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# Rousseau's notion of envy: A comparison with modern economic theory

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## 1. Introduction

This text discusses the complicated and ambiguous notion of envy in Rousseau's economic philosophy, comparing it with its use in modern economic theory. The term 'envy' can be found both in Rousseau's economic philosophy and in modern economic theory, where it is either a criterion of equity following Foley (1967) and Varian (1974) or a negative externality (Sussangkarn and Goldman 1983). I will compare these different uses of the concept of envy and raise two questions. First, does modern economic theory 'formalise Rousseau's concept of envy? Second, what does the Rousseauist notion of envy imply for economic analysis?

To answer these questions, I will first compare the main characteristics of the notion of envy in Rousseau's economic philosophy with the use of the concept of envy in the equity approach, where equity is conceived in terms of a criterion of non-envy. I will show that these notions are quite remote from each other. The fact that the non-envy criterion does not imply a negative connotation and, in particular, that no-one in these models really suffers from the wealth or happiness of others is a well-established point. In modern economic theory, this lack of 'negative envy' in the 'non-envy' criterion has been noted and discussed by economists who use the term in the sense of a negative externality. As a consequence, the conception of envy as a negative externality seems to be that of Rousseau. But, in the second part, I will defend the idea that it is not. Indeed, Rousseau's reading is the starting point of another question, since not only does he identify envy as distress arising from the prospect of the wealth, happiness or talent

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of others, but he also explains the causes of envy. These causes imply a judgement of the economic agent upon himself, his happiness, his wealth and his talents, which judgement seems very difficult to integrate with the modern conception of the agent defined by a complete preference pre-ordering. Envy introduces a hatred of oneself, which eliminates the notion of a rational agent capable of knowing of what his happiness consists or, at least, able to choose for himself what he prefers. Paradoxically, Rousseau's discussion of envy can be turned to the advantage of those who reject envy as an externality.

## 2. Rousseau's envy versus equity's concept of envy: definition of an envious agent

### 2.1. Envy in Rousseau's economic philosophy

Rousseau's hostility to the development of exchange<sup>1</sup> is in part due to his conception of well-being, or happiness. Two features characterise this conception. On the one hand, well-being implies a feeling of superfluous consumption as opposed to necessary consumption (1997b: 443) or a feeling of sufficiency of wealth compared with needs and desires (1969: 303, 1997a: note 9, 1997b: 443). The development of exchange is dangerous because it transforms superfluous pleasures into necessary needs, creating dependence among consumers.<sup>2</sup> On the other hand,

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1 Rousseau's hostility to market is developed all along the second part of the *Discourse on Inequality*. Autarchy, which goes along with an economic organisation alternative to market is required in not only Clarendon but also in the texts devoted to Corsica (Rousseau 1964b: 921, 929) and Poland (Rousseau 1964c: 1004), who should avoid the 'système de commerce', and repeated in the *Fragments Politiques* : 'I own that money renders exchange more convenient, but better render exchange less necessary, make all sufficient to himself as much as he can' (Rousseau 1964a: 526).

2 The growing society of the *Discourse on inequality*, with the beginning of division of labour and exchanges, made conveniences degenerate into true needs and 'it became much more cruel to be deprived of them than to possess them was sweet (1997a: 164–5); the social state depicted in the same *Discourse* shows, at the end of development of exchange, the 'mutual subjection of all men' by a 'multitude of new needs': 'man, who had previously been free and independent, is now so to speak subjugated to the whole of nature, and especially to those of his kind, whose slave he in a sense becomes, even by becoming their master; rich, he needs their services; poor, he needs their help, and moderate needs do not enable him to do without them (1997a : 170). The development of needs also appears in the *Fragments politiques* (1964a: 514) and the relation with exchange (along with arts) is explicitly given: 'One can demonstrate that trade and arts, by

well-being is always influenced by the existence of other people. In particular, it is always threatened by envy, this negative passion that affects us when we observe others' wealth or happiness. According to Rousseau, the development of exchange, because it relies on comparison and allows luxury, increases occasions of envy (Rousseau 1997a: 166, 171).

Envy is, in Rousseau's philosophy, an anthropological characteristic of a human being not in the state of nature; it arises as soon as he leaves the solitary condition of the man of nature and begins to compare himself with others. Then he is no longer moved only by self-love (*amour de soi*), which is the desire of conservation and well-being, but also by *amour-propre*, which is the desire of being, or being judged, better than others.<sup>3</sup> Envy can be defined through four characteristics:

- (i) As shown in the *Discourse on the origin and foundations of inequality among men*, the emergence of envy is associated with that of comparison and socialisation. Natural man, who lives without recognising his fellows, is spared this sentiment when he accidentally comes across his fellows while hunting. Envy appears in the new-born state of society, when men 'grow accustomed to attend to different objects and to make comparisons; imperceptibly they acquire ideas of merit and of beauty which produce sentiments of preference'; 'jealousy<sup>4</sup> awakens together with love' (1997a: 165).
- (ii) This comparison creates a suffering, a pain: the envious is he who suffers from something he lacks, but which he did not lack before he

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providing for a few imaginary wants, introduce a most greatest of number of real wants' (1964a : 519).

- 3 On the distinction between 'amour-propre' and 'self-love', see *Discourse on the origin of inequality*, note 15. '*Amour propre* [vanity] and *Amour de soi-m^eme* [self-love], two very different passions in their nature and their effects, should not be confused. Self-love is a natural sentiment which inclines every animal to attend to its self-preservation and which, guided in man by reason and modified by pity, produces humanity and virtue. *Amour-propre* is only a relative sentiment, factitious, and born in society, which inclines every individual to set greater store by himself than by anyone else, inspires men with all the evils they do one another, and is the genuine source of honour. This being clearly understood, I say that in our primitive state, in the genuine state of nature, *Amour propre* does not exist; For, since every individual human being views himself as the only Spectator to observe him, as the only being in the universe to take any interest in him, as the only judge of his own merit, it is not possible that a sentiment which originates in comparisons he is not capable of making, could spring up in his soul' Rousseau (1997a: 218).
- 4 Although the notions of jealousy and envy may differ, Rousseau sometimes uses these terms as synonymous. That is the case here.

was aware that others possessed it. Rousseau exposes the rising of envy in the narration of the first leisure of human beings, showing that the development of talents and the desire of everyone to be looked at and acquire self-esteem produces, on the one hand, vanity and contempt, on the other shame and envy, and 'the fermentation caused by these new leavens eventually produced compounds fatal to happiness and innocence'. (1997a: 166). It must be noticed that *this suffering*, expressed by envy, *does not come from a lack for goods, but regard*. The desire to attract consideration leads every man to affect having the qualities he does not have.<sup>5</sup>

(iii) Envy grows with wealth in commercial society, since it is both the consequence of inequalities of wealth, and the cause of the pursuit of wealth. The wealth of the rich provokes envy, not only on the part of the poor, but even from other rich people. And envy is the most important motive of the desire for wealth in commercial society.<sup>6</sup> Wealth is not desired for the well-being it permits, but for the regard that it creates and the envy it provokes. Envy causes 'consuming ambition, the ardent desire to raise one's relative fortune less out of genuine need than in order to place oneself above others'. It '... instils in all men a black inclination to harm one another, a secret jealousy that is all the more dangerous as it often assumes the mask of benevolence in order to strike its blow in greater safety'. (1997a: 171). This denunciation of wealth, both as a cause and as a result of envy – the cause of others' envy, the result of the desire to be envied – recurs in Rousseau's work.

(iv) Absence of envy is a desirable objective. Rousseau exposes in *Emile* how crucial it is to preserve the child from the sight of luxury to 'avoid planting the seeds of pride, vanity, and envy through the misleading

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5 'Here, then, are all our faculties developed, memory and imagination brought into play, amour-propre interested, reason become active, and the mind almost at the limit of the perfection of which it is capable. Here are all natural qualities set in action, every man's rank and fate set, not only as to the amount of their goods and the power to help or to hurt, but also as to mind, beauty, strength or skill, as to merit or talents, and, since these are the only qualities that could attract consideration, one soon had to have or affect them; for one's own advantage one had to seem other than one in fact was. To be and to appear became two entirely different things, and from this distinction arose ostentatious display, deceitful cunning, and all the vices that follow in their wake' (1997a: 170).

6 The notion of richness is a relative one. «One gives the name of rich to a man who possesses more than the highest number» notes Rousseau in the *Fragments Politiques* (1964a: 921). Wealth is not measured only by a number of goods but also through a comparison with others' richness. That is why remaining rich implies to be in competition with others.

picture of the happiness of men'.<sup>7</sup> This education, however, will not be sufficient for the young man. As soon as Emile leaves 'this happy age, when the child knows no other happiness but necessity and liberty' (Rousseau 1969: 455), as soon as 'the day is approaching when, if he still wants to live [in Robinson's island], he will not want to live alone, and when even the companionship of *Friday* (. . .) will not long suffice' (1969: 456), Emile will no longer be spared from envy. It will appear when he is a youth, since it always threatens one who wants to be loved.<sup>8</sup> But in spite of this difficulty – perhaps even of this impossibility – of being spared the feeling of envy, Emile is educated in such a way that he can, as much as possible, evade this feeling.

This desire on the part of Emile's teacher to exclude envy is shared with the community of Clarens described in *Julie or the new Héloïse*, where differences in fortune do not lead to envious feelings:

A small number of gentle and peaceable people, united by mutual needs and reciprocal beneficence . . . find in their own station . . . everything needed to be content with it and [do] not desire to leave it, each becomes attached to it as a lifelong commitment. There is such moderation in those who command and such zeal in those who obey that equals could have distributed among themselves the same functions without any one of them complaining of his lot. Therefore no-one envies anyone (Rousseau 1997b: 448).

The way Rousseau expresses absence of envy in Clarens seems to be comparable to the formalised notion of a non-envy criterion. In Clarens, no-one envies anyone when 'equals could have distributed the same functions without anyone complaining of his lot'; in equity theories, the non-envy criterion is respected when nobody would prefer someone else's allocation to his own. In both cases, there is no envy when, even if someone has not chosen his situation, he would choose it if he had the choice (more exactly, he would not choose another). Non-envy is expressed through a

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7 'Do not show him to begin with the pomp of courts, the pride of palaces, the delights of spectacles; do not take him into society and into brilliant assemblies. Do not show him the externals of high society until after having put him in a condition to appreciate it on its own terms. To show him the world before he knows men is not to form him but to corrupt him; not to instruct him but to deceive him' (1969: 504).

8 We wish to obtain the same preference that we grant; so love must be reciprocal. To be loved one must be lovable; to be preferred one must be more lovable than another – more lovable than all the others, at least in the eyes of the beloved. Hence the first regards towards one's peers; hence the first comparisons with them; hence emulation, rivalry, and jealousy' (1969: 494).

similar test, which is a comparison between someone's situation and someone else's lot. It is that feature of non-envy in Clarens that leads, in an almost natural way, to compare Clarens' economy with the non-envy equilibrium, where the lack of envy, proposed as a criterion of justice, is expressed in terms very similar to those used by Rousseau to describe Clarens. How can this apparent similarity be understood?

## 2.2. *Envy in equity models: is there an envious agent?*

In the article in the *New Palgrave* devoted to 'envy', Hammond distinguishes two notions. In the first sense, envy is 'a deadly sin' and, from an economic point of view, 'an externality'. That is the sense suggested by Veblen (1899) in his analysis of conspicuous consumption, Brennan (1973), who uses it to study a sort of 'negative altruism', or Nozick (1974). In a second and 'narrow technical sense' owed to Foley (1967), envy is used in order to find 'an adequate concept of equity'. It is then defined in the following way: 'Consider any allocation  $(x^i_g)$ , ( $g$  1 to  $n$ ,  $l$  1 to  $m$ ) of  $n$  goods between  $m$  individuals. Suppose these individuals have preferences represented by ordinal utility functions  $U^i(x^i)$  ( $i$  1 to  $m$ ) of each individual  $i$ 's own (net) consumption vector  $x^i$ . Then individual  $i$  is said to *envy*  $j$  if  $U^i(x^j) > U^i(x^i)$ , so that  $i$  prefers  $j$ 's allocation to his own' (Hammond 1987: 165).

Can this definition, taken from the approaches followed by Foley (1967) or Varian (1974), be compared with Rousseau's definition of envy?

In both uses of the term, envy implies a *comparison*. In Rousseau's analysis, envy never appears without comparison. The envious is affected by seeing someone he thinks better endowed in wealth or talents than he is, and whom he fears will be preferred. In the theory of equity envy appears when an agent, comparing his bundle to that of everyone else, prefers another agent's bundle to his own. Moreover, an apparently similar 'non-envy test' is suggested: Rousseau's formulation of lack of envy in Clarens is based on a fictive choice: even if no-one chose his own place, no-one would say that he would prefer someone else's place. The non-envy criterion implies, in a very similar way, that if everyone could choose between everyone's bundles, no-one would choose a bundle other than his own.

However, the definition of the envious agent and the consequences of comparisons are obviously very different in each case. From Rousseau's viewpoint, the envious is negatively affected by the sight of others' advantages, whether these consist of wealth, beauty, talents, love or happiness, and would prefer not only to possess these advantages but also, if that were impossible, to see the others dispossessed of these advantages. In theories of equity, by contrast, even if the lack of envy is supposed to be a

good thing, envy does not affect individual utilities. Individuals are not envious in the sense that the possession by others of bundles they prefer to theirs does not decrease their own utility. If the non-envy criterion is not respected, the economist says there is envy, but this envy is not felt as something from which agents individually suffer. Contrary to Rousseau, for whom envy leads people to 'rivalry and competition on the one hand, and conflicting interests on the other, together with a secret desire on both of profiting at the expense of others' (Rousseau 1997a: 175), nobody, in theories of equity, wants to destroy others' advantages.

The absence of an envious feeling that would lead individuals to suffer from the possession by others of what they lack themselves is a rather well-established point, admitted by several equity theorists.

Hammond, having given a definition of envy used in equity approaches, notes:

that this is a *purely technical definition*; it tells us nothing about *i*'s emotional or psychological state, whether *i* is unhappy because he prefers what *j* has, or whether *i*'s envy makes him want to harm *j*. There is no sin in this unemotional economists' concept of envy, but no particular ethical appeal either. Indeed, it might be better to say that '*i* finds *j*'s position to be enviable', to minimize the suggestions of emotion. (Hammond 1987: 165)

Kolm also remarks that the non-envy criterion 'may be called 'equity-non-envy', although it does not exactly describe non-envy because an envious person's preferences are concerned jointly by her own allocation and that of others (yet, the theory of envy nevertheless uses this criterion, but for fictive, 'envy-free' individual preferences)' (Kolm 2007: 16).

Furthermore, if Varian's first contribution to theory of equity is entitled 'Equity, envy and efficiency', he never uses the term 'envy' in the general survey of the subject that he writes the following year, except at the very end of the article, where he writes only:

What are we going to do with acts of God, children, mistakes, small gifts, lies, malicious envy, and so on? If these questions can be answered in a satisfactory way, the idea of fairness may provide a very attractive theory of justice that combines the considerations of both procedural justice and distributive justice. (Varian 1975: 247)

That is to say: 'malicious envy', just like 'God or small gifts', is placed outside the theory. His definition of an equitable allocation no longer needs a reference to envy: 'No agent wishes to hold any other agents' final bundle. I shall define an allocation that has this property as an equitable allocation' (Varian 1975: 240). Moreover, Varian affirms that 'the theory of



fairness (. . .) is founded in the notion of 'extended sympathy' and the idea of 'symmetry' in the treatment of agents'.<sup>9</sup>

An opposite position is however maintained by Fleurbaey (1994, 1996), who discusses the 'representation of envy'. Fleurbaey claims the use of the term 'envy' in opposition to Sussangkarn and Goldman. For them, 'if people are envious, then envy should enter directly into their utility functions' because 'simply taking the intersection of the sets of efficient and equitable allocations to arrive at the fair set by assuming that people only care about their consumption seems arbitrary' and 'tells us nothing about the way in which people are assumed to care about other people's consumption, and the way the socially optimal allocations are derived from the utility functions incorporating such concerns' (Sussangkarn and Goldman 1983: 103). Sussangkarn and Goldman then consider three alternative forms of utility functions incorporating both the concerns for own consumption and envy. Remarking that 'the feeling of envy possesses (. . .) multiples facets and degrees'<sup>10</sup>, Fleurbaey express his surprise 'that many authors consider only this [extreme and repulsive] form of envy' (1996: 224) or even wonders if envy is only a painful feelings: 'it is really doubtful whether the feeling of envy has necessarily a negative feature. And *another advantage* of [the technical definition] is that *it does not prejudge the influence of envy on well-being*, which can be rather various'. (Fleurbaey 1994: 12). The absence of suffering from the envious agent would not therefore be a default of equity's models but a quality, which allows them greater generality.

Two defences of the equity's conception of envy seem here to appear. The first, used by Varian, does not assume anything on the sense of envy. The discussion is not focused on the agent's utility. Equity models are here free of any anthropological assumption. The second, here expressed by Fleurbaey, justifies the use of the term 'envy' through a psychological, moral, or even anthropological discussion. But whatever we think of Fleurbaey's discussion of «negative envy» and of the relevance of the varied concepts of envy, we shall notice that one of his

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9 He then explains what symmetry consists of: 'I submit that we want the solution to be symmetric in the sense that no agent wishes to hold any other agents' final bundle' (Varian 1975: 240), but does not say what is to be understood by 'extended sympathy' (he refers to Arrow 1963).

10 'At a first level, envy can take the benign form of aspiration to equality (I desire to be at the same level that you are). At the next level, envy is considered as undesirable and one desires redistribution (in order to be equal in an intermediate position). Lastly, the level of jealousy is when one wants to see others' advantages destroyed; such a desire for destruction is an extreme and repulsive form of envy' (Fleurbaey 1996: 224).

main reasons for rejecting envy as a negative externality is that he is seeking a criterion of justice: he affirms that 'avoiding the appearance of envy, in itself, cannot contribute to a definition of a theory of justice. By contrast, the notion of non-envy is only one theoretical tool used by certain egalitarians' conceptions of justice which find their basis in deeper considerations of impartiality' (Fleurbaey 1994: 10). He contests Sussangkarn and Goldman's conclusions by arguing that considering real envy as an externality would mean that, *a contrario*, no repartition problem would be raised without externalities and that a Pareto efficient allocation is always satisfying, as unequal as it is' (1996: 223). The stake of the introduction of envy is for him beyond the anthropological debate.

### 2.3. The stake of the introduction of envy

The stake of equity theories is not a psychological one. Models are elaborated not so much to improve the theory of the agent, as in experimental economics, as to formulate conditions of justice in a post-welfarist problematic. Hammond (1987) comments that 'Foley was concerned to introduce a concept of equity of welfare which overcomes the deficiencies of equality of after-tax income'<sup>11</sup> and proposed the absence of 'envy' as a test of whether an allocation might be equitable.<sup>12</sup> Feldman and Kirman 'consider a problem of constrained social welfare maximisation', choose 'fairness' as 'criterion of social welfare', and use the term of envy to define their conception of fairness.<sup>13</sup> The non-envy criterion is appealing because it permits us to go beyond Pareto efficiency in considering the distribution of resources without any interpersonal utility comparisons. On this point, theoreticians are unanimous.<sup>14</sup> The claim that the non-envy criterion 'characterizes the goals pursued by 'enlightened'

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11 Deficiencies which are obvious when there are different public goods in different areas, different preferences for leisure as against consumption, and different needs as well (Hammond, 1987: 165)

12 Formally, an allocation of resources is equitable if  $U_i(x_i) \geq U_i(x_j)$  for all pairs of individuals  $i$  and  $j$ .

13 'What then is our conception of fairness? It is fairness in the sense of non-envy. A completely fair social trade is one in which no citizen would prefer what another has to what he himself has' (Feldman and Kirman 1974: 995).

14 The conception of justice as absence of envy makes possible 'an alternative to the disadvantageously restrictive way of the new welfare economics in which normative economics had gone astray since Robbins. The refusal to use interpersonal comparisons does not constrain to take only the Pareto criterion' (Arnsperger 1994: 4); 'This concept of fairness is appealing because it only depends, like other economic concepts, on individual tastes and endowments'

governments' (Feldman and Kirman 1974: 995) or by a 'benevolent dictator' (1974: 1004) reveals the fact that the criterion expresses a goal that is beyond the agents' interest, and lies in a goal of justice.

That distinguishes equity theoreticians from Rousseau. Quite certainly they both consider non-envy to be desirable. But non-envy is in Clarens the sign of a sound domestic economy, not exactly of justice, since Clarens is not a political society: there are no laws, no general will, and no equality between inhabitants.<sup>15</sup> Absence of envy is only the sign of an economy that preserves happiness. Conversely, in the equity approach envy is not a question of individual welfare. This feature, rarely explicitly expressed, is underlined and assumed by Fleurbaey in his opposition to Sussangkarn and Goldman. Indeed, Fleurbaey admits that 'the usual approach of non-envy can be considered as limiting itself to describe auto-centred preferences and the envy phenomenon in itself, *without studying this phenomenon's consequences in terms of effective utility*' (1994: 12, our italics).<sup>16</sup> On this point, Rousseau seems to agree with the authors who treat envy as an externality, both opposed to the conception of envy in equity models: what he expresses through the concept of envy is a suffering and a loss of well-being. The same proximity – and the same opposition – also occurs when one studies the relationship between envy and the market allocation of resources. In the equity approach, the non-envy criterion requires redistributions of total resources between agents, but does not question the market process in the allocation of resources.<sup>17</sup> By contrast, the absence of envy for Rousseau's economic philosophy implies an economic

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(Feldman and Kirman 1974: 995); the theory of fairness (which implies both equity (non-envy) and efficiency) 'can serve as a viable alternative to the basically utilitarian theory of welfare economics, the contractual theory of Rawls, or the entitlement theory of Nozick' (Varian 1975: 240). 'The non-envy criterion associates an egalitarian intention (it amounts to equality if the allocation is of only one good) with the consideration of the less objectionable structures of individual preferences: ordinality and no interpersonal comparisons' (Kolm 2007: 16).

- 15 Even if people feel that things are no different than they would be if they were equals, they are not, and that is well known by the masters, Wolmar and Julie (see Rousseau 1997b: 373).
- 16 He then argues, adding a technical argument to the first two arguments, that 'it does not necessarily reduce appreciably the analysis' reach since 'it is generally admitted that pertinent preferences and utilities in welfare analysis are precisely those which are auto-centred, and authors studying the question generally reject to take into account extra-personal considerations in the evaluation of an individual's position' (1994: 12).
- 17 In an exchange economy, a fair equilibrium (i.e. equitable and efficient) always exists, which is the Walrasian equilibrium associated with the equal division of all resources between agents.

organisation that minimises the role of the market.<sup>18</sup> In models treating envy as an externality, the market allocation is certainly not contested as much as in Rousseau's philosophy, but, as is well known, the perfect competition equilibrium is no longer an efficient allocation. To underline this possible conciliation between Rousseau and modern theories, we could refer to Komlos and Salamon's recent paper in which interdependent utility functions with 'negative externalities in consumption, i.e. envy' lead to the demonstration that, unlike 'the common wisdom', in which 'economic growth leads invariably to an increase of welfare' (Komlos and Salamon 2005: 2), 'growth need not raise aggregate welfare' (2005: 3).

So far we are able to raise two questions. The first is the possibility of finding a formal representation of Rousseau's ideas about envy in modern economic theory. Despite some common perspectives, Rousseau's ideas seem to be far away from the non-envy criterion used in equity theory. Indeed, Rousseau seems to be very close to those who seek to define envy as a negative externality.<sup>19</sup> The debate seems to oppose two well-defined positions, the first represented by the equity approach, the second by Rousseau and envy as an externality.

The second question is the relevance of the definition of envy adopted on either side. From what point of view should we accept or contest one definition of envy or the other? From a psychological one? After all, even if we think that the definition of envy embodied in equity theory is not what we normally call envy, could we not react like Chaudhuri, who notices that 'although in common parlance and in the works of some notable authors envy is depicted as morally repulsive, the specific usage of the term in economics is acceptable'? (1985: 311) Could we not adopt Fleurbaey's argument, according to which the non-envy criterion permits us to treat a distribution problem even without externalities? (1996: 223). His argument concerning the 'extreme and repulsive form of envy' embodied in the

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18 Not only Rousseau exhibits hostility towards exchange (see references in note 1) but he also associates the commercial society, based on the development of exchange, with envy. He affirms in the second part of the *Discourse on Inequality* the concomitance in the first exchanges of the growing society and the appearance of envy (1997a: 164–5). Moreover, he insists on the joint development of, on one hand, the society based on exchange, competition and ambition for wealth and, on the other hand, feelings of jealousy (1997a: 171).

19 That is not to say that Rousseau would agree with Sussangkarn and Goldman when they affirm that the 'employment of the non-envy criterion as an outside observer is merely an arbitrary imposition of our own values and prejudices on the society in question' (1983: 103). Rousseau would certainly not disqualify a consideration of justice. But his definition of envy implies that people suffer in their individual happiness.

concept of negative externality is perhaps more difficult to accept, since the moral condemnation of a behaviour is not a sufficient argument to exclude it. But it is certainly excessive to state, with Dupuy, that refusing the negative connotations of envy must lead authors 'to give up any claim to speak about human affairs' (1992: 48). If we can agree with him on the idea that envy, in its common and philosophical use, says something about human nature, we must admit that it does not say everything. Why should it be necessary to take account of envy as a negative feeling, technically embodied in the notion of negative externality, in economic analysis?

The hypothesis I seek to defend, following Rousseau's conception of envy, is that the presence of envy overturns our conception of happiness. Defending this thesis supposes that we conceive envy as something more than a negative externality. That is what Rousseau invites us to do, by questioning the origin of envy.

### 3. Origin and nature of envy

Concerning the origin of envy, equity theories and the externality approach have quite different analyses: envy in equity theory, refers to an injustice, as well as Rawls' resentment, whereas envy as an externality is a psychological data. Rousseau's envy does not belong to either of these two cases, but to a third one: envy refers to an alteration of personality that is a denaturation of the human being. It is neither the result of an injustice possibly suppressed by fair institutions, nor a psychological characteristic of human nature impossible to get rid of. It is a product of an historical development of humanity on which it is impossible to go back. Nevertheless, it is a duty towards others and oneself to make efforts to escape envy, since the envious is not only malicious, but also unhappy, he is miserable in the double sense of the term. Envy is blameworthy from a moral viewpoint and also through a reflection on individual happiness. By discussing the origin of envy, we will show that Rousseau's concept is far from being expressed in the concept of negative externality.

#### 3.1. *Envy and resentment: forms of injustice*

We have said that for equity theorists the non-envy criterion is a criterion of justice. Envy therefore results from a form of injustice. How is injustice defined? To answer this question we will turn to Rawls since, as suggested by Varian (1974), the concept of envy in the equity approach, although quite different from Rawls' concept of envy, is close to Rawls' concept of resentment. It is precisely the relation to justice that allows Rawls to

distinguish envy from resentment. While envy is, according to Rawls, 'the propensity to view with hostility the greater goods of others even though their being more fortunate than we are does not detract from our advantages'<sup>20</sup> (1971: 532), resentment is 'a moral feeling' due to the fact that our having less than others is the result of 'unjust institutions, or wrongful conduct on their part'<sup>21</sup> (1971: 533).

Envy as defined by Rawls is obviously different from envy as it is defined in the equity approach. The lack of precision about what is envied, in Rawls' view, contrasts with the very precise concept of bundle of goods compared in equity theories. Furthermore, when absence of envy is a criterion of justice in equity theory, Rawls attributes to an injustice not envy but resentment, and relegates envy to a psychological analysis: 'I assume that the main psychological root of the liability to envy is a lack of self-confidence in our own worth combined with a sense of impotence' (1971: 535).<sup>22</sup> Finally, envy in Rawls' definition implies suffering from the envious and a desire for prejudice<sup>23</sup>, whereas resentment leads individuals to claim fair institutions.

If no obvious equivalence can be made between the concept of envy in Rawls and in the equity approach, a similarity must be noticed between the latter and Rawls' resentment, as suggested by Varian (1974), for whom 'the theory of fairness could be the outcome of the original position as described by Rawls (Varian 1974: 66). Varian notices that the theory of fairness rules out what Rawls calls envious behaviour since preferences are required to be defined on individual bundles, and he 'believe(s) that envy, as (he has) defined it, is very similar to Rawls' concept of resentment, for the existence of envy is clear-cut evidence that agents are being treated asymmetrically', and for 'Rawls implies that a just society would be free from resentment' (1974: 67).

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20 He adds: 'We envy persons whose situation is superior to ours . . . and we are willing to deprive them of their greater benefits even if it is necessary to give up something ourselves' (1971: 532).

21 As a consequence, 'those who express resentment must be prepared to show why certain institutions are unjust or how others have injured them' (1971: 533).

22 'Our way of life is without zest and we feel powerless to alter it or to acquire the means of doing what we still want to do. By contrast, someone sure of the worth of his plan of life and his ability to carry it out is not given to rancour nor is he jealous of his good fortune'. (1971: 535) Not only does Rawls define envy and resentment differently, but he refers to different means to exclude them. On the one hand, insofar as resentment results from injustice, fair institutions are sufficient to exclude it. On the other hand, envy results from a 'lack of self-esteem'. It is not a political question, but a psychological one.

23 See This (2007).

However, this comparison neglects the difficult question of the origins of envy (in the sense of resentment), whether natural or political. In Varian's terms, this question can be expressed as follows: who treated the agents asymmetrically, nature or society? Rawls seems to say that if the agents have been asymmetrically treated by nature and have different abilities, there is no injustice and so no motive of resentment. At this stage of his reasoning Varian ignores the question, but he introduces it implicitly when he comes to the economy with production. At first sight no other change is introduced, only a different definition of the bundles compared: 'extending the concept of equity to the production case' implies that one imagines that 'an agent's bundle consists not only of his goods but also of his labor contribution (. . .). An equitable allocation is one in which no agent prefers the consumption-labor bundle of any other agent' (Varian 1975: 243). But a new problem arises that concerns the existence of a fair equilibrium. In an exchange economy where all goods are transferable such an equilibrium always exists, since the market (Walrasian) equilibrium – resulting from an allocation in which the socially owned bundle is equally divided among all individuals – is both efficient and equitable.<sup>24</sup> This appealing result does not survive into an economy with production, where we take into account inalienable abilities. 'It can be shown', concludes Varian, 'that in general a fair allocation will not exist in that case' because 'the agents' abilities may not coincide with their tastes and, unfortunately, abilities cannot be transferred' (Varian 1975: 243).<sup>25</sup>

He then exposes two solutions. The first consists in a 'partial transfer of abilities', where each agent 'compare(s) his consumption labor-bundle with the consumption labor-bundle of the other agents (. . .) not on the basis of how much time each actually worked to produce his bundle but rather on the basis of how much time each agent would have to work to produce what each agent produced'. (Varian 1975: 243–4). If, then, one agent prefers another agent's position, it means that he would rather consume what he consumes and produce what he produces'. Hence, he concludes, 'the first agent has a legitimate complaint about the distribution of the social products'. (1975: 244). Envy, here associated with a 'legitimate complaint', cannot appear from differences in the distribution of abilities: no-one can complain about his own abilities.<sup>26</sup>

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24 For a demonstration, see Varian (1975: 241–2).

25 If preferences are identical the problem disappears (Fleurbaey, 1996: 213). The inexistence problem comes from the fact that those who have the best endowments in leisure (those who have the best abilities) can also be those whomost appreciate leisure.

26 Varian points out two problems raised by this solution, called 'wealth-fair allocation': the first concerns handicapped agents, who cannot possibly produce

In contrast, a solution proposed by Pazner and Schmeidler (1974) and called income-fair allocation 'asks for a total correction for differences due to ability (. . .) by ensuring that each agent has an equal share of labor power' (Varian 1975: 246). This solution depends upon the purchase of one's own abilities as if their distribution could be the result of a choice: those who have costly abilities, condemned to purchase these non-transferable abilities, have to renounce other purchases, i.e. consumption goods.

These means to escape envy are not useful from Rousseau's viewpoint. No-one could escape envy as Rousseau defines it, neither through a 'partial transfer of abilities' nor through a total correction for differences due to ability. The envy removed by this 'income-fair allocation' comes from the enjoyment allowed by abilities, either directly (by using them in leisure) or indirectly (by producing consumption goods). But Rousseau's envy comes from the esteem caused by the possession of a talent: in the *Discourse on the origin of inequality*, the first appearance of envy occurs in the 'new born society', when men compare each other in a non-productive activity: 'The one who sang or danced best; the handsomest, the strongest, the most skilful, or the most eloquent came to be the most highly regarded, and this was the first step toward inequality and vice. These first preferences gave rise on one hand to vanity contempt, on the other to shame and envy.' (Rousseau 1997a: 166). Compensating those who have 'low talents' is not only inefficient in the reduction of envy, but can also enhance it, since each person does not desire to be compensated for being devoid of talents, but desires on the contrary to have excellence of his own talents recognised.<sup>27</sup>

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what another agent produces, and then cannot envy him; the second is that 'in a sense one can say that this concept favours the able at the expense of the non-able'. (1975: 246). In spite of this limitation, Varian does not oppose this allocation (1975: 246); while Fleurbaey (1996: 214) thinks it unsatisfactory, since it is biased towards individuals having a marked capacity for efficient labor' (1996: 214, our translation).

27 Rousseau would probably agree with the sociologist Bourdieu, that the right to judge and classify can be and is contested, that 'the struggle for classification is one dimension of every type of class struggle', and that the 'classes, the misclassified are able to refuse a principle of classification that assigns them to the worst place' and 'destroys the hold of legitimate classification' (Bourdieu 1982: 14-5). This struggle is ignored by Varian and all equity theorists, who only consider homogeneous and comparable abilities. But this question runs back to that of the commodity sanction, the space of prices being one which permits the homogenisation of magnitudes of different natures. It should be added here that Rousseau's analysis, like that of Bourdieu, does not assume an acceptance of the quantitative economic processes, that is to say, the homogenisation of economic magnitudes through the price system.



On one hand, envy in the equity approach shares with Rawls' the idea of resentment resulting from an injustice, whatever the cause (natural or institutional). By contrast, Rousseau's envy has in common with Rawls' envy that it does not result from such an injustice. Moreover, in Rousseau's conception, where envy results from a desire to be respected or esteemed, envy is all the stronger since the consideration allowed to someone else arises for good reasons.<sup>28</sup>

That feature of envy raises questions relative on the one hand to the nature of envy and, on the other, to the possibility of representing such a feeling in the usual formalisation of the economic agent. Obviously, Rousseau's envy differs appreciably from the concept used in theories of fairness. But the relationship with envy considered as an externality is not so clear. Until now, it seems that nothing can be opposed to the employment of negative externalities in representing Rousseau's envy. A deeper and more attentive examination of the source and the consequences of envy leads to different conclusions.

### 3.2. *Envy as an externality: a psychological datum*

If we consider the representation of envy as a negative externality as proposed by Sussangkarn and Goldman (1983), we first notice that the question of envy's origin, central in Rousseau's analysis, is absent. They consider three alternative forms of the utility functions  $V^i$ , incorporating both the concerns for one's own consumption and envy. The conditions of existence of such functions – i.e. the answer to the question: why can individuals be envious? – are not mentioned.

The first form is, according to the authors, 'a natural representation of an individual concerned with his own consumption and who is envious. It allows for trade-off between the satisfaction from own consumption per se and the differential satisfaction between his own and the others' bundle' (1983: 106). Formally, for each allocations  $x^i = (x_1^i, x_2^i)$ ,  $V^i(x)$  can be written

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28 Rousseau here shares Nozick's view (1974), that the envy of amour-propre is all the more affected in that the inequality between the envious and the envied is thought to have merit because it reflects a difference in the self-valuation of individuals and, far from being reduced, is exacerbated by justification of the differences (Fleurbaey 1994: 13–4). According to Nozick, the only solution would be the multiplication of registers or the weighing of registers, which individuals considered pertinent to their comparison, in which everyone considered himself justly classified in at least one register or according to one form of weighting. Fleurbaey emphasises that such a multiplication is opposed to any attempt to equalise resources centrally. From a Rousseauist point of view one should add that it would not abolish envy.

as  $T^i(U^i(x^i), U^i(x^i) - U^i(x^j)), j \neq i$ , where  $T^i$  is a real valued function, which is strictly monotonic.

Even if 'utility functions of this form seem the most logical candidates for envious utility functions' (1983: 107), the authors consider two other forms that depart from the selfish attitude inherent to the first form and 'allow individual to be concerned with whether the other envies him' (1983: 105).<sup>29</sup> The second evaluates negatively utility differences, by assuming that any difference of utility, even favourable to the agent, decreases his well-being.<sup>30</sup> The third form is like the second except that degrees of envy matter.<sup>31</sup>

Could these forms of interdependent functions represent Rousseau's envy? In one sense the answer could be positive since envious agents are displeased in possessing less than others and pleased in possessing more. But a fundamental element of Rousseau's philosophy must be opposed to this interpretation: for Rousseau, the satisfaction of one who possesses more than the others is not a real happiness. This is how Rousseau's distinction between the false satisfaction of vanity and the true happiness of abundance is constructed. The contrast between the sadness of the rich and real happiness is developed in *Julie*:

Are those who are richer any happier? How does opulence aid happiness? But every well-ordered house reflects the nature of its master. Gilded panelling, luxury and magnificence merely proclaim the vanity of those who display it; and wherever you see order without dullness, peace without slavery, abundance without profusion, you can say with confidence: 'here a happy man is in charge. (Rousseau 1997b: 385)

This is repeated in *Emile*:

Properties, fashions, customs which depend on luxury and breeding, confine the course of life within the limits of the most miserable uniformity. The pleasure we desire in display to others is a pleasure lost; we neither enjoy it ourselves, nor do others enjoy it. (Rousseau 1969: 686)

Rousseau, like Rawls,<sup>32</sup> sees envy as disadvantageous for everyone, even for the envious, who never really enjoy their wealth. His analysis implies two

29 The authors remark that 'these forms depart considerably from the usual view that envy matters because people are envious' (Sussangkarn and Goldman 1983: 107).

30 Formally, for each allocation  $x = (x_1, x_2)$ ,  $V^i(x)$  can be written as  $T^i(U^i(x^i), R^i(x))$ , where  $R^i(x) = 1$  if  $U^i(x^i) < U^i(x^j)$ , and  $R^i(x) = 0$  otherwise, and  $R^j(x) = 1$  if  $U^j(x^j) < U^j(x^i)$ , and  $R^j(x) = 0$  otherwise.  $T^i$  is a strictly monotonic real valued function.

31 For each allocation  $x = (x_1, x_2)$ ,  $V^i(x)$  can be written as  $T^i(U^i(x^i), U^i(x^i) - U^i(x^j))$ .

32 Rawls states that '... envy is collectively disadvantageous ...' (Rawls 1971: 532).

levels: for the envious agent, it is better to possess the most he can, and to possess more than the others. The first form of Sussangkarn and Goldman is therefore a convenient formalisation of envious behaviour. But a really happy agent could not be satisfied with such a situation. Could he prefer situations without non-envy from anyone, as described in forms two and three? Not exactly. The condition of real happiness is to be able to see one's own wealth and not to be affected by others' wealth. Rousseau describes such happiness in *Emile*, an enjoyment of using, even of only seeing one's own possessions: 'We are touched by the happiness of certain conditions of life – for instance, pastoral or country life. The charm of seeing these good people happy is not poisoned by envy; we are genuinely interested in them'(1969: 506).

Therefore, Rousseau's envy does not appear only as data affecting utility but as the symptom of a denaturation of economic agent. The envious agent is a perverted one, who no longer knows his own interest. The crucial difference between Rousseau's envy and envy as an externality may be expressed through the distinction of self-interest and self-love. The notion of self-interest expresses the idea that the individual cares for himself, the notion of self-love adds the idea that selfishness does not suffice if the agent does not love who he is. Through envy, Rousseau introduces a distinction between two types of agents, which remains irrelevant to the externality concept: on one hand, the envious agent, selfish, unhappy of others' happiness or wealth, or possibly happy of others' unhappiness or poverty, and thus called 'non-envious' by Sussangkarn and Goldman. On the other, the true non-envious agent, whose self-love is not affected by other's happiness or wealth, even when they are stronger than his. Only the first type of agent is embodied in the concept of externality and that is why the concept does not capture the true sense of envy, in Rousseau's meaning.

Where does true envy come from, according to Rousseau? It is the consequence of a denaturation of the human being, a loss of self-esteem – as in Rawls' thinking, a feeling of inferiority, of hatred. Speaking of the hate felt by the envious person does not only imply a moral condemnation of the malicious<sup>33</sup> envy but allows understanding the almost schizophrenic feelings of the envious person: comparing who he is – and what his life is – to others – and their lives – the envious would prefer to be someone else. Envy is the result of a vacillating identity in which we would prefer not

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33 This condemnation is excluded both by equity theorists (The term 'malicious' is precisely used by Varian (1975) to exclude it, and Fleurbaey's opposition to that conception of envy is justified by its 'repulsive' character (1996: 224) and by externality theorists, who care to express no judgement on economic agent they characterise.

to be what we are. This hate is not only a hate of others, whom we envy and desire their regard, talents, wealth, or happiness. It is a hate of oneself: the envious is the one who, comparing himself to others, no longer loves himself. Not being envious would not mean for Rousseau to prefer oneself to others, but to be able to love oneself without preferring oneself to others. We will not enter into the difficult question of whether this is an attainable objective.<sup>34</sup> We shall rather stress the contrast between that conception of happiness and the conception implied, explicitly or implicitly, by the formalisation used in modern economic theory. Rawls admits that he makes 'a special assumption' 'that a rational individual does not suffer from envy' (1971: 124). We would rather say with Rousseau that, whether it is or not rational to suffer from envy, an individual suffering from envy can no longer be a rational agent. What is at stake is the notion of an agent able to choose what he prefers. If the envious wants to be richer or more recognised than the others, it is because he is uncertain of his own judgement regarding his own happiness. The Rousseauist agent taken over by envy is deprived of his role as judge and architect of his own happiness. That is why envy, as distress arising from the prospect of the wealth, happiness or talent of others, implies a judgement of the economic agent upon himself, his happiness, his wealth and his talents, which judgement seems very difficult to integrate with the modern conception of the agent defined by a complete preference pre-ordering. The hatred of oneself associated with envy eliminates the notion of a rational agent capable of knowing of what his happiness consists or, at least, able to choose for himself what he prefers. In that sense, Rousseau's discussion of envy can be turned to the advantage of those who reject envy as an externality. Envy, if it is taken into account, cannot be only something that enters into the individual utility function.

#### 4. Conclusion

Envy plays an essential role in Rousseau's economic philosophy: it is one of its main arguments to denounce commercial society. The question raised in this article – can Rousseau's envy be embodied in concepts of envy proposed by modern economic theory? – receives here a negative answer. But the conclusion we may deduce from this comparison of different concepts of envy may be not only negative: if Rousseau's notion of envy obviously does not express the same feeling as the concept used in the

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<sup>34</sup> It is probably not, at least for Rousseau. See on this point *Rousseau juge de Jean-Jacques*, or Book four of *Emile*.

equity approach, it also contradicts some objections formulated against equity theory by those who treat envy as an externality. An envious agent is no longer a rational one, in a double sense: he does not know what goods are useful for his satisfaction, but has to observe other's wealth to know; he has no chance to reach real happiness, which consists in the absence of suffering at the view of other's wealth. Contrary to those who treat envy as an externality and consider it as data expressing a particular form of self-interest, which must not be judged, Rousseau judges negatively the envious, and considers envy as a hate of oneself as well as others. Envy appears to be in contradiction with self-love, which is the only form of self-interest compatible with the individual's happiness.

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## Abstract

The concept of envy is present both in Rousseau's economic philosophy and in modern economic theory. This paper compares these different uses of the concept and studies the relevance of the definition of envy adopted on each side, taking into account what is at stake when a notion of envy is introduced. It will be shown that Rousseau's envy cannot be expressed by modern conceptions of envy. Nevertheless, it enlightens the debate between the two competing notions of envy present in modern economic theory, revealing that the existence of envy questions the notion of self-interest.

## Keywords

Envy, externality, equity, self-interest, Rousseau

JEL classification: B31; D62; D63