The Often Neglected Role of Property Rights in the Advancement of Human Rights

Gregory M. Randolph^{*}

Southern New Hampshire University

Abstract

Private property rights are often viewed as contradictory to the advancement of human rights by social critics. However, supporters of this position fail to understand the crucial role of property rights in establishing human rights. This paper explores why human rights are nonexistent in the absence of property rights. Additionally, this paper argues that property rights have been dismissed by many social critics because of the treatment of property rights in academia and the inflation of the issues that are included as human rights. Finally, the relationship between property rights and the attainment of other social goals is examined.

JEL Codes: D23, P14, P48 Keywords: Property rights; Human rights

I. Introduction

Human rights have received a great deal of investigation and attention throughout modern history. Despite the efforts of many groups and individuals, human rights abuses continue to plague individuals in many areas throughout the world. Numerous organizations such as Human Rights Watch and committees of the United Nations have attempted to identify, publicize, and address human rights issues across the world. As economic wealth has increased in many countries throughout the world, the resources and efforts devoted to human rights issues have increased dramatically in recent decades.

However, academics, policy makers, and others have been unable to successfully mitigate human rights violations despite the massive importance of human rights issues and the continuously increasing

^{*} This article was awarded third place in the 2008 Sir John M. Templeton Fellowship Essay Contest through the Independent Institute. I would like to thank participants at a session of the 2009 Association of Private Enterprise Education Annual Conference for valuable comments.

attention that has been visited upon the topic. Furthermore, disagreement over the true definition of human rights, which issues should be included as human rights, and how to address such issues continues to be a topic of discord among scholars and policymakers.

Although the issue of human rights remains a topic of debate for academics and public officials in terms of which issues are most important and how human rights can be improved, some of the questions involving human rights have already been answered. Over 25 years ago, Murray Rothbard noted that, "For not only are there no human rights which are not also property rights, but the former rights lose their absoluteness and clarity and become fuzzy and vulnerable when property rights are not used as the standard" (Rothbard, 1982, p.113). Human rights are in fact nonexistent when property rights are not enforced. Furthermore, the advancement of other issues that are deemed human rights at the expense of property rights is contradictory and self-defeating.

The primary goal of this paper is to examine the importance of property rights to the human rights discussion and to investigate why many social critics have been willing to dismiss property rights in the name of advancing human rights. The remainder of the paper is organized as follows. Section II seeks to determine a workable definition of human rights. Section III discusses the role of property rights in human rights and explains why human rights become unclear when the importance of property rights is not recognized. Section IV explores several of the largest explanations for the dismissal of property rights in human rights discussions in many circles. The rise of socialism and its criticism of capitalism, positive law and the inflation of human rights, the impact of some interpretations of the Coase Theorem and property rights, and John Rawls's political theory of justice are examined as explanations for the dismissal of property rights in many human rights discussions. Finally, Section V examines the relationship between property rights, economic growth, peace, and the attainment of other social goals, whereas Section VI concludes.

II. A Definition of Human Rights

Scholars throughout history have differed widely in their opinions of the definition of human rights to some extent. Academics dating back to ancient Greece and Rome have argued that there are certain inalienable rights that should not be denied to any citizen. A standard definition for human rights revolves around the idea that there are certain rights that are bestowed upon individuals as the result of being human. However, a more concrete definition is necessary to discuss the crucial elements of human rights.

Blume and Voight (2007) look to Henkin (1990), a noted human rights scholar. He defines human rights as the rights of an individual in society. These are universal rights that belong to every human being in every human society. According to Henkin, human rights are claims upon society. Simply stated, he argues that human rights are rights. Although this definition helps to create a foundation for how human rights should be applied, it leaves us unable to determine which issues may belong in the category of human rights.

Rothbard (1982) highlights a more complete definition of human rights developed by Sadowsky (1974). He asserts that it would be immoral for someone or some group to prevent an individual from exercising a right through the use or threat of force. However, he noted that rights do not mean that any use that a man makes of his property is inevitably moral. Sadowsky makes two important points. First, it is immoral to deny an individual an action that is considered a human right. Second, we cannot formulate a moral judgment based on the exercise of a right because morality entails the investigation of personal ethics (Rothbard, 1982). Although this definition does not explicitly define which issues should be included as human rights, it does provide us with a framework in which we can discuss human rights with substance.

In addition to a definition of human rights, it is also important to differentiate between negative rights and positive rights. Negative rights prevent individuals and government from engaging in certain actions in order to protect the property and liberty of an individual. Although these rights do not require individuals to participate in assisting one another, they do require individuals to refrain from infringing on another individual's rights. Positive rights require the government to uphold some basic standard of living for all individuals as determined by some measure (Weede, 2008). Blume and Voight (2007) separate negative rights into three subgroups, which are defined as basic human rights that indicate freedom from state intrusion, such as freedom from torture; general economic rights encompassed in property rights; and civil and political rights such as the right to travel. Additionally, they group the most positive rights as social rights. It is important to note that the set of negative rights coincides with the human rights definition of Sadowsky (1974).

III. Property Rights as Human Rights

Some influential scholars throughout time have noted the inseparable nature of property rights and human rights. Hoppe (2004) notes that discussion of the relationship can be traced as far back as Aristotle, Roman law, and John Locke. Rothbard (1982) traces the roots of classic natural law theory to Locke's *Two Treatises of Government* (1690 [1960]):

Every man has a property in his own person. This nobody has any right to but himself. The labour of his body and the work of his hands, we may say, are properly his. Whatsoever then he removes out of the state that nature hath provided, and left it in, he hath mixed his labour with, and joined to it something that is his own, and thereby makes it his property. It being by him removed from the common state nature placed it in, it hath by this labour something annexed to it that excludes the common right of other men. For this labour being the unquestionable property of the labourer, no man but he can have a right to what that is once joined to. . .We see in commons, which remain so by compact, that 'tis the taking part of what is common, and removing it out of the state Nature leaves it in, which begins the property; without which the common is of no use.

Locke argued that each individual has a property right to their own person and that no other individual could take that right. He additionally argued for the importance of an individual's property and stressed that resources may be rendered useless without the protection of property.

Adam Smith (1759 [2002], p.98) also noted the importance of property rights in Book 2 of Chapter 2 in *The Theory of Moral Sentiments*:

Death is the greatest evil which one man can inflict upon another, and excites the highest degree of resentment in those who are immediately connected with the slain. Murder, therefore, is the most atrocious of all crimes which affect individuals only, in the sight both of mankind, and of the person who has committed it. To be deprived of that which we are possessed of, is a greater evil than to be disappointed of what we have only the expectation. Breach of property, therefore, theft and robbery, which take from us what we are possessed of, are greater crimes than breach of contract, which only disappoints us of what we expected. The most sacred laws of justice, therefore, those whose violation seems to call loudest for vengeance and punishment, are the laws which guard the life and person of our neighbour; the next are those which guard his property and possessions; and last of all come those which guard what are called his personal rights, or what is due to him from the promises of others.

He states that murder is the most egregious transgression because it deprives an individual of their most basic possession, which is far worse than the denial of an expectation to something. He goes on to say that a violation of an individual's personal property aside from their body is the next most detestable offense. According to Smith, the most important laws and therefore the offenses that deserve the most severe punishment are those that pertain to personal property.

In addition to scholarly pursuits, the concept was an integral part of the American Revolution in practice (Bailyn, 1967). The Declaration of Independence states, "...that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed." Rothbard (1982) notes that the common phrase at the time was "life, liberty, and property" in place of the famous "life, liberty, and the pursuit of happiness."

Unfortunately, property rights were displaced by other normative economic methods throughout the nineteenth century in the minds of many scholars and policymakers. However, developments in the nature and importance of property rights were expanded throughout the twentieth century through modern-day Austrian economists and their defense of capitalism. Hayek (1944, 1960, 1976) argued that property rights play a crucial role in personal freedom and individual liberties in his numerous volumes of work. In *The Road to Serfdom*, Hayek (1944, p.136) states:

48 G.M. Randolph / The Journal of Private Enterprise 27(2), 2012, 43–62

What our generation has forgotten is that the system of private property is the most important guarantee of freedom, not only for those who own property, but scarcely less for those who do not. It is only because the control of the means of production is divided among many people acting independently that nobody has complete power over us, that we as individuals can decide what to do with ourselves.

Hayek points out that private property (both property of an individual's body and their material property) is the single most important element in personal liberty. Because every individual has a right to exercise their own body and personal property freely, no one individual, company, or government can have complete control over the individual. Without property rights, individuals would in fact be helpless to make decisions and control their own fate. Even for those who lack material property, the right to their own personal body and any property that they are able to accumulate through their efforts belong to them. This is the single most important element to human rights.

Additionally, Rothbard (1962, 1977, 1982) made significant contributions in support of the importance of property rights to individual liberties. Rothbard (1982, p.113) states that:

...there are two senses in which property rights are identical with human rights: one, that property can *only* accrue to humans, so that their rights to property are rights that belong to human beings; and two, that the person's right to his own body, his personal liberty, is a property right in his own person as well as a "human right." But more importantly...human rights, when not put in terms of property rights, turn out to be vague and contradictory, causing liberals to weaken those rights on behalf of "public policy" or the "public good."

Rothbard's analysis adds some critical insight into the human rights discussion by noting the problems when property rights are ignored in the discussion of human rights. Any definition of human rights that is not synonymous with property rights allows for the dismissal of the property rights (or, equivalently, human rights) of one individual or group of individuals in order to meet the defined human rights of another group.

Rothbard (1977, 1982) examines the example of the right to free speech in order to make his point on the topic. He notes that individuals do not have the right to free speech at any location that the individual wishes. Individuals only have the right to free speech on their own property, property that they are allowed upon by the owner, or property that has been allotted or rented to them. He notes that the right to free speech is simply the right that a property owner has to use their property as they wish or to enter a voluntary contract with another to use their property. Therefore, the right of an individual to exercise free speech cannot exist without property rights. Furthermore, if an individual were guaranteed the freedom to say anything that they want in any location, the property rights (and thus human rights) of another individual would be violated.

Hoppe (2004) also defends the importance of property when discussing the solution to the problem of social order. Hoppe (p.49) states that:

...the consequences that follow if one were to deny the validity of the institution of original appropriation and private property are spelled out: If person A were not the owner of his own body and the places and goods originally appropriated and/or produced with this body as well as of the goods voluntarily (contractually) acquired from another previous owner, then only two alternatives would exist. Either another person, B, must be recognized as the owner of A's body as well as the places and goods appropriated, produced or acquired by A, or both persons, A and B, must be considered equal co-owners of all bodies, places and goods.

Hoppe makes an important point by identifying the primary problem when property rights are not fully considered. The only possible alternatives to the use of property rights would result in some form of slavery or some form of co-ownership. These alternatives clearly violate the liberty of the individual to be the master of one's own body. When viewed in this fashion, property rights allow individuals to attain personal liberty while the alternatives infringe upon personal liberty.

50 G.M. Randolph / The Journal of Private Enterprise 27(2), 2012, 43–62

Human rights do not exist in the absence of property rights. An individual must retain the property right to their own person and property that they obtain through voluntary exchange. When these basic personal liberties are violated, human rights become meaningless, as the true property rights of one individual can be violated in order to attempt to satisfy some defined "human right" of another individual. It is self-defeating to attempt to uphold some level of defined rights by violating other rights. There are, in fact, no reasons to suggest that property rights and human rights are contradictory.

IV. Why Have Property Rights Been Dismissed from the Human Rights Discussion?

Throughout the late nineteenth century and the twentieth century, the importance of individual choice and property rights has been expanded by numerous scholars. Menger (1871 [1994]) and Mises (1919 [1983], 1922 [1981]) returned the focus of economic study to the choices of individuals rather than the study of aggregate data. Hayek (1960, 1976) and Rothbard (1977, 1982) resurrected the principle of property rights as the crucial element to individual liberty. However, throughout the nineteenth and twentieth century, numerous scholars and policy makers made contributions that undermined the importance of property rights. Although the Austrian school of economics was able to successfully bring property rights back into academic discussion, the following endeavors fueled the omission of property rights as the cornerstone of human rights among many social critics.

1. Socialism and the Theory of Capitalist Exploitation

Although theories of a communist shared utopia can be traced as far back as Plato's *Republic* in ancient Greece, the key socialist criticism of capitalism can be traced to the Communist Manifesto (Marx and Engels, 1848 [1998]). While the work did not necessarily cause a huge impact at the time of its release, it would prove to have an amazing impact on academia and ultimately be used as the rationale for socialism in practice in the twentieth century.

Marx viewed capitalism as a system in which there was a basic dichotomy between capitalists (the bourgeoisie) and the laborers (proletariat). He modeled capitalism using a labor theory of value. The creation of value was dependent solely on labor. The value in society was created by the combination of the labor of workers and the capital provided by the owners (which Marx viewed as the labor of other workers).

Workers were paid a subsistence wage while the capitalists kept any surplus. Due to extreme competition among the capitalists, Marx believed that the owners would have to continually exploit labor and substitute capital for labor in order to stay competitive. Because workers were extremely poor and could not afford to buy the goods that were produced, firms would continuously fail as the economy tended toward overproduction. As the firms continued to fail, former capitalists would join the ranks of the poor. According to Marx, this situation would then lead to a revolution in which the poor would replace the capitalists and create a new social order. Socialism would replace capitalism as a natural progression in social order.

While not solely responsible for the socialist movement on their own, Marx and Engels greatly influenced thinkers and political figures in the following century. Many academics adopted the criticism of capitalism as a justification for the social superiority of socialism over capitalism. Additionally, Vladimir Lenin and other leaders throughout the twentieth century used the model as a justification for imposing their socialist systems.

The Communist Manifesto and numerous socialist works to follow had important implications for property rights. First, the basic clash between the rich and the poor existed due to the accumulation of wealth, or property, by the capitalists in these works. Therefore, the property rights of the wealthy could be viewed as the cause of social inequalities in this light. Additionally, the socialist system that was to replace capitalism as the new social order required the near-complete destruction of personal property rights. While there are other important elements that distinguish the socialist system from capitalism, the primary and traditional method involves an analysis of property rights. In capitalism, labor, capital, and all other resources are privately owned. While labor is still generally privately owned in socialism (although there are numerous real-world examples in which individuals in socialist systems were unable to practice private ownership of even their own labor), all capital and resources are property of the state. In essence, socialism requires the destruction of personal private property.

While the problems of the socialist system became apparent over the years and culminated with the collapse of most of the socialist countries in the 1980s, Mises (1922 [1981]) predicted that the socialist system would ultimately end in ruin. He stated that the socialist system had no method by which resources could be devoted to their most valued use due to the lack of private property rights and the ability to exchange. Despite the end of the most powerful socialist systems, the influence of socialism remains a constant in academia and policy today. The impact has had a detrimental effect on the perceived importance of private property rights.

2. Positive Law and the Inflation of Human Rights

A modern theory of positive law, law explicitly created by humans and adopted by a ruling authority, can be traced to Thomas Hobbes's *Leviathan* (1651 [2008]). Hobbes set out to explain the development of society and the formation of government. He famously described life without government as, "...nasty, brutish, and short" (p.86). Without government to protect individuals, people turn to violence as a means to protect themselves and secure the scarce goods that are available in nature. Without laws defining property, everyone has a right to everything in the world.

However, Hobbes reasons that it is not in the individual's best interests to remain in a state of constant war. For this reason, humans agree to a social contract in which the individual relinquishes their natural rights in return for protections from the state. Hobbes described this as the origination of government. He argued that a strong centralized government was needed in order to maintain peace. Individuals would be willing to tolerate a high level of mistreatment at the expense of the government in return for the protection offered by the social contract.

Hobbes's political theories were expanded by academics in the years to follow, perhaps most notably by Jeremy Bentham. Bentham argued in *The Principles of Morals and Legislation* (1789 [1907]) that it was necessary for the government to enforce policies that result in maximixing happiness. He believed that this was the moral rationale for all social and legal policies. As a result, Bentham seems to suggest that any policy that results in a net increase in happiness should be enacted. This line of thinking has become known as utilitarianism, a theory in which the net utility of individuals should be maximized, even though some individuals may experience a decrease in personal utility.

While many other academics and philosophers have expanded upon these theories in the centuries that followed, the aforementioned concepts have played a crucial role in the determination of what has become expected of human rights in modern times. These theories have allowed for the inclusion of positive rights, which are rights to some designated standard of living that must be provided by the government. According to this line of reasoning, while the provision of positive rights would require an infringement of the personal liberties and property rights of some individuals, the end result would justify the means because the overall gain in utility would outweigh the loss.

This type of rationale and thinking is clearly present in the Universal Declaration of Human Rights, which was agreed upon in December of 1948 by the United Nations Human Rights Committee. Van Dun (2001) notes that the definition of human rights that was constructed in the Universal Declaration of Human Rights is commonly accepted by many academics, lawyers, and citizens in general as the starting point for all human rights. Additionally, he observes that some of the issues contained in the doctrine are easily recognizable as natural rights issues, while others clearly stem from Hobbesian and utilitarian thinking.

For example, in addition to the natural rights and personal liberties that we would expect to be included in the definition of human rights, numerous inclusions provide for positive rights that the government must provide for individuals. The document includes provisions that require everyone to have a right to a basic standard of living (including food, clothing, housing, and medical care), security in the case of unemployment for numerous reasons, education, and the benefits of scientific advancement. Additionally, individuals are to be guaranteed work rights such as leisure and paid holidays. The document even guarantees individuals a right to the United Nations (Van Dun, 2002).

While these "guarantees" may appear as a reasonable part of human rights to many social critics, numerous academics have shown that these types of provisions must come at the expense of the individual liberties of others. Van Dun (2002, p.10) appropriately states that:

...a person's life, liberty, and property are thrown upon the enormous heap of desirable scarce resources to which all

54 G.M. Randolph / The Journal of Private Enterprise 27(2), 2012, 43–62

people are said to have a right. As such, they too end up in the scales with which political authorities, administrators, and experts are supposed to weigh the ingredients for their favoured policy-mix.

These guaranteed rights to claims on the property of other individuals are contradictory and self-defeating. While these claims are made on the principle of increasing the net utility of society, they do so at the expense of the individual liberties of others. There are no means by which the state or any organization can compare the benefits of the group that would receive the provisions and the costs of the group that would provide the guaranteed provisions. Furthermore, there are no guarantees that the scarce resources that would be needed to accomplish these measures would exist in a system that does not secure personal property rights.

3. Coase Theorem Implications and Misunderstanding

One of the most influential concepts in economics is the Coase Theorem, which follows from Ronald Coase's (1959, 1960) analysis of regulation theory. Bordreaux (1994, p.179) defines the Coase Theorem as follows:

Put in its most succinct form, the Coase Theorem states that the particular assignment of legal liabilities has no effect on economic outcomes if and to the extent that people can bargain among themselves for the exchange of these liabilities. That is, when transaction costs are not so high as to stifle bargaining, the ability of persons ('victims') harmed by the activities of others ('injurers') to pay injurers to reduce or stop their harmful ways necessarily induces injurers to internalize the costs that their activities impose on victims. Whenever bargaining is possible, no government intervention beyond the specification and enforcement of property rights is required to achieve the socially optimal level of economic activity.

While an enormous amount of scholarly research has examined and debated the Coase Theorem in abundance, Fox (2007) suggests that many scholars may have grossly misinterpreted the theorem. In fact, Coase (1988, 1992) actually argues that scholars have misconstrued

his concept by attempting to apply a zero transaction cost version of the Coase Theorem to a world in which transaction costs are positive. Coase suggests that his original intent was in fact to highlight the importance of positive transaction costs and refute Pigouvian conclusions that the harmful effects that result from the actions of one party must be mitigated by government action in a world with zero transaction costs (Fox, 2007).

Fox (2007) suggests that the primary implication of Coase's (1960) work involves the notion that liability for damages or injury should be assigned according to cost-benefit analysis rather than responsibility for the damages. Using this insight, Fox proposes that there are two parts to the real Coase Theorem. First, damages that are the result of a negative externality should be viewed as reciprocal in nature. Rather than assuming that one party has wronged another, Coase suggests that both parties simultaneously impose costs on each other. Cost-benefit analysis can then be performed to determine which party incurs greater harm. Second, when transaction costs are sufficiently high as to stifle voluntary negotiation, efficiency may be enhanced by the reallocation of property rights to the highest-valued uses through government action. However, government action can also result in efficiency losses, as government decision makers may be influenced by incentives other than the highest valued use principle and may not have full information.

When interpreted in this fashion, the Coase Theorem can potentially lead to some questionable treatment of property rights. The assignment of property rights in this interpretation seems to follow utilitarian theory rather than classical liberal theory. Hoppe (2004) offers several serious concerns regarding the Coase Theorem and property rights. In addressing the concept that it does not matter to whom the property rights are assigned, it must be pointed out that the participants in the property dispute certainly care deeply about who is declared the rightful owner of the property rights. It does in fact matter who owns scarce resources in the economy. Additionally, the incentive to be productive may be reduced when individuals can make claims on the property after others have laid claim to the property. Lastly, it is certainly possible to construct examples in which economic outcomes will differ depending on the assignment of property rights.

Hoppe additionally criticizes the claim that wealth maximization should be used as a rule by the courts in assigning property rights. It is unrealistic to believe that the court can calculate and compare the utility of parties involved in a property dispute. Additionally, changing market conditions can lead to different outcomes for property rights assessments when the monetary costs and benefits are used in a decision, leading to uncertainty in one's property ownership at all times. The wealth maximization rule forces the courts to make a decision on whether an action is just or unjust after the individuals involved in the situation have already acted. This allows for no method by which individuals can gauge the expected outcome of an action ahead of time. Additionally, Stringham and White (2004) note that it is impossible to employ costs and benefits to determine property rights because the determination of costs and benefits necessitates a system of property rights and market choice. Block (1977), Rothbard (1982), North (2002), Stringham and White (2004), and Fox (2007) provide further analysis of the impact of the Coase Theorem on property rights.

While some of the interpretations of the Coase Theorem concerning property rights display serious flaws, the impact of their works in academia and in practice has been enormous. Although many may misinterpret the meaning of the original work, the theory may be employed by some to suggest that the owner of property rights is not important and that property rights should be assigned according to the maximization of social wealth. This reasoning can lead to an excuse to violate the property rights of some individuals in order to potentially benefit other individuals.

4. John Rawls and Property Rights

John Rawls's *A Theory of Justice* (1971) has played an enormous role in shaping the thinking of academics in the field of political science in the past few decades. The prime motivation for Rawls's work was to bring together the issues of human equality and personal liberties. His primary theory of justice was termed "justice as fairness." According to this theory, all individuals are to have an equal right to the basic liberties that are compatible with similar basic liberties for other individuals. Additionally, he believed that basic economic and social principles should be constructed in a manner that is reasonably expected to benefit everyone in general.

According to Rawls, everyone has a right to basic liberties. Additionally, inequalities are only acceptable if the inequalities are advantageous to those that are in a worse state of affairs. He argues that this is the only social contract that individuals would agree upon if they had to choose the economic and social system that they would participate in before they were aware of their abilities and situations. This concept became known as the veil of ignorance.

However, Taylor (2004) argues that there is a notable absence of the explanation of property rights in Rawls's theory. In fact, his theory of justice does not seem to promote a democracy in which private property is protected in favor of a socialist economy. While this omission has been overlooked by most scholars, Taylor notes that Rawls did allude to property rights throughout his famous work. He does include the right to hold personal property as a basic liberty. However, he does not include the rights to own factors of production nor freedom of contract in his list of basic rights.

Taylor further argues that, based on the discussion of property rights in *A Theory of Justice* (or lack thereof); Rawls may actually support some sort of socialist system over a democratic capitalist economy. Rawls's omission of a clear place for property rights within his theory appears strange considering that most important political theorists have included a concise discussion on property rights. However, it becomes even more important as many academics and policy makers have been influenced by Rawls's line of thinking. Once again, the importance of property rights was diminished in the framework of what is considered one of the most important philosophical works in modern times.

V. What Happens When Property Rights are Protected?

While the social critics often look to the state and enforcement of normative guarantees to pursue human rights issues, other academics throughout time have noted the relationship between the protection of private property rights, prosperity, and peace. Adam Smith (1776 [2008]) famously noted that the protection of private property rights gives individuals the incentive to consider the economic wants and needs of others when using their resources. Resource owners stand to gain from the use of scarce resources when used wisely and bear the cost of ignoring the wishes of others. In this way, through selfinterest, individuals are motivated to accommodate the wants and needs of others. This process, in which individuals rely on each other for the many things that they need, promotes cooperation.

The importance of the role of property rights in mutual exchange was developed throughout the twentieth century by economists such as Ludwig von Mises (1949) and F.A. Hayek (1945). They argued that property rights play a critical role in the ability of a society to allocate scarce resources. Property rights are a necessity for exchange and market prices, which allow resources to flow to their most desired use.

As noted by Weede (2008), more recent studies such as de Haan and Sturm (2000), Weede (2006), and Gwartney et al. (2006) have found that economic freedom (of which property rights are key) is associated with economic prosperity and growth. Shleifer (2009) notes that living standards have increased dramatically around the globe in recent years, concurrent with advances in economic freedom. Jenkins et al. (2007) find that economic growth contributes to attaining the social goals that social critics often champion. These results often occur without the requirement or involvement of the government, other than involvement in the protection of property rights. Finally, Carden and Lawson (2010) find that human rights protections lead to further economic liberalization.

Additionally, it is well known that some of the most egregious violations of human rights occur during times of war. War has often directly resulted in human rights abuses or indirectly resulted in the violation of human rights, as groups use war as a justification of human rights abuses. Gartzke (2005, 2007) and Weede (2005) show that economic freedom (and property rights specifically) contributes to peaceful relations within countries and between nations. Nations are far less likely to engage in a conflict with a trading partner.

VI. Conclusion

In contrast to the views of many modern-day social critics, the existence and advancement of private property rights does not diminish the advancement of human rights. Conversely, private property rights are absolutely necessary and in fact equivalent to human rights. Rothbard (1982) asserts that human rights are violated when property rights are ignored. Additionally, the weakening of the property rights of one group in order to satisfy a human-created definition of human rights in general.

Despite the importance of historical works concerning the significance of property rights and the contributions of modern-day property rights scholars such as Ludwig von Mises, F.A. Hayek, and Murray Rothbard, many academics and policy makers have been

quick to dismiss property rights in the discussion of human rights. Socialism and its criticism of capitalism have provided a rationale for many to dismiss property rights as a divisive element of society. The expansion of the human rights definition to include positive rights at the expense of property rights has gained acceptance through time and is currently a widely accepted application of human rights. Some applications and misinterpretations of the Coase Theorem, while focusing on the topic of property rights in general, may suggest that property rights should be decided on the basis of economic and political considerations. Finally, Rawls's theory of political justice, an extremely influential theory, failed to include property rights as an important part of individual liberties. The combined results of these important movements have provided a solid rationale for the dismissal of property rights in the minds of many scholars and policy makers.

While numerous scholars and policy experts continue to ignore the importance of property rights, recent academic literature suggests that the protection of private property rights is associated with economic growth, economic prosperity, and peace. Additionally, the protection of private property rights and the results that follow help to advance the social goals that social critics set out to accomplish. While scholarship and evidence in favor of the importance of property rights exists, defenders of private property unfortunately continue to hold the minority view when it comes to human rights. A great deal of work remains to be done if property rights defenders are to convince academics, policy makers, and the general public of the crucial importance of the right to private property.

References

- Bailyn, Bernard. 1967. The Ideological Origins of the American Revolution. Cambridge: Harvard University Press, Belknap Press.
- Bentham, Jeremy. 1907. *The Principles of Morals and Legislation*. Oxford: Clarendon Press. (Orig. pub. 1789.)
- Block, Walter. 1977. "Coase and Demsetz on Private Property Rights." Journal of Libertarian Studies, 1(2): 111–15.
- Blume, Lorenze, and Stefan Voigt. 2007. "The Economic Effects of Human Rights." *Kyklos*, 60(4): 509–38.

- Boudreaux, Donald J. 1994. "The Coase Theorem." In *The Elgar Companion* to Austrian Economics, ed. Peter J. Boettke, 179–86. Cheltenham: Edward Elgar Publishing.
- Carden, Art, and Robert A. Lawson. 2010. "Human Rights and Economic Liberalization." *Business and Politics*, 12(2): 2.
- Coase, Ronald H. 1959. "The Federal Communications Comission." *Journal* of Law and Economics, 2(1): 1–40.
- Coase, Ronald H. 1960. "The Nature of the Firm." Journal of Law and Economics, 3(1): 1-44.
- Coase, Ronald H. 1988. The Firm, the Market, and the Law. Chicago: University of Chicago Press.
- Coase, Ronald H. 1992. "The Institutional Structure of Production." American Economic Review, 82(4): 713–19.
- de Haan, J., and Sturm, Jan-Egbert. 2000. "On the Relationship between Economic Freedom and Economic Growth." *European Journal of Political Economy*, 16: 215–41.
- Fox, Glenn. 2007. "The Real Coase Theorem." *The Cato Journal*, 27(3): 373–96.
- Gartzke, Erik. 2005. "Freedom and Peace." In *Economic Freedom in the World*, ed. James D. Gwartney and Robert A. Lawson, 29–44. Vancouver: Fraser Institute.
- Gartzke, Erik. 2007. "The Capitalist Peace." American Journal of Political Science, 51(1): 166–91.
- Gwartney, James D., Randall G. Holcombe, and Robert A. Lawson. 2006. "Institutions and the Impact of Investment on Growth." *Kyklos*, 59(2): 255–73.
- Hayek, F.A. 1944. The Road to Serfdom. Chicago: University of Chicago Press.
- Hayek, F.A. 1945. "The Use of Knowledge in Society." *American Economic Review*, 35: 519–30.
- Hayek, F.A. 1960. *The Constitution of Liberty*. Chicago: University of Chicago Press.
- Hayek, F.A. 1976. Law, Legislation, and Liberty. Volume 2: The Mirage of Social Justice. Chicago: University of Chicago Press.
- Henkin, Louis. 1990. The Age of Rights. New York: Columbia University Press.

- Hobbes, Thomas. 2008. Leviathan: or, the Matter, Forme, & Power of a Commonwealth, Ecclesiasticall and Civil. New York: Touchstone. (Orig. pub. 1651.)
- Hoppe, Hans-Hermann. 2004. "The Ethics and Economics of Private Property." In *The Elgar Companion to the Economics of Property Rights,* ed. Enrico Colombatto, 48–63. London: Edward Elgar Publishing.
- Jenkins, J. Craig, Stephen J. Scanlan, and Lyndsey Peterson. 2007. "Military Famine, Human Rights, and Child Hunger: A Cross-National Analysis." *Journal of Conflict Resolution*, 51(6): 823–47.
- Locke, John. 1960. "An Essay Concerning the True Origin, Extent, and End of Civil Government." In *Two Treatises of Government*, ed. Peter Laslett. Cambridge, UK: Cambridge University Press. (Orig. pub. 1690.)
- Marx, Karl, and Freidrich Engels. 1998. *Communist Manifesto*. New York: Signet Classics. (Orig. pub. 1848.)
- Menger, Carl. 1994. Principles of Economics. New York: Libertarian Press. (Orig. pub. 1871.)
- Mises, Ludwig von. 1983. *Nation, State, and Economy*. New York: New York University Press. (Orig. pub. 1919.)
- Mises, Ludwig von. 1981. Socialism: An Economic and Sociological Analysis. Indianapolis, IN: Liberty Classics. (Orig. pub. 1922.)
- Mises, Ludwig von. 1949. Human Action: A Treatise on Economics. New Haven, CT: Yale University Press.
- North, Gary. 2002. "Undermining Property Rights: Coase and Becker." Journal of Libertarian Studies, 16(4): 75–100.
- Rawls, John. 1971. A Theory of Justice. Cambridge: Harvard University Press, Belknap Press.
- Rothbard, Murray N. 1993. *Man, Economy, and State.* Auburn: Ludwig von Mises Institute. (Orig. pub. 1962.)
- Rothbard, Murray N. 1977. *Power and Market*. Kansas City: Sheed Andrews and McMeel. 2nd ed.
- Rothbard, Murray N. 1982. The Ethics of Liberty. New York: New York University Press.
- Sadowski, James A. 1974. "Private Property and Collective Ownership." In *The Libertarian Alternative*, ed. Tibor Machan, 120–21. Chicago: Nelson Hall.

- Shleifer, Andrei. 2009. "The Age of Milton Friedman." Journal of Economic Literature, 47(1): 123–35.
- Smith, Adam. 2008. An Inquiry into the Nature and Causes of the Wealth of Nations. Hamburg: Management Laboratory Press. (Orig. pub. 1776.)
- Smith, Adam. 2002. The Theory of Moral Sentiments. Cambridge: Cambridge University Press. (Orig. pub. 1759.)
- Stringham, Edward Peter, and Mark D. White. 2004. "Economic Analysis of Tort Law: Austrian and Kantian Perspectives." In Law and Economics: Alternative Economic Approaches to Legal and Regulatory Issues, ed. Margaret Oppenheimer and Nicholas Mercuro, 374–92. New York: M.E. Sharpe.
- Taylor, Quentin P. 2004. "An Original Omission? Property in Rawls's Political Thought." *The Independent Review*, 8(3): 387–400.
- Van Dun, Frank. 2001. "Human Dignity: Reason or Desire?" Journal of Libertarian Studies, 15(4): 1–28.
- Weede, Erich. 2005. Balance of Power, Globalization and the Capitalist Peace. Berlin: Liberal Verlag.
- Weede, Erich. 2006 "Economic Freedom and Development." *Cato Journal*, 26(3): 511–24.
- Weede, Erich. 2008. "Human Rights, Limited Government, and Capitalism." *Cato Journal*, 28(1): 35–51.