

- Do we really need a social contract to create community? And does Community need government (a state)? Locke, Smith, and Polanyi
- John Locke
- Locke's imagined "state of nature"
  - Humans are born a "blank slate"
  - A state of perfect equality
  - Bound by the law of nature
  - Nature gives us Rights! No one should harm another in life, health, liberty or possessions
  - The state of nature is a state of perfect freedom
  - Or is it?
- Vigilante Justice in the state of nature
  - We are probably not naturally compassionate
  - But we obey the law of nature which gives us a moral duty to restrict our behavior!
- Locke's political economy in the state of nature: The right to property
  - "God" put us on earth,
  - he did not put us here to starve.
  - But we will starve unless we can rightfully consume apples and acorns in peace
  - individuals can peacefully consume if they can securely possess plots of land and rightfully exclude others.
  - Property ownership leads to PEACE!
- What went wrong with this lovely picture?
- Locke's social contract to create community

- Locke's reasoning for why we enter create a government to form community
- Adam Smith on Human Nature and the Division of Labor
- Smith on human nature: Three aspects
  1. People are naturally sociable and seek help from others to get what they want and need
  2. People are first and foremost self-interested
  3. People have a disposition to "truck, barter, and exchange."
    - This is the basis of the "market"
    - It gives rise to the concept of "Economic Man"
    - It is the basic assumption about human nature of all modern economic theory
- So..... If Everyone is self-interested, how do we get what we want?
- These three characteristics lead to a natural division of labor among people
- We Specialize not because of our inherent skills but because of demand.
- This is Contrary to Aristotle and Steve Jobs
- How can we know what human nature really is? Science?
  - biology and anthropology: there was never a period in human evolution when human beings existed as isolated individuals
- Science, state of nature, and human nature
- Is cooperation more natural than competition? Is Hobbes Wrong?
- <http://www.youtube.com/watch?v=l7AWnfFRc7g>
- Reciprocal altruism and Polanyi's political economy
  - Polanyi's view of Human Nature

- The economic system was historically run in accord with this view of human nature—econ. System run on non-econ. Motives, on community norms
- The community needs a central authority only for redistribution
- Smith’s view of human nature is socially constructed.
- Could a “gift economy” satisfy human needs and desires?