

The Economic Principle of Political Liberalism: A Comparison of Rawls and Sugden

Federica Nalli, PhD¹

Paolo Santori, Post-Doctoral Researcher, Centro Universitario Cattolico,

Visiting Scholar, Erasmus University Rotterdam²

The importance of markets as tools to connect people and let them engage in a system of voluntary exchanges is generally recognized. Nevertheless, the debate around the moral status of market relationships periodically comes to be enriched by new questions and challenges, particularly concerning distributional issues. At the core of this paper there is the idea that the distributional issues rising from the functioning of the market need to be tackled within a broader framework, concerning its role and scope as a liberal institution of a liberal society. Our aim is to develop a reflection on the nature of, and on the conditions for, our support to market institutions. To do that, we attempt a comparison of John Rawls' theory with the view recently expressed by the economist Robert Sugden in the book *The Community of Advantage* (2018). More precisely, we investigate the role that Sugden's principle would occupy in Rawls's *Political Liberalism* (1993), i.e. if it would be chosen by the contracting parties in the original position and what the implications of the agreement would be. To answer those questions, we firstly compare Sugden's and Rawls' theoretical frameworks; then we state three alternative hypotheses to integrate the PMB within Rawls' two Principles of Justice. We suggest that the Principle of Mutual Benefit can be understood as a substitute for the Difference Principle. Our analysis indeed stresses Sugden's concern for equality as a matter of "psychological stability", i.e. the continuing expectations of mutual benefit, needed to ensure a general willingness to abide by the governing principles of society (Sugden, 2018). The idea of psychological stability can be understood as a reply to critiques of Rawls' (Harsanyi 1975, Binmore 1994) as it roots the egalitarian argument into human psychology, rather than in the moral domain.

¹ f.nalli@lumsa.it

² santori@esphil.eur.nl