ABSTRACT. In this paper I argue that if we are to have any defensible property rights at all, we must recognize a fundamental commitment to helping those in need. The argument has significant implications for all who claim defensible property rights. In this paper I concentrate on some of the implications this argument has for redefining business obligations. In particular, I show why those who typically would be quite resistant to the idea that businesses have any obligations to assist others in need must acknowledge this fundamental obligation. I also suggest how this argument contributes to our understanding of the normative basis of Stakeholder Theory.

Why should businesses care about the basic needs of those in the community? So, far instance, why should businesses get involved in community projects which attempt to help those in the community with their basic needs? Sure, building houses for the homeless, running soup kitchens and night shelters are surely nice things for businesses to do, but can they really be expected of business? Is there any good argument why business should have to engage in these sorts of activities or should have to contribute money towards these activities being carried out by others?

In particular, what can be said to the sort of person who would probably be most opposed to the idea that we have any general obligation to assist others with their basic needs? I have in mind here the sort of “rugged individualist” celebrated in Ayn Rand novels – the fully-fledged libertarian whose moral landscape is confined to notions of rights and individual liberties. I have in mind here also people still taken in by Friedman-style arguments, people who insist: there is only one social responsibility of business and that is to maximize profits (within the law). They may happily concede that insofar as taking account of community needs is somehow a means to maximizing profits, attending to community needs should be recommended. However, where taking account of needs will not result in profit maximization, such involvement should be eschewed. And here, we might get certain ideas from Friedman quoted as support. So, for instance, it might be insisted that if managers allocate funds to meeting community needs, they would be spending someone else’s money for a general social interest: either stockholders’ money insofar as dividends are lowered, customers’ money insofar as prices are raised, or employees’ wages insofar as wages are lowered. Furthermore, it would typically be insisted that attending to social issues is the rightful province of government. To undertake any activities to try to assist members of the community would be interfering with the rightful business of government. Of course, when it comes to discussions of appropriate government actions, they invariably endorse minimalist accounts of government responsibilities: government should in general stay away from interfering with the clean, trustworthy operation of the
market and should limit itself to such necessities as national defense and law enforcement.

In this paper I show that these Friedman-style views, or more generally, these kinds of libertarian views are fundamentally flawed. There are two important theses argued for in this paper:

1. All those who claim to have property rights, that is, any institutions or individuals that claim morally defensible rights to property are obligated to assist others in meeting their needs.

2. Since we are obligated to assist others with their needs if we are to have any defensible property rights, at least one cherished libertarian belief must be abandoned. Either libertarian property owners must recognize that they themselves have to help others with their needs, or they have to endorse government responsibility in this area.

The libertarian can argue about the appropriate mechanism for helping others with their needs, but must recognize the fundamental obligation involved. Given libertarians’ general penchant for keeping government out of as many areas of human endeavor as possible, however, it would seem that libertarians are committed to undertaking such needs-assistance projects themselves. Finally, I will indicate some of the other implications this argument can have for stakeholder theory more generally.

I begin by examining one of the most frequently invoked arguments for the defensibility of property rights in order to highlight some of the salient issues. My aim here is to show that even if we are sympathetic to libertarian accounts of property rights, we cannot ignore others’ needs in the way supposed.

**Locke’s argument for property rights**

Probably the best known and most frequently invoked argument for property rights (especially by libertarians) is one presented by Locke. The argument proceeds (roughly) from the claim that we have property rights in our bodies, to the claim that we have property rights in the labor of our bodies and, therefore, in those things we mix our labor with, provided what we appropriate will not be wasted and we leave available enough and as good for others to appropriate suitably. The requirement of leaving available enough and as good for others is commonly referred to as “The Lockean Proviso”.

The weaknesses with Locke’s argument are well documented. For instance, the notion that mixing one’s labor gives rise to ownership rights is quite problematic. As Nozick points out, why should mixing one’s labor with resources be a way of coming to own something? Why isn’t mixing one’s labor just a way of losing something rather than a way of gaining anything? There are also problems with the Lockean Proviso. Since one may not acquire goods so long as any person will be made worse off by not having enough and as good of the resources available, under conditions of scarce resources it appears that no acquisition can be justified. With scarce (especially nonrenewable) resources, every acquisition makes the pool of resources available smaller, which means each acquisition results in there not being as much as before that acquisition had taken place. But of course, this would effectively mean that a great deal of acquisition is not, and never has been, justified. As Nozick argues, suppose that there is at some point a person, Z, for whom there is not enough or as good left to acquire, then the person, Y, whose acquisition resulted in this situation acquired unjustly. But, similarly, X’s acquisition then violated the proviso and so on back to the first acquisition, so the proviso can not be met.

Although the weaknesses with Locke’s argument have received much attention, what is overlooked, in my opinion, is that the argument attempts to capture the force of two central intuitions which seem right and which all adequate labor-based arguments for property rights must accommodate. The intuitions are, roughly:

11. The efforts and actions on the part of the individual laborer can be an appropriate basis for desert.

12. Whatever laborers deserve should not be such that it is unfair to others (ceteris paribus).