included the excellent text *The Economic Way of Thinking* by Heyne, Boettke, and Prychitko, as well as several texts I brought in from communitarian, market anarchy, and experimental economic perspectives.

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