

## Chapter 4

# Basic Institutions of Geoliberalism

### **Relations among Nations**

In a world committed to geoliberal justice, each nation would accept the obligation to ensure that it did not appropriate more than its share of natural opportunities, or if it did appropriate more than its share, it provided appropriate compensation to those who had less than their shares. This would entail making contestable valuations of all of the nation's appropriations and all of its offsetting credits. The general principles by which the valuations would be made would be that value is determined, whenever possible, by markets, and when markets are not available, value is determined by disinterested experts. There would be no force that coerced nations to compensate appropriately. Instead, nations would be in continual conversation regarding appropriate values, and trading boycotts would be employed against particularly egregious violators of international norms.

While the basic right to an equal share of natural opportunities is a right of citizens, the compensation from a nation with more than its share would go to other nations. There would be a clearinghouse that would receive checks from nations that were appropriating more than their share and write checks to nations that were appropriating less than their share. Thus the question arises of whether it is just to require a citizen to allow the government of his nation to receive the compensation that is due to him.

There are two reasons for sending the compensation to national governments. First, because of the proximity of a national government to its citizens, the national government would generally be in a better position than the clearing house to determine what each citizen deserved. The national government could make the determination of what each citizen deserved even more proximate by delegating this task to a lower level of government. Second, there would be a check on bad behavior by governments in the form of the possibility that citizens would migrate to a different country. It would be sensible for the clearing house to have a rule that for a national government to be the proper representative to receive the compensation that was due to citizens, the citizens would need to be free to migrate if they wished. Any person who was not free to leave the country of his residence would be regarded as a prisoner who was unfortunately unable to accept compensation.

In a geoliberal world, the global community would acknowledge an obligation to ensure that future generations of citizens had opportunities at least as valuable as

those of their own generation. This would require a forecast of future population. There would also be a forecast of the capacity of technology to raise future standards of living. These forecasts would determine the magnitude of the resources that needed to be set aside (in something like a mutual fund) to ensure that future generations had opportunities at least as valuable as those of the present generation.

Each nation would be free to operate under whatever laws its citizens chose, with two limitations: Every nation that appropriated more than its share of natural opportunities would have an obligation to compensate the nations that thereby had less than their shares, and no nation would be able to prevent any citizen from emigrating.

There would be some accepted conventions regarding the criteria that a person needed to meet to be a citizen. It might be that a person became a candidate citizen when he or she began to say things like "That's not fair! Where's mine?" (age three or four?) A person would become a full citizen when he or she was able to comprehend the consequences of choices and take responsibility for them (somewhere between the ages of 18 and 20). A candidate citizen would have an entitlement to a share of the value of natural opportunities, whose use would be determined by the candidate's parent or guardian. One use of these funds would be to provide an education for the candidate.

While people would be free to live in nations that concentrated receipt of the value of natural opportunities on some privileged class of citizens, it seems unlikely that many would choose to do so. Thus it would be the norm for nations to provide something close to a full share of the value of natural opportunities for each citizen. But people are generally not totally selfish, so it would be likely to be customary for nations to require their citizens to devote either some of their shares of natural opportunities or some of their incomes to publicly chosen compassionate purposes.

Nations would generally assign the cost of their compensation obligations to their citizens according to the citizens' appropriations of the value of natural opportunities in excess of their shares. The simplest way to accomplish this would be to have the compensation cost built into the price of each good or service that used a natural opportunity and give each citizen a monthly check for the value of his or her share of natural opportunities.

There would be a system of private possession of land that would have many features in common with the rules under which land is held today. Most land would be held privately, but some would be held publicly. Land titles would be exchangeable without restriction, on whatever terms the parties agreed to. But land would be subject to a monthly tax that would reduce the selling price of unimproved land to a nominal figure. This would be the application to land of the principle that the person who appropriates a natural opportunity pays its value. A similar system would apply to other natural opportunities that are used most productively when one party has exclusive access.

Exhaustible resources would be used at a rate that maximized the estimated present value of the money received from selling them, with that money divided among generations in the way that would provide all generations with opportunities of equal value.