

The Local Free Market Solution

Local Economies as an Institutional Complement to Natural Individual Interactions

In Thomas Paine's "Rights of Man," Jean-Jacques Rousseau's "Discourse on the Origin of Inequality" and Hegel's "Philosophy of Right," all three authors emphasize the importance of the natural human instinct to interact with one another. All three describe this naturally arising impulse between individual men as leading to the creation of the specific societal structures of a community. While each of these authors positions this instinct or quality of human nature as central to the formation of larger societies, each has a differing conception of the qualities of or motivations behind these necessary individual interactions and thus a differing conception of the institutions and forms of societies that spring up from them. The differing outcomes of each philosopher's model give us insight into what kind of individual interactions or accompanying structures would serve as the best building blocks for a modern society that realistically deals with the issue of rights. Analysis of these authors' models gives us an idea of what the worth of this natural instinct to interact is in terms of rights and how societal institutions should or should not be used to modify or guide this natural impulse in order to further morality, rights and individual happiness. A synthesis of these authors' ideas with modern thinkers then expands on these concepts and provides a strong argument for local economic models to further support the establishment of these important goals.

Rousseau's "Discourse on the Origins of Inequality" primarily emphasizes the psychological side of individual interactions. His theory of human evolution says that a desire to be recognized and evaluated by other members of society leads to increased artificial or societal inequality. As soon as man enters into social proximity to other men

he begins to recognize natural inequalities and to understand the satisfaction of being recognized by others. Man is then prompted to try to feel superior in order to be satisfied by the regard of the other members of his community, and thus attempts to render people more unequal. Rousseau then traces this quality of individual interactions through societal formations and modern government, showing that civilization is founded upon artificial social inequalities that arise inevitably from social interaction. Rousseau's conception of natural interactions between men leads inevitably to an increase in inequalities and thus forms an unequal society in which human rights are severely hindered.

Rousseau shows a parallel between the growth of civilization from the first individual interactions and the emergence of inequality, emphasizing certain moments and innovations as particularly solidifying and promoting inequality. He defines two different kinds of inequality: first "natural or physical," of which man is unaware in the state of nature, that is "established by nature and consists in the difference of age, health, bodily strength and qualities of mind or soul;" and secondly, "moral or political inequality," which depends on a kind of convention and is established, or at least authorized by the consent of men" (37,38). Rousseau doesn't necessarily see a link between these two types of inequality, because for him, those who are superior in the moral or political system are not necessarily those who are naturally wiser, stronger or deserving. Thus inequality as we know it in society has no justification in the natural order of things, and, since Rousseau believes nature's commands are far more legitimate than human decision making, he concludes that such inequality that is not dictated by nature must be immoral and detrimental to man's happiness.

In order to attempt to distinguish a cause of the switch from natural inequality to societal moral and political inequality, Rousseau traces the motivations that propel the human race from the peaceful, relatively equal state of nature to civilization and its accompanying institutionalized inequalities. While Rousseau certainly glorifies the state of nature for its lack of conflict, violence and unhappiness, he does not propose that it would have been possible for the human race to remain in this state forever. Instead, he points to man's natural qualities of free will and perfectability as "giving rise to his enlightenment and his errors, his vices and his virtues" (45). Unlike animals for which nature dictates every behavior and desire, "man deviates often to his own detriment" (44). So while these inherent abilities of thinking for oneself and having foresight allow man to become enlightened and to develop his virtues, these same natural qualities permit man to deviate from what is actually right and good for him. These two qualities, as well as chance encounters and developments such as language and shelter, lead man to create social institutions, which, by creating relationships between men and thus a use for and recognition of natural inequalities, increase those inequalities already present in nature. It is the inevitable creation of these relationships and the recognition of inequalities that accompanies them that is key to Rousseau's vision of the creation of the modern corrupted society.

Once man has left the peaceful isolation of the state of nature, a plethora of social and political conventions serves to magnify, solidify and add to man's natural inequalities. Rousseau's "first step towards inequality" is the desire for public esteem that arises when men begin to live together and compare themselves as well as recognize their superiority over animals (64). This social motivation to increase inequalities between

men in order to regard oneself as superior is magnified by the idea of private property. According to Rousseau, private property created civil society and led to a more concrete form of man's desire to be esteemed as better through possessing more than his neighbor. This motivation for increasing one's property also made man realize that in order to be as productive as possible, a division of labor was necessary. Rousseau explains through the example of agriculture that such a division of work according to natural abilities only serves to combine natural inequality with "the inequality occasioned by the socialization process" (67). Rousseau blames man's tendency to work together for the compounding and crystallization of natural inequality, explaining that "as soon as one man needed the help of another ... equality disappeared, property came into existence, labor became necessary" (65). For Rousseau, this lack of individual autonomy and need for men to rely on one another only takes men further away from their natural inclinations and virtues. Thus, the interdependence and a free-market division of labor system that arises from man's interactions with one another is a decidedly negative development for Rousseau.

Once unnatural inequality has begun within social institutions, political institutions, though often intending to remedy such new inequalities, serve to solidify them. Rousseau outlines three stages of inequality in the political realm. The first is the creation of law and the right of property, second there comes "the institution of the magistracy," and finally the "transformation of legitimate power into arbitrary power" (76-77). This extension of inequality to political laws, conventions and power serves to solidify for Rousseau that "society no longer offers...anything but an assemblage of artificial men and factitious passions which... have no true foundations in nature" (80). In

this way, while the concept of human rights and its accompanying emphasis on equality had not yet arisen in the political sphere, one can assume that Rousseau might very well have regarded the French Declaration of the Rights of Man and the Citizen as just another solidification of inequality much in the same way as Marx did in “On the Jewish Question.”

By explaining to his reader the theoretical history of man’s societal evolution and its accompanying moral degeneration, Rousseau makes it clear that current civilization is inextricably linked to and even based upon unnatural inequality. For Rousseau, man was better off before he first interacted with other men, even on an individual level. Rousseau regards such interactions as only increasing inequalities because of a natural propensity to seek recognition of superiority from his fellow men. Rousseau believes that in the institution of laws and governments “those most capable of anticipating the abuses were precisely those who counted on profiting them,” and so “society and laws,” especially that of private property “gave new fetters to the weak and new forces to the rich” (70). Such a civilization entrenched with artificial inequalities, is completely unfavorable to the existence or flourishing of human rights, since one of the main tenets of human rights is equality. While human rights can certainly exist among those who are naturally unequal (in fact, it would have even more power in such a situation) it seems difficult to imagine the success of human rights when faced with institutional artificial inequalities.

In Paine’s “Rights of Man,” his conception of the interactive human impulse is highly economic. He believes that we interact because one person fulfills one division of labor and needs others to trade or work together in order to fulfill his needs. Paine sees this natural impulse to interact as the basis for the creation of the free market. It is man’s

mutual dependence and reciprocal interest that allows him to create a functioning society without the need for government, thus allowing him to retain his natural rights. This “invisible hand” economic model of interaction, as coined by the economist Adam Smith in the *Wealth of Nations*, creates a model of a functioning society without the need for government. Thus for Paine, these interactions lead to an inevitable harmony between equals that need each other in order to fulfill their needs and desires.

In Paine’s conception of his ideal society as well as in his biting critique of Burke’s critique of Human Rights as explained in the French Declaration of the Rights of Man and the Citizen, it is clear that Paine places much importance on the capacity for human nature alone to create a functioning society. Paine completely rejects Burke’s idea that rights and governments are inherited from past generations. For Paine, a single generation of men equipped only with their natural tendencies is self-sufficient to create a society or commonwealth. Not only is society a naturally occurring phenomenon that requires no historical precedent, for Paine, rights are also natural. This conception of natural rights plays a large role in the societal structure that Paine envisages.

Origins are of the utmost importance to Paine, and in his opinion, man at his origins is “true man,” which modern man should refer to for justification and guidance. Paine argues that rights and origins are linked to each other - man possessed rights from the very beginning of his existence; “we have now arrived at the origin of man, and at the origin of his rights” (84). Paine uses several different religious creation stories as proof of the “divine principle of the equal rights of man (for it has its origin from the maker of man),” and to examine man’s nature untouched by history or society (85).

Unlike many philosophers, Paine believes strongly that all men are born with natural rights that are completely benevolent and sufficient. For him, “natural rights are those which always appertain to man in right of his existence” (86). Because rights are an inevitable part of man’s life, they are to play a large role in Paine’s conception of society. One key aspect of these natural rights is that they “are not injurious to the rights of others” (86). Thus, unlike philosophers such as Hobbes, who saw natural rights as leading to violence and cruelty between men because each was looking out for his own rights and well being with no regard to others, Paine’s idea of natural rights is harmless for communities of men. As a consequence of this, Paine sees no pressing need for civil rights to curb the harmful aspects of natural rights, and if civil rights should exist, they are derived directly from some pre-existing natural right. Paine believes that the only reason civil rights arise is if a natural right exists, but in the context of society, an individual is not able to protect or fulfill that right on his own. In this way, upon his entrance into society, man retains all natural rights “in which the power to execute is as perfect in the individual as the right itself,” but those natural rights in which “the power to execute them is defective” in the individual become transformed into civil rights, executed by a societal body, rather than an individual (87). Paine concludes that those rights that man is born with are harmless to his fellow man and thus retained to a large extent within society, leaving little need for a governmental body to create and enforce rights.

Just as civil rights do not rule Paine’s realm of rights, government is secondary in his conception of how society functions. According to Paine, “a great part of that order which reigns among mankind is not the effect of government. It had its origin in the

principles of society and the natural constitution of man. It existed prior to government and would exist if the formality of government was abolished” (165). Thus, order for a community is not contingent on the existence of a ruler or a ruling body, but would occur simply because of human nature. Instead of a government being central to society, the key for Paine is “the mutual dependence and reciprocal interest which man has in man” which “create[s] that great chain of connection which holds it together” (165). It is the nature of individual interactions that allows man to form a unified and harmonious community. One can assume that the existence of benevolent natural rights, which do not isolate and pit man against man, helps to create this framework.

In this way, rather than society being regulated and formed by an artificial government, it is run by a capitalistic, “invisible hand” system that is created and maintained by man’s human nature. Paine sees man as having been created with a propensity for teamwork and societal living. “Nature created him for social life, she fitted him for the station she intended...she made his natural wants greater than his individual powers. No one man is capable without the aid of society, of supplying his own wants, and those wants, acting upon every individual, impel the whole of them into society as naturally as gravitation acts to a center” (165) Man is naturally social in Paine’s model because he needs something concrete from other individuals. Man is unsuited to self-sufficiency, but instead tends towards a natural division of labor, which propels him into social interactions. Paine also goes beyond simple needs, explaining that man possesses “a system of social affections which, though not necessary to his existence, are essential to his happiness” (165-6). Between fulfilling individual needs and happiness, Paine

constructs a model for the creation of society that positions human impulses to interact as natural, powerful, inevitable and eternal.

This model for a society formed by men's natural need and desire to interact with one another, is not, however, the only way in which societies exist. Paine treats government as having the possibility to override this natural set-up. In fact, he explains that governments can have three sources for their creation, "1st superstition, 2nd power, 3rd the common interests of society, and the common rights of man" (87). Only the third type is based upon Paine's conceptions of natural rights and human nature. This third, and, according to Paine, superior, type of government follows a Lockean model of formation that highlights the importance of individual-to-individual interactions. He describes the origin of this form of government, explaining that "the individuals themselves, each in his own personal and sovereign right, entered into a compact with each other to produce a government" (89). By emphasizing the individual relationships that form the base of this form of government, Paine equates it with his favored explanation of the natural, unguided formation of society that also relies upon such interactions.

Paine's theory of society that springs up naturally from the individual interactions and reciprocal needs of the men that form the society informs his idea of what form of government is best. Paine favors a representative government because it "takes society and civilization for its basis; nature, reason and experience for its guide" (175). Thus, he believes that society as independent from government is the best possible way for man to live together in a community, and that a government, rather than altering or manipulating this natural course, should merely complement it. The communal ties and unity that

spring up from the mutual dependence of individual interactions, also lead to Paine's argument against monarchies. Paine believes that running or creating a government requires "an assemblage of practical knowledge which no one individual can possess" (179). If no one individual has the knowledge to aptly form a government, the individual ties between men that arise from their natural interactions come to hold an even greater importance. These man-to-man interactions that unite the members of a society are what give a government the wisdom it needs to succeed.

Paine clearly considers government a secondary and even unnecessary addition to a society. The safety and prosperity of a group of people is more dependent on the "unceasing circulation of interest" than on "instituted government" (167). Paine envisions a civilization that arises directly from nature and is regulated harmoniously by her rules. Paine believes that "all the great laws of society are laws of nature" and such laws of nature "are laws of mutual and reciprocal interest" (167). There is a very tight link between what is natural or original and the individual interactions of men within a community. Paine gives great normative value to nature, rejecting artificial governments and instead valuing the laws of society that arise from the natural interactions of man and the benevolent natural rights that each possess.

Paine envisions a utopian society full of rights and economic prosperity where man does not have to give up any of his natural rights to a sovereign. Paine's conception of rights and what is best for man's needs and happiness is strongly natural. However, what makes this natural model function so well is his vision of the natural as being capitalistic. Paine's notion of innate individual interactions is the base of this naturally capitalistic model for society, for it is the mutual dependence and reciprocity of

individuals (driven by their inherent lack of self-sufficiency) that creates a functioning society that prospers under the direction of Smith's concept of "the invisible hand."

For Hegel, this innate need for interaction and recognition from other men is supported by the creation of corporations, which satiate and control man's natural impulse to interact, judge and be judged. Like Paine, Hegel sees the interactions between individual men as leading to a capitalistic and prosperous economy. However, unlike Paine, he foresees the psychological dissatisfactions that could accompany this model. Thus, Hegel sees a problem in the natural course that such inevitable interactions between individual men bring and suggests an institutional remedy that fulfills a human need for recognition as a valuable equal while also harnessing the economic power of natural interdependence.

Unlike Rousseau and Paine, Hegel does not begin with man's original state, but rather situates his model for society in a modern context. Instead of beginning with a primitive community of men forced together by nature, Hegel starts with a conception of the modern state, which he sees as an excellent achievement because it "remains an end in and for itself" (106). For Hegel the state is an ideal model for human civilization; not because it is the inevitable consequence of human behavior and the natural order of the world, but rather because "it is the rational destiny of human beings to live within a state" (106). This is a radical break with Paine's view of a community being formed out of the natural interactions of man and with his idea that a formal state and government is fairly unnecessary for a community of human beings. Thus, from the beginning of Hegel's discourse on political structures, he takes an approach that does not posit nature as the

one true motivator and guide of civilization. On the contrary, he sees the value in artificial, reasoned societal structures.

This is not to say that Hegel disregards human nature or needs. He relegates these aspects, however, to civil society; a component of civilization that he sees as separate from the state. While the state is “an end in and for it self” that does not form in order to care for the needs and wants of man, but rather does what is objectively best for the whole of society, civil society is specifically the realm of man. It is within civil society that we see the importance that Hegel places upon individual interactions, which can be seen as both the cause of the creation of civil society as well as that which civil society molds, guides and harnesses.

Hegel notes the existence of two principles that arise from and explain human nature and inform the model for civil society that is necessary in order to fulfill the natural psychological needs of man. Hegel believes that a person’s “own end, is one principle of civil society. But this particular person stands essentially in relation to other similar particulars, and their relation is such that each asserts itself and gains satisfaction through the others, and thus at the same time through the exclusive mediation of the form of universality which is the second principle” (220). Hegel sees man as needing both particular and universal fulfillment. Man must interact with other men, and therefore enter into a universal rapport, in order to gain satisfaction. In this way, while Hegel proposes two separate principles of society, they are essentially linked by the fact that interactions between individuals and their particular ends are inevitable; a fact that creates a universal side to every particular pursuit.

Particularity and Universality are tied up together because it is impossible for man to achieve his own ends without “reference to others,” who then become means to the end of that one person. Because others are needed for this end to be achieved, that particular end takes on a form of universality. Like Paine, Hegel sees man as incapable of self-sufficiency. He is not built to be able to achieve his own particular ends without the help of others and thus interacts consistently with others, if only because of this selfish motivation. “The subsistence and welfare of the individual and his rightful existence are interwoven with, and grounded on, the subsistence welfare and rights of all” (221). This principle of interconnectedness posits interactions between individuals as essential to each man’s particular ends and also the fulfillment of all men in society, since the needs of all individuals can only be met through interacting with others. This explanation of the need for interconnectedness in order to promote the group’s welfare is similar to Paine’s capitalistic free market model. In Hegel’s model, if one is fulfilling their personal ends, this will necessarily help the whole, since all are connected by some form of universality and interdependence.

However, unlike Paine’s utopian conception of the free market society that naturally springs up from the inherently economic interactions of individuals, Hegel foresees problems that a capitalistic model could bring, taking into account the psychological side of individual interactions that was so critical to Rousseau. While Hegel clearly supports a free market model that runs off the specialization of individuals or a division of labor into menial tasks in order to generate the most profit possible, he understands that “dependence and want of the class which is tied to such work” is also created (266). This class that is relegated to the most unsatisfying, but necessary, tasks

could find themselves in a situation in which “that feeling of right integrity, and honour which comes from supporting oneself by one’s own activity and work is lost” (266). Hegel takes into account the psychological side of individual fulfillment rather than just basing his societal model on material prosperity. This consideration is essential to the creation of civil society’s most defining feature, “the corporation.” Hegel sees corporations and estates as solutions to the psychological dissatisfaction that could occur due to the fact that a purely economic laissez faire model for human interactions in society does not fulfill the full needs of natural impulses to interact. Hegel considers recognition an essential aspect of this human interaction. Not only does man need other men to complete other divisions of labor in order to create some whole product that is useful, he also needs honor and respect.

Corporations and estates, as put forth in Hegel’s model, are a sort of second family. They are smaller communities within the state that serve as mediators between the state and the individual. Within the corporation or estate each individual has a particular role that is valued and essential. “The selfish end which pursues its own particular interest comprehends and expresses itself at the same time as a universal end, and the member of civil society, in accordance with his particular skill is a member of a corporation whose universal end is therefore wholly concrete” (270). Corporations facilitate the integration of the particular and universal ends that are both necessary for individual fulfillment. Here, Hegel shows that the particular/universal dichotomy is also harnessed by the artificial corporations in order to maximize the economic potential of a community. By pursuing and fulfilling his individual particular end, a person is also furthering the prosperity of the whole because his particular end functions as a cog in the

machine of the corporation. He is participating in something larger and more profitable than he alone could create.

Corporations and estates also satisfy the psychological need of human interactions. Within the corporation model, “it is recognized that [an individual] belongs to a whole which is itself a member of society in general, and that he has interest in, and endeavors to promote, the less selfish end of this whole. Thus he has honour in his estate” (271). Here, Hegel suggests that it is in man’s human nature to desire to be recognized as contributing to a universal and thus selfless project. In Hegel’s model, therefore, man is naturally not an isolated, independent being; not only because he is not self-sufficient, but also because he possesses an inherent drive to be a part of a communal end. Hegel’s recognition that man craves a “universal activity” leads to his idea for corporations and estates because such an activity is not provided by the modern state (273). Nor, it seems, can man be fulfilled in his natural impulse to interact economically and psychologically while maintaining a peaceful and ordered society without such artificial institutions. In fact, if an individual does not belong to a corporation or estate, “his isolation reduces him to the selfish aspect of his trade and his livelihood and satisfaction lack stability. He will accordingly try to gain recognition through the external manifestations of success in his trade” (270). Man craves recognition from his fellow men, and if this recognition cannot somehow be received through performing his menial division-of-labor task, he will disrupt this ordered arrangement of tasks by striving for recognition through assertion of his superiority. This is the situation that Rousseau envisioned as occurring naturally due to this same impulse for recognition. Hegel’s model, however curtails the snowball effect

that Rousseau describes by creating an artificial situation in which man can gain recognition without the need to assert superiority and thus breed inequality.

Another defining feature of Hegel's model for civilization that aptly takes into consideration the economic and psychological sides of human impulses to interact is the differentiation that he draws between the state and civil society. While individuals must be a part of the state as "it is only through being a member of the state that the individual himself has objectivity, truth and ethical life" (276), it is truly through the state-sanctioned corporations and estates of civil society that he gains success and fulfillment. In fact, these civil society institutions are the only means that Hegel provides for the individual to participate in the state. This model of smaller communities within a larger civilization is especially pertinent in our modern globalized world. In light of suggestions by Arendt and Agamben that the modern nation state is in decline, societal institutions on a smaller level, such as the corporation and estate, could take on a greater role in a new political and local economic order yet to come.

What makes Hegel's model work is that it takes into account not only the unifying, profitable economic side of human interactions, but also the important psychological side of these interactions that craves recognition and respect. His model of civil society harnesses both sides of this natural impulse for the benefit of the individual and the whole community through an artificial, institutional system. While this model is an admirable synthesis of the two sides of the individual interactions that Rousseau and Paine have already shown, it is still an abstract and vague concept. It is unclear what such corporations or estates would look like, and it would certainly be a drastic jump to institute such a system into our modern society. Hegel's institutional solution to the needs

and cravings inherent in individual human interactions must be translated into a modern, viable and practical concept, such as the “local” movement today.

The recent popularity of the “local” movement provides a current concept that forms a similar model to Hegel’s envisioned societal structure. The emphasis is on supporting local economies as a means to foster and rebuild communities in the wake of multi-national corporations, franchises and globalization, thus bringing viable change to a currently impersonal and dispersed economic model. Just as Paine and Hegel have emphasized the importance of the economy and free markets in their models for society, the focus of this movement is similarly economic. The local focus puts a spotlight on the community, a construct that Hegel showed to be an important component to the capitalistic model of the free market. As all three authors have shown, man naturally desires and needs to interact with those around him for both economic and psychological reasons. In the current model of globalized markets, this two-sided impulse is denied an outlet within which it can find fulfillment.

In comprehending the current situation, it is helpful to consider the modern consumer/investor in a Hegelian model. Just as Hegel emphasized the need to incorporate particularity and universality, it is necessary for the consumer/investor to be able to use his economic power to pursue both a particular and universal end. Currently, when a consumer purchases or invests in something, he is fulfilling his particular end of desire or need, but most of the time this action does not allow him to participate in a universal end at the same time. A consumer, for example, who buys new sneakers at Wal-Mart, succeeds in his personal mission, checking that item off his list, but his money has now disappeared into a complex and abstract corporate abyss. He does not feel, as Hegel

emphasized, that he is participating in something that is not selfish; rather his action is wholly egotistical with no universal facet. This holds true for an impersonal investment.

In today's world, as nation-states falter and multi-national corporations gain greater power, man may find a return to a community level more consistent with Paine's notion of innate individual interactions as part of a naturally capitalistic model for a functioning society. A model of local community markets, as advocated by the economist and attorney Michael Shuman, would better fulfill the needs of natural impulses to interact on an individual level, reduce poverty, increase responsible business practices through greater accountability, and result in less corporate violations of human rights. As Shuman in his book *The Small Mart Revolution* puts it, "the central argument here is that [locally-owned] businesses are the key to a community's economic future. The more we nurture and support [them], the more likely we will bring prosperity to all... rich and poor, black and white, male and female, rural and urban, young and old. With greater prosperity for so many diverse groups, we also have a better shot at solving hundreds of other knotty problems bedeviling our society" (15). Thus, communities of any demographic would be able to better contribute to their economic prosperity by investing in companies that bring direct profit to the community itself through hiring members from the community and supporting initiatives that are locally important.

A new development in the local movement is the idea of local exchanges. Currently, exchanges focus on companies and investors that are dispersed around the globe rather than located in one area. In order for a company to go public and enter an exchange, it must be fairly large and profitable. Its shareholders could be anyone around the world with diverse interests and visions for the company. Such delocalization can

drastically change a company without it necessarily intending to do so. Such a company no longer has its interests based in its location but rather dispersed wherever its shareholders happen to be. A local exchange would focus both companies and investors within a particular area, and would make it easy for residents of a community to invest in local businesses. Such a phenomenon would, according to Michael Shuman, contribute to the welfare and happiness of the community itself.

Shuman observes that “[m]ost of us suspect – correctly it turns out – that local businesses in our community are more directly connected to our well-being. The assets of these small firms are, by definition, sited in the community and owned by people residing there. They almost exclusively hire neighbors. The benefits of their success and the fallout of their failure are experienced directly by residents” (9). In a later essay by Shuman and two colleagues, “Ending Poverty through a Global Ownership Revolution: The Case for Local Stock Markets,” local businesses as facilitated by such local exchanges are also put forth as a viable way to end poverty around the world. They explain that “locally owned businesses contribute significantly more income, wealth, and employment to a community than do nonlocal businesses, and do so in ways more likely to preserve natural capital and promote social equality” (1).

Thus, a move towards local economies, including local exchanges and the businesses whose prosperity they facilitate, is beneficial not only in the fulfillment of the Hegelian model of particular and universal ends but also in reducing poverty and the lack of rights that necessarily accompany it. As local economies prosper, communities will flourish and become more important for individuals. Hegel’s model that favors a smaller institution (the corporation) as a means to harness the economic power of natural

individual interactions and as a way to fulfill a human need for recognition and respect could translate well to a modern economic focus on local businesses. Small communities would begin to become more self-sufficient rather than relying on large multi-national businesses. Such an independence of communities would both increase the respect and recognition of the individual, as everyone would have an important role within the community, and could serve as a next step to the decline of nation-states suggested by Derrida and his focus on cities. While a local economic focus could function harmoniously within the already present nation-state model, it could also maintain itself more or less if such a model was to fall apart.

Through an analysis of the models that Rousseau, Paine and Hegel derive from their conceptions of individual human interactions, it becomes clear that any societal model that is to promote happiness, welfare and rights must take into account both the economic and psychological sides of such interactions. Man's natural impulse to interact is fueled by a necessity to work together in order to fulfill basic needs, as well as a mental component that craves recognition and respect. Societal models must respect both of these aspects of interaction if they are to be successful and fulfilling. A shift in our modern society to a focus on local economies could help bring our societal model closer to that which natural individual interactions call for by bringing a focus back to local communities in which individuals feel they have an important place and can concretely and fully use their natural impulse to interact.

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