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EGALITARIANISM AND WELFARE-STATE REDISTRIBUTION*

By Daniel Shapiro

I. Introduction

A central idea of contemporary philosophical egalitarianism's theory of justice is that involuntary inequalities or disadvantages—those that arise through no choice or fault of one's own—should be minimized or rectified in some way. Egalitarians believe that the preferred institutional vehicle for fulfilling these obligations of justice is some form of a welfare state. Of course, contemporary egalitarians disagree about the best way to interpret or understand their theory of justice and institutions: Which inequalities are chosen and which are unchosen? What form of a welfare state will best serve justice? However, no contemporary egalitarian denies that egalitarian justice requires a welfare state that will redistribute income and wealth to aid the involuntarily disadvantaged.

My aim here is to argue that egalitarians are wrong about the institutional implications of their theory. Egalitarianism does not mandate state redistribution of income and wealth. Indeed, from an egalitarian perspective, voluntary methods of aiding the involuntarily disadvantaged are at least as good as, and possibly superior to, state redistribution. If my argument is successful, then egalitarian institutional implications are not that far removed from libertarian views that voluntary methods of aiding the disadvantaged are superior to state redistribution. This is a significant result. In general, if a certain institution is supported by all or virtually all plausible normative principles, then that institution has a firmer justification than it would have if it were supported by only one principle or viewpoint, and perhaps more important, rational agreement on what kind of institutions we should have can be achieved. While I cannot show that all plausible perspectives in contemporary political philosophy should converge in preferring voluntary alternatives to welfare-state redistribution—or at least in not finding voluntary methods to be worse—I suspect that if this convergence holds for libertarianism and egalitarianism, two political perspectives usually thought to have quite different institutional implications, then it will hold for other perspectives as well.

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In the next section I discuss in more detail the institutional background that frames my later arguments. In Section III I explain how contemporary philosophical egalitarians (henceforth, simply labeled as "egalitarians") argue for welfare-state redistribution. Any redistribution involves a "donor" and a recipient, and in Section IV I argue that egalitarians have no basis for preferring coerced over voluntary donors. In the subsequent section I look at the recipients, and argue that egalitarians also have no basis for preferring coerced over voluntary transfers as a way of reducing involuntary disadvantage. Section VI addresses a very common worry about private alternatives to welfare-state redistribution: will they be enough? In Section VII I refute the claim that coercive redistribution is required because state welfare is better than voluntary charity in expressing a social commitment to aiding the disadvantaged.

II. The Institutional Alternatives

A. State welfare

The welfare state consists, at least in large part, of two kinds of programs. First, there are social insurance programs—for example, government-administered retirement pensions, health insurance, and unemployment insurance—that are awarded regardless of the recipients' income or wealth, but instead are based on some kind of contribution test (payment of certain kinds of taxes) and on the basis of some specified contingency (e.g., old age, incurring medical expenses, or unemployment). Second, there are social assistance or pure welfare programs that are awarded on the basis of some kind of income or wealth test—again, usually on the basis of some contingency. Examples are cash benefits for heads of households who have children, housing subsidies, and medical care for the poor or for immigrants, even those who have paid no taxes.[1]

Social insurance makes up the bulk of the welfare state.[2] Yet my focus here will be on income-tested programs, for two reasons. First, I have

[1] I rely here on Nicholas Barr's cataloguing in Nicholas Barr, "Economic Theory and the Welfare State: A Survey and Interpretation," *Journal of Economic Literature* 30, no. 2 (1992): 742–45, 755. It is worth noting that the terminology of "social insurance" is somewhat misleading, since these programs are not based on actuarial insurance principles of charging people according to expected risk.

[2] For example, a World Bank policy research report, *Averting the Old-Age Crisis: Policies to Protect the Old and Promote Growth* (New York: Oxford University Press, 1994), states that around 25 percent of the budget and 9 percent of the gross domestic product (GDP) of the countries comprising the Organization for Economic Cooperation and Development (OECD) was devoted to social security systems. See ibid., 358–60. Those figures covered the years 1986 to 1991. Recent (1999) information from the OECD shows that the latter figure has risen to 13.5 percent. See Organization for Economic Cooperation and Development, "Government Sector, 1999," available on-line at http://www.oecd.org/publications/figures/2001/anglais/036_037_government.pdf. By contrast, income-tested benefits play a major role in only four welfare states: the United States, the United Kingdom, Australia, and New Zealand. See Barr, "Economic Theory and the Welfare State," 744, 755. Brian Barry points out that the small role for income-tested benefits in many welfare states is not surprising. They

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argued elsewhere that egalitarians should oppose social insurance.[3] Second, in a sense, pure welfare programs should be the easiest case for egalitarianism. If an egalitarian should be able to justify any government redistribution, one would think he could justify government redistribution from the affluent to (at least some of) the less affluent.

B. Nongovernmental aid

The usual description of the alternative to state welfare is charitable institutions. This is correct, but it is an incomplete description because it does not tell us how these charities would function. Today's charities are not necessarily a model. Charities that exist today in the shadow of state welfare are not the same as the charities that would exist if it were absent. Numerous charities today receive government subsidies and view themselves as adjuncts to the welfare state.[4]

Charities that would exist absent state welfare would tend to have two central features. First, at least for able-bodied adults, aid would be conditional. Since conditional aid is usually premised on the idea that some recipients are deserving of aid and others are not, another way to put this point is that charities would generally make a serious attempt to distinguish deserving from undeserving recipients. Second, there would tend to be more emphasis on personal involvement by the donors. For many donors today, charity involves writing a check and perhaps reading a

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are unnecessary if social insurance programs cover a wide enough range of "contingencies"—including the contingency of earning insufficient income from employment—and provide a high enough level of benefits. See Brian Barry, "The Welfare State versus the Relief of Poverty," *Ethics* 100, no. 3 (1990): 503–5, 526–27. However, in the last few years, almost all welfare states have increased their income-testing. See Organization for Economic Cooperation and Development, *Benefit Systems and Work Incentives* (Paris: Organization for Economic Cooperation and Development, 1998), chap. 5.

[3] Daniel Shapiro, "Can Old-Age Social Insurance Be Justified?" *Social Philosophy and Policy* 14, no. 2 (1997): 116–44, esp. 128–32; and Daniel Shapiro, "Why Even Egalitarians Should Support Market Health Insurance," *Social Philosophy and Policy* 15, no. 2 (1998): 84–132.

[4] In the United States in 1992, around 31 percent of nonprofit organizations' revenue was from tax revenues. This is roughly equivalent to the figure in Britain today. For the former figure, see Virginia Hodgkinson and Murray S. Weitzman, *Nonprofit Almanac 1996–1997* (San Francisco: Jossey-Bass, 1997), 4–5; for the latter, see Robert Whelan, *Involuntary Action* (London: Institute for Economic Affairs, 1999), 3, 23. (Admittedly, these studies include cultural and educational organizations as part of the voluntary or nonprofit sector, and if donations to these organizations were excluded, the degree of government support for nonprofit organizations would be somewhat lower.) In other European countries the percentage of government support is even higher, and in some countries, such as Italy and Sweden, there is barely an independent or voluntary, nonmarket sector. See David Harrington Watt, "United States: Cultural Challenge to the Voluntary Sector," in Robert Wuthnow, ed., *Between States and Markets: The Voluntary Sector in Comparative Perspective* (Princeton, NJ: Princeton University Press, 1991), 273. For the common view among charities that they are merely a supplement to the welfare state, see Laurie Goodstein, "Churches May Not Be Able to Patch Welfare Cuts," *Washington Post*, February 22, 1995, A1; Karen Arenson, "Gingrich's Welfare Vision Ignores Reality, Charities Say," *New York Times*, June 4, 1995, sec. 1, p. 1; and "Weak Foundations," *Economist*, September 18, 1993, 64–65.

report from the recipient institution. In the absence of state welfare, charities would place a greater emphasis on giving time rather than money.

Why think that charities will have these features in the absence of state welfare? One reason is that a significant percentage of donors are unlikely to give aid with no strings attached. While some donors may be indifferent to how their money is spent, or view conditional aid as objectionable, as the size of one's donation rises, the incentive to give to a charity that engages in monitoring increases. Another reason is that since the state will not be forcing people to provide welfare for the disadvantaged, the assumption that others will take care of this problem is gone. Once it is gone, the incentive to get personally involved increases. Of course, not everyone, and not even most people, want to get involved with others' problems. But it seems reasonable to assume that this increased incentive will make some kind of difference.[5]

It is also worth noting that when state welfare, particularly by the federal or national government, was at a very low level, namely, in nineteenth- and early-twentieth-century Britain and the United States, charities made a deserving/undeserving distinction and personal involvement by donors was stressed.[6] Deserving recipients were considered those who were poor due to no fault of their own and who were unlikely to change their situation quickly without assistance, while the undeserving were considered those who were poor because of their own faults and who were unlikely to change their lives even with assistance. (As we shall see, this distinction is very close to contemporary egalitarians' distinction between those who are disadvantaged because of their choices or faults and those who are disadvantaged through no choice or fault of their own.) Charities generally used two kinds of tests to divide potential recipients: investigation of a person's situation or circumstances and, for able-bodied adults, a work test. If the potential aid recipients were orphans, elderly, incurably ill, children who could not be supported by their one-parent families, disabled, or suffering from an accident, no investigation was needed: these people were clearly deserving. Investigation generally occurred for able-bodied adults. It was generally done by affluent or middle-class volunteers (usually from a church or synagogue, for many charities were faith-based), who attempted to determine if fraud was present, or if the person's problems stemmed from what were viewed

[5] A counterargument is that people will not contribute because they believe their contributions will be ineffective. I discuss this in Section VI.

[6] For some helpful accounts, see Kathleen Woodroofe, *From Charity to Social Work in England and the United States* (London: Routledge and Paul, 1962); Gertrude Himmelfarb, *The De-Moralization of Society* (New York: Alfred Knopf, 1994), chaps. 4 and 5; Marvin Olasky, *The Tragedy of American Compassion* (Washington, DC: Regnery Gateway, 1992); and Michael B. Katz, *In the Shadow of the Poorhouse: A Social History of Welfare in America*, rev. ed. (New York: Basic Books, 1996). Himmelfarb and Olasky favor private charity, Katz opposes it, and Woodroofe is relatively neutral, but they all agree that prior to the welfare state, charities made the deserving/undeserving distinction and stressed personal involvement.

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as faults—too much drink, laziness, or thriftlessness.[7] Even if the person's problems were considered his own doing, the work test was considered a good indicator of whether or not the person was willing to help himself, and thus be deserving of aid. Men were generally asked to chop wood, women to sew, and the chopped wood and clothing were given to other needy persons. Besides helping to reveal whether the recipient had good work habits, the provision of goods that other needy people needed was meant to instill some sense of reciprocity—a sense that the recipients were contributing, not just taking.

As for personal involvement by donors, this was considered essential, particularly for those aid recipients whose problems were not temporary and who needed more than just material aid (e.g., food, clothing, shelter, and help finding employment). For those whose problems ran deeper, aid meant restoring family ties if possible; in those cases in which it was not, volunteers tried to bond with the recipient. Volunteers had a narrow but deep responsibility: to become, in effect, part of the family (or a newly created family). Sometimes the recipient's problem was the neighborhood itself, and so some volunteers literally lived with the disadvantaged, as occurred with the mission movement in the United States and the settlement houses in the United States and England.[8] This intense personal involvement was an attempt to break down the barrier between donor and recipient, a problem inherent in any charitable enterprise in which donors are from a different class or milieu than the recipients.

One final point before I conclude this section. So far I have focused only on charities as the alternative to the welfare state, and have not discussed mutual aid or fraternal societies, or, as they were known in England, friendly societies.[9] Fraternal societies were voluntary associations, formed along ethnic, occupational, and sometimes ideological or religious lines, that provided low-cost medical care, life and accident insurance, death

[7] Sometimes charities worked with government authorities, even visiting homes of potential recipients with them, which meant that the latter did not clearly perceive a difference between private charity and government welfare. To the extent that this occurred, charities took on a coercive character. See Stephen T. Ziliak, "The End of Welfare and the Contradiction of Compassion," *Independent Review* 1, no. 1 (1996): 63–64.

[8] Missions, begun by Jerry McAuely, an ex-convict and alcoholic, were meeting halls in the worst parts of cities, where locals were invited for cheap, hot food and stories of depravity, with follow-up stories of how others had changed their lives through God's help and acceptance of personal responsibility. The settlement houses were houses, built in poor areas, populated by both local residents and middle-class volunteers; the latter viewed themselves as "settlers" who would both teach and learn from the locals. The homes fulfilled the role of a residential and civic club with the aim of social and moral improvement of the neighborhood. The "settlers" taught classes in a variety of areas, such as literature, languages (including teaching immigrants English), and science; they also helped the local residents with child care and assisted them in handling many of the daily problems of life. See the references cited in note 6 above.

[9] See David T. Beito, *From Mutual Aid to the Welfare State: Fraternal Societies and Social Services, 1890–1967* (Chapel Hill: University of North Carolina Press, 2000); and David G. Green, *Reinventing Civil Society: The Rediscovery of Welfare without Politics* (London: Institute for Economic Affairs, 1993).

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and burial benefits, and assistance during periods of unemployment. They were guided by the principle of reciprocity, not charity, and were funded by their members' dues. Those who were aided were then expected, when they were able, to provide help to fellow members in need, to pay dues, and to attend meetings. These meetings often took place at lodges, which were the centers of social life as well as places where one could get medical care from the lodge doctor, find out about job opportunities, and so forth. Fraternal societies did provide help for those who could not pay them back—for example, like charities, many mutual aid societies ran orphanages—but even though the mutual aid societies did offer a safety net, their main concern was not charity.

Fraternal or friendly societies were at least as important, if not more important, than charities in the voluntary provision of welfare services. In the United States, they were particularly vital in the lives of certain groups, such as blacks and immigrants from eastern and southern Europe.[10] Up until 1920 they dominated the market for life and health insurance, to the dismay of commercial life insurance and organized medicine. In England, historian David Green estimates that by 1910 three-fourths of the working male population belonged to one friendly society or another (women often had their own society, but as time went on spouses and children received benefits from their husband's society).[11] Furthermore, fraternal societies overcame a problem endemic to charities—the distance between donors and recipients when they come from different backgrounds, classes, or milieus. Since mutual aid societies were founded on dues, and since the sense of identification between members in ethnically or occupationally based societies was quite strong, there was little of the sometimes alienating sense of *noblesse oblige* and paternalistic meddling that can haunt even the best charities. Yet despite their importance and their moral attractiveness, it is not clear that mutual aid societies can be considered a viable alternative to today's welfare state. This is because they were primarily combinations of an insurance society, a social club, and a community. Thus, the benefits provided by the welfare state that correspond to (some of) what mutual aid societies offered is (for the most part) social insurance, not state welfare. And, in any event, with the rise of widespread commercial insurance, it is hard to see how these societies could play an important role today were the welfare state to disappear.[12]

It is also worth noting that despite their differences, fraternal societies and charities had much in common. Both made the deserving/undeserving

[10] Beito, *From Mutual Aid to the Welfare State*, 2.

[11] Green, *Reinventing Civil Society*, 66.

[12] Perhaps, though, immigrant groups who are not comfortable with commercial insurance might offer insurance benefits tied to a social network. In any event, since I wish to stick with real institutional alternatives that exist today, I will focus on charities and not fraternal societies as the alternative to state welfare, since the former are today far more important than the latter.

distinction. Mutual aid societies were less likely to offer medical treatment, for example, to those whose medical problems were due to venereal disease or excess drinking.[13] Like charities, they did not give aid automatically—fear of malingerers was widespread, and aid to able-bodied adults was considered a right only for those who paid dues. Both offered personal, not impersonal, aid. And both stressed reciprocity, that is, that aid was based on some ability to pay back or contribute in some way—although this was much easier for fraternal societies, since they were founded on dues, whereas charities had to rely on less formal modes of reciprocity. These similarities will play a role in my arguments to come.

III. How Egalitarians Argue for Welfare-State Redistribution

Contemporary philosophical egalitarianism's theory of justice contains two parts: one part having to do with choice and responsibility, the other with luck.[14] Respect for persons requires that individuals have the right to act in accordance with their genuine or uncoerced choices. Furthermore, respect for persons requires that individuals be held responsible for their choices and the costs of their choices. It would be unfair to require others not to interfere with a right-holder's freedom to act on his choices, and then also require these others to subsidize the cost of the right-holder's choices. The other side of the coin of holding individuals responsible for the costs of their choices is that they are entitled to the advantages they gain through their choices. Inequalities or advantages resulting from choice are just. On the other hand, when luck rather than choice rules, fairness dictates that the unlucky be compensated for their disadvantages. Justice requires that those whose disadvantages are a

[13] Beito, *From Mutual Aid to the Welfare State*, 10–11, 44–45, 49–62.

[14] Good guides to the literature of contemporary philosophical egalitarianism can be found in Elizabeth Anderson, "What Is the Point of Equality?" *Ethics* 109, no. 2 (1999): 289–95; Richard J. Arneson, "Equality," in Robert E. Goodin and Philip Pettit, eds., *A Companion to Contemporary Political Philosophy* (Cambridge, MA: Blackwell, 1995), 489–507; G. A. Cohen, "On the Currency of Egalitarian Justice," *Ethics* 99, no. 4 (1989): 906–44; and Peter Vallentyne, "Self-Ownership and Equality: Brute Luck, Gifts, Universal Dominance, and Leximin," *Ethics* 107, no. 2 (1997): 321–43. Prominent exponents of egalitarianism are Richard Arneson, G. A. Cohen, Ronald Dworkin, Thomas Nagel, Eric Rakowski, John Roemer, and Philippe Van Parijs. (Arneson, however, has recently changed his mind. See Richard J. Arneson, "Equality of Opportunity for Welfare Defended and Recanted," *Journal of Political Philosophy* 7, no. 4 [1999]: 488–97. For my purposes here, it is Arneson's egalitarian writings that are of interest.)

Anderson advocates a different form of egalitarianism than the one discussed in this essay. She attacks what she calls "luck egalitarianism"—the idea that justice requires that the victims of bad brute luck be compensated—and instead defends a view she calls "democratic equality." (For a discussion of "brute luck," see note 15 below.) Democratic equality is the idea that all competent adults should be treated as moral equals, and that all hierarchies based on birth or social identity should be abolished. I will not discuss Anderson's views, or other alternatives to luck egalitarianism, in this essay, since luck egalitarianism is the dominant egalitarian view in contemporary analytic political philosophy.

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matter of bad luck are owed compensation; those whose disadvantages are due to their choice or fault are owed nothing—or at least nothing as a matter of justice.

This description of the two parts of egalitarianism is only a first approximation, because egalitarians distinguish between "option luck" and "brute luck." Option luck is the kind of luck or risks one reasonably could have taken into account when making choices, and brute luck is the kind of luck or risks one could not reasonably have avoided having or undertaking.[15] Since option luck is the kind of luck one can choose to take into account, egalitarians view advantages derived from option luck as justly acquired, and thus option luck is placed, in effect, in the part of the theory having to do with choice and responsibility. Thus, a more precise description of egalitarianism is that its primary concern or aim is to extinguish or at least minimize the effects of bad brute luck. I insert the modifier "bad" because egalitarians generally do not see extinguishing or minimizing the effects of good brute luck as an essential aim of justice.[16] However, the beneficiaries of good brute luck are the ones who are supposed to compensate the victims of bad brute luck; those whose advantages are achieved by choice or option luck are entitled to their advantages, so they cannot justly be compelled to aid the unlucky. Since the point of the transfer from the beneficiaries of good brute luck to the victims of bad brute luck is not to harm the former, but to aid the latter, some egalitarians insist that the transfers are justified only if the benefits to the latter significantly outweigh the costs to the former, or only if the transfers are efficient.[17]

[15] The distinction between brute and option luck originated with Dworkin, who played the crucial role in contemporary egalitarianism's incorporation of a responsibility or choice condition. See Ronald Dworkin, "What Is Equality? Part 2: Equality of Resources," *Philosophy and Public Affairs* 10, no. 4 (1981): 293. There is, unfortunately, no canonical definition of the brute/option luck distinction. Dworkin originally defined option luck as resulting from a deliberate or calculated gamble, but later egalitarians have modified this, probably because Dworkin's definition seems too restrictive—the key intuition behind the distinction is whether choices significantly influence one's outcomes, and choices can exert a significant influence even when one does not deliberate or calculate. My use of the distinction comes from Vallentyne's gloss on Dworkin's use of it; see Vallentyne, "Self-Ownership and Equality," 329.

[16] There are at least two reasons for this. First, as Vallentyne notes, to the extent that egalitarians endorse some kind of principle of self-ownership, certain ways of attempting to limit persons' good brute luck, such as preventing them from exercising their native talents, are unjust. Vallentyne, "Self-Ownership and Equality," 329–32. Second, as Cohen notes, egalitarians are generally not interested in reducing inequalities among those who are very well off (e.g., between someone very, very rich and someone who is just rich), in part because egalitarianism becomes a very unappealing doctrine if it focuses on leveling down or worsening the position of the better off when this produces no benefit for those who are significantly disadvantaged. See G. A. Cohen, "Incentives, Inequality, and Community," in Stephen Darwall, ed., *Equal Freedom: Selected Tanner Lectures on Human Values* (Ann Arbor: University of Michigan Press, 1995), 335.

[17] Eric Rakowski, *Equal Justice* (Oxford: Oxford University Press, 1991), 2, 74. Arneson endorses what he calls a "weak Pareto norm," according to which principles of distributive justice should not recommend outcomes from which it is feasible to effect a Pareto-improvement. See Arneson, "Equality," 25.

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To apply egalitarianism, we need to know what sorts of advantages or disadvantages are due to brute luck, as opposed to option luck and choice. While egalitarians do not all speak with one voice on this, there is broad agreement. Paradigm examples of brute luck are advantages and disadvantages stemming from one's genetic or native physical and mental abilities and traits, one's race or sex, or unproduced natural resources (e.g., an accidental discovery of a mineral deposit). Paradigm examples of option luck or choice are advantages and disadvantages stemming from one's ambitions or conceptions of the good life, or from one's voluntarily acquired preferences and tastes. We can understand the point of these distinctions by using a thought experiment: if we all began with roughly equal or similar circumstances—similar natural endowments, similar unproduced resources—then any inequalities that resulted would be a matter of choice and, therefore, just. In this sense, contemporary egalitarianism is a theory that advocates equal opportunity or equal access, not equal outcomes. Given a fair or suitable starting point, egalitarians say, justice would not require any redistribution.[18]

Of course, we do not begin at such a starting point. In the real world, people find themselves in unchosen circumstances of varying degrees of advantage and disadvantage. Egalitarians see the welfare state as, in effect, an equivalent of insurance for bad brute luck. The idea, roughly, is that the state compensates individuals for whatever bad brute luck they could have insured themselves against were there a market for such insurance.[19] Of course, sometimes there is such a market, and where there is—and when private insurance is available at fair terms—we are in the realm of option luck, not brute luck, and egalitarians maintain that the state has no legitimate role to play (except, perhaps, to make insurance compulsory). The qualifier "at fair terms" is important, since egalitarians typically argue that when victims of bad brute luck are charged higher premiums because they are greater-than-average risks, insurance is not available at fair terms. This is why, for example, egalitarians favor government-administered health insurance and oppose private health insurance.[20] In any event, for the problems dealt with by pure welfare programs, the sort of programs I am concerned with here, private insurance is not generally available: I cannot insure against the risk of defective genes or a bad family.

Egalitarians have argued amongst themselves about what kind of welfare state best approximates this compensation for bad brute luck. Is it a

[18] Richard J. Arneson, "Equality and Equal Opportunity for Welfare," in Louis P. Pojman and Robert Westmoreland, eds., *Equality: Selected Readings* (New York: Oxford University Press, 1997), 235.

[19] This is developed in most detail by Dworkin, "Equality of Resources," 293–335; and Rakowski, *Equal Justice*, 97–106, 120–48.

[20] For an examination and critique of egalitarian arguments for national health insurance, see Shapiro, "Why Even Egalitarians Should Favor Market Health Insurance."

standard tax-and-transfer scheme that redistributes income? Or is something more radical required, such as a redistribution of assets and wealth that borders on, or perhaps spills over into, a form of socialism? Perhaps the issue that has garnered the most attention has been the "Equality of what?" question: for what kind of unchosen inequalities or disadvantages do egalitarians wish to compensate? Bad brute luck can produce inequalities in resources—for example, income and wealth—but also in welfare, that is, happiness or other psychologically desirable states. The main dispute here is whether, in addition to compensating for unchosen inequalities in income and wealth, compensation for unchosen inequalities in welfare is also appropriate.

My arguments that egalitarianism does not mandate welfare-state redistribution will be independent of these intramural disputes. I first turn to the "donor" side of the redistributive relationship.

IV. Coercive versus Voluntary Transfers: The "Donors"

A necessary condition for a justly imposed government redistribution is that the taxable income and wealth of the "donor" must be due (mainly) to brute luck. How do egalitarians tell whether someone's income or wealth is or is not mainly a product of choice rather than circumstance? A two-part procedure seems necessary. First, one must categorize the voluntariness of different factors involved in obtaining income and wealth. Second, since no one's income and wealth is due solely to one factor, a causal account of individuals' income and wealth is necessary. This account would seek to explain the various factors that interacted with each other, and to explain which factors did and did not play a primary role in producing someone's or a group's income and wealth over a certain time period.

A. Categorizing sources of income and wealth

As I mentioned in the previous section, egalitarians believe that inequalities resulting from different conceptions of the good life, different ambitions, or voluntarily or deliberately acquired preferences and tastes are chosen. Thus, differences in income and wealth resulting from effort, different trade-offs between leisure and work, and different trade-offs between income and consumption are viewed by egalitarians as voluntary,[21] since they are manifestations of different ambitions and different life goals. The same is true for differences in income and wealth resulting from different occupational choices. Business losses and profits are, according to at least some egalitarians, to a considerable extent due to

[21] Dworkin, "Equality of Resources," 303–6; Rakowski, *Equal Justice*, 107–12; Thomas Nagel, *Equality and Partiality* (New York: Oxford University Press, 1991), 108.

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option luck—gambles and risks knowingly taken or assumed, opportunities seized or ignored, and so forth—and thus fall on the side of voluntary inequalities.[22] In general, the results of deliberate gambles—for example, lotteries (assuming they are run fairly)—are also treated as voluntary inequalities, for the same reason.

Egalitarians believe that genetic or native endowments are unchosen,[23] and thus that inequalities in income and wealth resulting from such differences are unchosen. The same holds for inequalities or disadvantages that are due to race, sex, or national origin, as these are unchosen or altered only with great difficulty. Losses of income and wealth due to illness, disease, injury, and accident are nonvoluntary, provided one was not negligent and did not voluntarily or deliberately choose a lifestyle that was known to have the risks of such losses. Those business losses and gains that one cannot insure against, and which it would be unreasonable to take into one's calculations—for example, a completely accidental or freakish loss or gain—are matters of brute luck as well. Since one does not choose one's parents or family, egalitarians argue, inequalities due to one's initial start in life are also unjust—for example, inequalities resulting from inherited wealth.

One's psychological characteristics, such as one's cheerfulness or grumpiness,[24] one's ability to cope with adversity, one's sense of self-efficacy, and one's character traits (for example, diligence and persistence), also affect one's ability to succeed. Egalitarians find these rather difficult to classify, and they are probably best viewed as mixed cases. On the one hand, they are obviously influenced by one's unchosen genetic and family background. On the other hand, to some extent some of these are alterable by late teenage and adult choices.

What about education and schooling? Here again, this would seem to be a mixed case. On the one hand, for much of one's childhood, the type of schooling one receives is due to legal and political structures and parental decisions, which are brute luck. On the other hand, at some point children become old enough to be able to make some kinds of choices independently of parental influence and to exercise whatever options exist within their political and legal structures.

B. The problem of causal interaction

The existence of hard cases—here, mixed cases—by itself presents no special problem for egalitarians. All theories have hard cases (although the number of hard cases for egalitarians might give one pause). The problem is that most if not all of the uncontroversial cases of choice or

[22] Rakowski, *Equal Justice*, 83.
[23] And of course, so do nonegalitarians, unless they believe in reincarnation!
[24] Cohen, "On the Currency of Egalitarian Justice," 930–31.

brute luck reciprocally influence each other, so that almost *everything* becomes a mixed case. While genetically based or native abilities and traits differ, people choose to develop (or not develop) these abilities and traits, and so differences in these things are partly a matter of choice and partly a matter of brute luck. One's ambitions and preferences in part depend on one's talents and background, so different conceptions of the good life and different ambitions are partly chosen and partly unchosen. Egalitarians are aware of this[25]—how could they not be? Yet the main way they have dealt with this problem is through intramural disputes about whether or not *certain* factors are correctly classified as belonging on the voluntary or the nonvoluntary side of the spectrum. So, for example, there is a lot of discussion of the problem of expensive tastes: to what extent is the costliness of a person's preferences his responsibility if they were formed in a social or economic background for which he is not responsible?[26] Some egalitarians have also discussed the issue of responsibility for health care risks: is it fair, for example, to charge smokers higher insurance premiums if their decision to smoke was formed before they were fully responsible adults?[27] But the problem is global, not local. Without a causal theory that shows how much of an individual's or group's situation is due to choice and how much of it is due to brute luck, egalitarians are in the dark about whether or not or to what extent the income and wealth that is used to fund redistribution is justly acquired. But egalitarians have no such theory. Instead, they offer a theory about a different subject—about how much one would insure against the risk of being disadvantaged if one were in a hypothetical insurance market in which one did not know one's social and natural disadvantages and all had equal purchasing power.[28] However, even if we knew how much and what kind of insurance persons ignorant of their own vulnerabilities would purchase in a hypothetical insurance market, this would be irrelevant to the point at hand: how much of one's income and wealth, in the real world, is due to one's own choice, and how much is due to brute luck? While some egalitarians make *claims* about this matter, I have been unable to locate anything that amounts to a sustained argument about this important question.[29]

[25] See, for example, Dworkin, "Equality of Resources," 313–14; and Nagel, *Equality and Partiality*, 110–21.

[26] See, for example, Cohen, "On the Currency of Egalitarian Justice," 921–27; and Arneson, "Equality and Equal Opportunity for Welfare," 230–31.

[27] Ronald Dworkin, "Will Clinton's Plan Be Fair?" *New York Review of Books*, January 13, 1994, 4 n. 10; Rakowski, *Equal Justice*, 89.

[28] See the references cited in note 19 above.

[29] Nagel says that egalitarianism would require more redistribution and less inequality of income and wealth than exists at present in contemporary welfare states (although he worries that such redistribution will undermine the incentives necessary for the talented to produce wealth). See Nagel, *Equality and Partiality*, 74–75, 93, 123–25. Dworkin makes a similar claim about the United States; see Ronald Dworkin, "Why Liberals Should Care about Equality," in Dworkin, *A Matter of Principle* (Cambridge, MA: Harvard University

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Egalitarians may object that they need no argument or causal theory to justify redistribution. They may point out that some portion of virtually everyone's income and wealth is due to brute luck (e.g., one's family background and genetic inheritance) and that whatever is infected with brute luck is due to brute luck, period.[30] On this account, we are justified in redistributing from the affluent to the less affluent because it is a redistribution from the lucky to the unlucky.

However, this attempt to avoid determining how much of one's income and wealth is caused by brute luck is a dead end, for two reasons. First, the claim that whatever is infected with brute luck is due to brute luck, period, needs defense, and it does not seem obviously true. In fact, it seems clearly false: normally, when X is partially due to Y we do not infer that it is completely due to Y. Second, were egalitarians to accept that whatever is infected with brute luck is due to brute luck, period, the point or motivation for their theory of justice would be mysterious. It is odd to spend time explaining that justice requires compensation only for inequalities due to bad brute luck, not simply inequalities per se, when it turns out that one's theory is practically equivalent to those that claim that inequalities per se require correction or compensation.

So egalitarians cannot avoid the need for a theory or argument that gives us at least a rough idea how much of one's income and wealth is due to choice and how much is due to bad brute luck. That they apparently lack such a theory or argument does not mean, however, that one does not exist. Perhaps social scientists who specialize in these matters can help them out.

Under certain circumstances, social science information could indeed help. If longitudinal studies showed that there is very limited income and wealth mobility, it might be reasonable to conclude that one's income and wealth is largely a matter of brute luck. After all, since most people want to improve their situation, if they are blocked in their attempts to do so, then circumstances, not choice, rules. Indeed, some egalitarians hold something like this view, seeing family background, particularly the economic holdings of one's family, as virtually determining one's lot in life in contemporary America.[31] However, that view is false. While there are a range

Press, 1983), 208. However, since egalitarians do not object to inequalities per se, but only to unchosen ones, Nagel's and Dworkin's confidence that more redistribution is required would need to be based on an argument that bad brute luck produces a significant amount of present-day inequality of income and wealth. They provide no such argument.

[30] Nagel may be suggesting something like this in Nagel, *Equality and Partiality*, 112–13, although I am not sure.

[31] At ibid., 93, Nagel says that capitalism gives rise to "large and inheritable inequalities in the conditions of life." Cohen thinks that the condition of the proletariat in capitalism can be understood using the following thought experiment: A group of people are locked in a room. A key exists, but it works only for the first person who uses it. Although each is free to seize the key and leave, one's freedom depends on others not getting the key. G. A. Cohen, "The Structure of Proletarian Unfreedom," *Philosophy and Public Affairs* 12, no. 1 (1983): 11. Thus, both Nagel and Cohen see capitalism as very close to a kind of caste system.

of views among economists about how much income and wealth mobility there has been in recent decades in the United States, the consensus seems to be that it is alive and well—in general.[32] There are some specific groups for whom mobility does seem to be a problem and/or for whom it may have lessened in recent decades: poor single parents find it difficult to escape from poverty, and the growth of earnings of men with a high school education or less has been sluggish or perhaps has diminished in absolute terms.[33] However, that certain population groups may be experiencing mobility problems is irrelevant to the issue at hand, which is whether the vast majority of the income and wealth that will be the source of the funds for transfers is due to good brute luck. Admittedly, the existence of mobility problems for some groups would be relevant, as far as the vast majority of the population is concerned, if that majority was causing the group's problems. But that does not seem to be the case in the United States right now—those with a college or professional degree are not causing the decline in mobility among men with a high school degree

[32] In Stephen Rose, "Is Mobility in the United States Still Alive? Tracking Career Opportunities and Income Growth," *International Review of Applied Economics* 13, no. 3 (1999): 417–37, Rose surveys the views of economists on income mobility in the United States and finds their differences to be largely due to methodological differences concerning how to measure such mobility; he also finds that the extreme view that income mobility has largely vanished for most of the population is erroneous. For an optimistic account of income mobility, see W. Michael Cox and Richard Alm, *Myths of Rich and Poor: Why We're Better Off Than We Think* (New York: Basic Books, 1999), 72–87. For somewhat less sanguine accounts, see Richard Freeman, *When Earnings Diverge: Causes, Consequences, and Cures for the New Inequality in the U.S*. (Washington, DC: National Policy Association, 1997), 28–30; and Isabel V. Sawhill, "Still the Land of Opportunity?" *Public Interest*, Spring 1999, 3–18. Studies of wealth mobility are scarcer than studies of income mobility, but see Erik Hurst, Ming Ching Luoh, and Frank P. Stafford, "The Wealth Dynamics of American Families, 1984–1994," in William C. Brainard and George L. Perry, eds., *Brookings Papers on Economic Activity—1998* (Washington, DC: Brookings Institution, 1998), 1:267–337, which argues at 285 that there is rising wealth mobility in the United States. In Nancy A. Jianakoplos and Paul L. Menchik, "Wealth Mobility," *Review of Economics and Statistics* 79, no. 1 (1997): 18–32, Jianakoplos and Menchik studied mature American men from 1966 to 1981 and found somewhat less wealth mobility than did Hurst, Luoh, and Stafford. However, one would expect Jianakoplos and Menchik's study to find more limited mobility, since the men in their survey (who were between 45 and 59 years old) may have already achieved a significant amount of mobility as they went from being young adults to being middle-aged.

[33] On single parents and poverty, see Peter Gottschalk and Sheldon Danziger, "Income Mobility and Exits from Poverty of American Children, 1970–1992," in Bruce Bradbury, Stephen P. Jenkins, and John Micklewright, eds., *The Dynamics of Child Poverty in Industrialized Countries* (Cambridge: Cambridge University Press, 2001). On men with a high school diploma or less, see Freeman, *When Earnings Diverge*, 10–11; and Sawhill, "Still the Land of Opportunity?" 11–12.

Gottschalk and Danziger's study was misinterpreted in Michael Weinstein, "America's Rags-to-Riches Myth," *New York Times*, February 18, 2000, A28; Weinstein interpreted the study as showing that it is difficult to escape from poverty in today's America. In fact, as David Schmidtz points out in David Schmidtz, "Equal Respect and Equal Shares," in this volume, the study shows a great difference between poor two-parent households and poor one-parent households: children in the former sort of household had a substantial ability to exit from poverty during the 1970s and 1980s.

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or less, and two-parent families are not the ones that bring it about that single parenthood makes it harder to get out of poverty.[34]

Of course, even if there is on the whole income and wealth mobility, it does not follow, strictly speaking, that the mobility that does exist is due to choices or a mixture of choices and unchosen circumstances. Thus, another way social science studies could help the egalitarian case is by showing that most of the income and wealth of the middle class and the rich, or those groups' rise into the middle class or affluence, is due largely to good brute luck. However, if we look at the usual explanations for income and wealth inequalities, we find that the usual causes listed either fall clearly on the chosen side of the chosen/unchosen spectrum, or are one of the mixed cases. Consider the following four points:

(1) Inheritance does not play a large role in the fortunes of the very rich.
(2) Entrepreneurship does play a large role in the fortunes of the very rich.[35]
(3) Forming a family, working full-time all year round, sticking with a job long enough to get skills and training, completing college, and moving to areas with high-paying jobs all help, maintain, or propel one into the middle class.[36]
(4) Character traits such as diligence, reliability, and persistence are valued by employers; people with those traits are more likely to be hired, stay hired, and be promoted, thus increasing their chances of improving their situations.[37]

[34] While I presume it is relatively obvious that the existence of two-parent families is not among the reasons that single parenthood makes it harder to get out of poverty, my analogous claim about the situation of men with a high school diploma or less may not be so obvious. It might seem that when an economy increasingly rewards jobs that require greater skills and education, those with average or below-average education and skills will *therefore* suffer diminished income and wealth mobility. However, this is a fallacious inference. Setting aside the fact that the sluggishness and perhaps real loss of earnings of those with high school diplomas or less has occurred mainly among men, not among all who earned a high school diploma or less, an increasing economic return to the well educated does not mean that the mobility of the less educated must decrease. Both groups could experience significant mobility, although of course the increasing return to the college-educated group means that its income will rise faster than that of the less educated group.

[35] On these first two points, see Young Back Choi, "On the Rich Getting Richer and the Poor Getting Poorer," *Kyklos* 52, no. 2 (1999): 239–58; Rudolph C. Blitz and John J. Siegfried, "How Did the Wealthiest Americans Get So Rich?" *Quarterly Review of Business and Economics* 32, no. 1 (1992): 5–26; and James P. Smith, "Inheritances and Bequests," in James P. Smith and Robert J. Willis, eds., *Wealth, Work, and Health: Innovations in Measurement in the Social Sciences* (Ann Arbor: University of Michigan Press, 1999), 137.

[36] Cox and Alm, *Myths of Rich and Poor*, 85–87.

[37] In Susan Mayer, *What Money Can't Buy* (Cambridge, MA: Harvard University Press, 1997), Mayer examines to what extent parental income affects children's outcomes. She finds that once basic minimal material needs have been met, parental income per se does not make that much difference. Rather, when parents have the characteristics that employers value and are willing to pay for—skills, diligence, honesty, reliability, and so on—this

As we have seen, (1) is an example of good brute luck, (2) is an example of option luck, and (3) and (4) are mixed cases. Thus, these four points falsify any claim that the middle class and the rich got where they are purely or largely by brute luck.

So the real problem for egalitarians is not that they lack—and have not done—the social science research they need in order to demonstrate that government transfers are justified. Their real problem is that such research does nothing to remove the problem we began with—the situation of the donors is due to some indeterminate mix of choice and brute luck.

C. *Comparing injustices*

Since we have no basis for determining the extent to which people's advantages are or are not the product of brute luck, any coercive transfer[38] will involve injustice, because it will take some income and wealth from some (or perhaps many) of those who earned it through their choices or option luck, and who thus have a right to it. It is unclear how unjust these transfers will be, but there is no doubt, given egalitarianism's theory of justice, that such coercive transfers will deprive some (or perhaps many) people of income and wealth to which they have a right. On the other hand, some injustice will also occur if there is no coercive redistribution and transfers to the unfortunate or the poor are purely voluntary. While it is not unjust to voluntarily transfer some of one's income or wealth to the unfortunate or poor, it is unjust to refrain from transferring income or wealth derived from good brute luck, since one is not entitled to that income or wealth. While we cannot predict to what extent this would occur if transfers to the poor and unfortunate were purely voluntary, it is quite safe to predict that some of this would occur, and thus that a system based on voluntary transfers, like one based on coercive transfers, will involve some injustice.[39]

improves their children's life chances, independently of the effects of parents' income. In fact, children of parents with these attributes do well even when their parents do not have much income.

[38] A coercive transfer (or redistribution) is a transfer that is not voluntary. A voluntary transfer (or redistribution) is a transfer that occurs with the donor's consent, and which is not an ordinary market exchange (e.g., the recipient receives something without necessarily providing some good or service in return).

[39] Perhaps it might be thought that there is a causal difference between the two kinds of injustice. Coercive transfers, one might argue, will definitely *cause* or *produce* some acts of injustice, as some individuals' rights to their justly acquired income and wealth are violated, while if voluntary transfers are relied upon, injustice will be *allowed*, as some individuals refrain from transferring the income and wealth to which they are not entitled. If this was a correct way of characterizing the egalitarian choice between coercive and voluntary transfers, then we could settle the question of which choice is worse by settling the question of whether it is worse to do injustice or refrain from doing justice. However, this way of characterizing the egalitarian choice is probably mistaken. When one has a positive obligation—in the voluntary-transfer scenario, the positive obligation of those whose income and wealth is derived from good brute luck to transfer it to those with bad brute

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Thus, for egalitarians the choice between coercive and voluntary transfers is a choice between different kinds of injustice. Which choice is worse: to coerce persons who have a right to their income and wealth, or to fail to coerce those who unjustly fail to transfer income and wealth to which they are not entitled? I see no way to answer this question within egalitarian theory. Either option involves some indeterminate amount of injustice, and we are in the dark about which injustice is worse. Thus, using voluntary transfers—that is, abolishing state welfare and relying on private alternatives—is no worse than using coercive welfare-state transfers, if we focus just on the side of the donors.

To summarize the arguments in this section: Egalitarians believe that some kinds of income and wealth are a result of choice and option luck, that others are a result of brute luck, and that some are mixed cases. However, since one's total income and wealth is a result of an interaction among these factors, all egalitarians can say is that as a result of this interaction, individuals' income and wealth results from some indeterminate mix of choice and brute luck. Were there social science evidence that showed that mobility was quite limited in market societies, or that most of the wealthy or middle class achieved most of their income and wealth through good brute luck, then egalitarians could say that most people's income and wealth is due to brute luck, but there is no such evidence. Given that individuals' income and wealth emerge from some indeterminate mix of choice and brute luck, the choice between coercive transfers and voluntary charity as a way of helping those suffering from bad brute luck is a choice between one kind of injustice—forcibly taking income and wealth from those entitled to it—versus another kind—allowing some of those who are obligated to transfer their income and wealth to avoid doing so. There is nothing in egalitarian theory that dictates a choice either way here, so egalitarians should not think that coercive transfers are any better than voluntary charity.

V. Coercive versus Voluntary Transfers: The Recipients

A. Holding someone responsible versus taking responsibility

At first glance, it appears as if the argument made in the previous section applies to the recipients of transfers as well. If we cannot tell to what extent a person's advantages are due to choice as opposed to brute luck, then we cannot tell to what extent a person's disadvantages are due to choice as opposed to brute luck. However, things are different when we look at the recipients of transfers, because a new matter arises here that

luck—failing to do what one is obligated to do is not a mere refraining. It is an act of injustice. Thus, both sorts of transfers involve acts of injustice. I thank Eric Mack for setting me straight on this point.

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does not arise with the donors—namely, *changing* the recipient's situation so that his lot in life is more influenced by genuine choices than by bad brute luck. Even if a person's disadvantages up to the present were due primarily to bad brute luck, he might *now* be in a position to do something about it, or he could be placed in a situation where his future lot in life could be due more to his choices than to brute luck. Notice, however, that this distinction between the cause of a person's present situation and what he might now be able to do was irrelevant for the egalitarian rationale for taking some of the donor's income and wealth. That rationale did not center on the idea that we should change the donor's situation so that in the future he could make genuine choices.[40] The rationale there, the reader will recall, was that justice requires compensating the involuntarily disadvantaged and that those with good brute luck cannot claim that it is unjust for them to be forced to redistribute some of their income or wealth. Furthermore, except perhaps in extraordinary cases, no one doubts that those blessed with good brute luck will, after redistribution, be able to lead a life in which their lot in life is to a significant extent determined by their choices. However, this is in doubt with the victims of bad brute luck, since merely giving them monetary compensation for their bad luck may not thereby make them able to change their situation if their problems are *internal* ones having to do with their character traits, abilities, skills, or uncorrectable severe disabilities. (I return to this point below.)

Given that the point of taking the donor's money was not to change his situation so that in the future his lot in life could be to a considerable extent determined by his choices, why should egalitarians be interested in changing the recipient's situation in this way? To explain why, let us introduce a distinction between holding someone responsible versus taking responsibility.[41] Holding someone responsible for his actions is a matter of assessing his past behavior and making judgments of blame and praise. Taking responsibility, by contrast, is forward-looking: it means that one will regard one's welfare, one's future, and the consequences of one's actions as one's own responsibility, not that of others. The two notions are logically distinct. I may not be to blame for my past problems—that is, it may be wrong to hold me responsible for my bad situation—but it may nevertheless be appropriate or justified to regard me as responsible for cleaning up the mess I am in—that is, for taking responsibility for my

[40] Which is not to say that egalitarians would not view it as *desirable* if redistribution resulted in the situations of the beneficiaries of good brute luck being altered so that they were closer to what life would have been like if those beneficiaries had not been so lucky. However, as I noted earlier, egalitarians generally do not view the existence of good brute luck as an *injustice* (see note 16 above for the reasons why). It is *bad* brute luck that is an injustice.

[41] On this distinction, see David Schmidtz, "Taking Responsibility," in David Schmidtz and Robert E. Goodin, *Social Welfare and Individual Responsibility* (Cambridge: Cambridge University Press, 1998), 8–10.

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life, starting now. Though it is wrong to hold those harmed by bad brute luck as being responsible for their situation, there are two reasons why egalitarians want, or should want, recipients to take responsibility for their future. First, the egalitarian vision involves, in part, a world where individuals are able to make their choices and have their fate determined, to a significant extent, by their choices. This means that justice requires changing the situation of those dominated by bad brute luck so that their lives are more under the control of their choices, and this will not occur unless they can take responsibility. One's life is not under one's control if one is unwilling or unable to regard one's future as one's responsibility. Second, as I noted above, monetary compensation is not always sufficient to fundamentally change the situation of those whose lives have been harmed by bad brute luck. It may not significantly raise their welfare or their resources if their problems are internal ones having to do with their character traits, skills, abilities, or disabilities.

B. Conditional versus unconditional aid

Since there is an asymmetry in egalitarianism between the donors and the recipients with respect to the point or aim of redistribution, the next question to consider is whether or not discovering whether recipients will take responsibility for their future is any easier than discovering whether or not the donors' advantages were chosen. It is easier, because there are some commonsense tests that can be used: Is the person willing to work if work is made available? Does the person try to change his life by grasping or taking advantage of opportunities to learn new skills, develop his talents, or change his behavior and thus alter his character traits?[42] If a disadvantaged person refuses offers of work when options are made available, or refuses offers that would help improve his situation by helping him develop skills or talents or change his behavior, this shows that the person is not taking responsibility for his future and his welfare.

None of these tests is available if aid is unconditional. However, before we can conclude that egalitarians should favor conditional aid, let us consider two important objections to the argument I made in the previous paragraph: the first is an epistemic objection, the second, a moral one.

Richard Arneson argues that a healthy, nondisabled person's refusal to work may not reveal sufficient information to allow one to pass a negative judgment upon that person. For his refusal may be due to such terrible or discouraging circumstances that his refusal is excusable in the sense that it would have been exceedingly difficult for the person to

[42] These are the kinds of tests charities used prior to the rise of the welfare state, and, as I discuss later in this subsection, to some extent recent welfare reform incorporates these tests as well. See also note 51.

accept the offer.[43] Or to put matters in a slightly different way, the person's character traits may have been severely warped by bad brute luck, and as a result, he is simply so discouraged that it is not reasonable for him to accept the offer. In this case, it is not simply that the person is unwilling to take responsibility; the deeper problem is that taking such responsibility is too difficult for him.

In one sense, Arneson's epistemic objection is sound. The tests I described do not necessarily reveal *why* someone fails to take responsibility, and so a person who fails the tests may well not be culpable. My point, though, was that conditional aid at least provides a way of determining *whether* a person is willing to take responsibility, which is what egalitarians should want the disadvantaged to do, while unconditional aid provides no way of determining this.[44] My response, however, raises a moral objection to a system of conditional aid: since some of those who refuse to take responsibility will be nonculpable, any system of conditional aid will inflict significant injustice on those who nonculpably fail to take responsibility. After all, those who decline job offers or other forms of help in a system of conditional aid will get either no aid or less aid than those who accept the offer.[45] But if the refuser is not at fault for refusing, then a denial of aid is unjust, and giving a lesser amount of aid for the refusal may also be unjust. A system of unconditional aid avoids this injustice, even if it does create injustice by giving unconditional aid to those who are simply unwilling to take responsibility and by failing to even attempt to determine whether someone is willing to take responsibility. Given this, one could argue, a system of unconditional aid is at least as just, on egalitarian principles, as a system of conditional aid.

I suspect that this moral objection to a system of conditional aid fails. Most adults are willing to respond to offers of conditional aid.[46] Further-

[43] Richard J. Arneson, "Egalitarianism and the Deserving Poor," *Journal of Political Philosophy* 5, no. 4 (1997): 331–32.

[44] True, a person who receives unconditional aid may later take responsibility by earning a living and removing himself from state welfare. But the point is that the acceptance of unconditional aid by itself does not tell us that the person is willing to take responsibility.

[45] Conditional aid might be viewed not as a pure offer, but as a mixture of an offer and a threat—a "throffer." The offer is that aid will be given if the person is willing to work, learn new skills, and so on; the threat is that aid will be lessened or cut off if the offer is not accepted. Threats and offers are typically defined in terms of whether they improve or worsen the situation, relative to some status quo, of the person to whom they are given. Depending on how one defines the status quo, the lessening or cutting off of aid might make the person's situation worse than it was prior to the existence of conditional aid. If the status quo is unconditional aid, then conditional aid is a throffer; if the status quo is no aid at all, then conditional aid is a pure offer. See Robert Goodin, "Social Welfare as a Collective Social Responsibility," in Schmidtz and Goodin, *Social Welfare and Individual Responsibility*, 180.

[46] I presume that this claim reflects common sense. It is also supported by some (admittedly incomplete) evidence from surveys conducted by organized charities in the nineteenth century; see Olasky, *The Tragedy of American Compassion*, 105–7. It is also supported by the evidence from welfare reform; see Douglas J. Besharov and Peter Germanis, "Welfare Reform—4 Years Later," *Public Interest*, Summer 2000, 17–36. In addition, surveys of welfare recipients show a high degree of approval for linking welfare benefits with a work require-

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more, egalitarians should presume that an unwillingness by an able-bodied adult to take responsibility is culpable. After all, we are talking here about making an effort—about a willingness to respond to a challenge, incur an obligation, and contribute rather than just take. Since egalitarians find a person's effort to be among the least suspect sources of income and wealth, it seems that they should presume that a failure to take responsibility is culpable. Even if this presumption can be overcome, the only way the moral objection could succeed is if the injustice done in a system of conditional aid to the people who nonculpably fail to take responsibility outweighs the injustice done in a system of unconditional aid by giving aid to people who are not entitled to it. If both of these injustices are of the same type, then the issue becomes a purely quantitative one. Since most adults are culpable if they fail to take responsibility, it seems clear that fewer people are unjustly harmed by a system of conditional aid than are unjustly benefited by a system of unconditional aid. As there is no basis in egalitarian writing for assuming that failing to give aid to nonculpable refusers is worse than giving aid to those who are not entitled to it, the fact that the system of unconditional aid unjustly affects more lives means that it creates more injustice. Therefore, the moral objection fails, and egalitarians should favor conditional aid.

Conditional aid does not entail private aid. State welfare can be conditional as well. For example, in the United States in 1996, the federal entitlement to Aid to Families with Dependent Children (AFDC, which provided cash benefits mainly to unmarried mothers) ended and was replaced by capped block grants to the states. Under this system, the federal government gives the states a fixed amount of money for welfare, but the states get to keep any money they do not use. In addition, states are penalized if they do not institute work requirements for welfare recipients.[47] Since AFDC was abolished, many states have responded by instituting such requirements, placing time limits on benefits, eliminating extra payments given for having more children, and turning welfare offices into job-placement centers. Do egalitarians have some basis for preferring this kind of conditional aid to the conditional aid provided by charities? I now turn to this question.

C. Conditional aid: comparing the alternatives

A system of conditional aid should be a flexible system, because while commonsense tests can help reveal whether someone is willing to take responsibility, there are a variety of ways of implementing or instantiat-

ment; see Robert Solow, "Who Likes Workfare?" in Amy Guttman, ed., *Work and Welfare* (Princeton, NJ: Princeton University Press, 1998), 11–13.

[47] Details about the Personal Responsibility and Work Opportunity Act of 1996, which ended AFDC and set up the system of capped block grants, can be found in Mary Ellen Hombs, *Welfare Reform: A Reference Handbook* (Santa Barbara, CA: ABC-CLIO, 1996), 98–103.

ing these tests, and given the diversity of human nature, different methods will be needed for different kinds of people. In order to change their lives or fates, some people just need to work; others need skills; others need to alter their attitudes, habits, and character; and some need some combination of these. For each of these types of people, there are numerous particulars that need to be answered: Does this person need to learn how to budget his income or write a resume? Does that person need transportation to work? Does that other person need to learn how to be a good parent, remain in a marriage, or stay sober? One size most certainly does not fit all. Thus, decentralized solutions are better than centralized ones.

While state welfare can be decentralized,[48] it is unlikely that a decentralized state welfare system can be as flexible as a private one. Part of the reason for this is sheer numbers. Unless the political system is extremely decentralized, it is unlikely that the number of different types of programs or approaches in a political system can rival the pluralism of a competitive system of private charities. Private institutions have more freedom to treat those receiving aid as individuals and to target their aid to specific groups with very specific problems. More importantly, flexibility also involves the ability to quickly change policies if need be, and private institutions need to jump through fewer hoops or go through fewer intermediaries than a political system does in order to get approval or permission to try a new approach or alter their policies.

Of course, the reasonableness of an institution changing its policies or approaches depends on its ability to obtain and evaluate information about whether or not it is reaching or making progress toward reaching its goals, and here also private institutions have a comparative advantage. It is easier to determine how a policy is working when it is for a small, specific group rather than a larger, heterogeneous group. Furthermore, private institutions tend to be more effective monitors because those doing the monitoring have a greater incentive to do a better job. The ultimate monitors of state welfare are the voters, and this means that state welfare runs headlong into the problem of rational ignorance. In modern democracies, particularly when governments take on an enormous range of functions, it is perfectly rational for voters to be ignorant of, and not take a terribly strong interest in, the workings or effectiveness of the government. The time and energy needed to become knowledgeable about the wide range of areas that governments regulate and control is enormous, and the extent to which one can actually make a serious difference is fairly limited—these points, combined with the obvious fact that time

[48] In recent years, welfare programs in the United States, the United Kingdom, Canada, Australia, and the Netherlands have become more decentralized. See Organization for Economic Cooperation and Development, *The Local Dimension of Welfare-to-Work: An International Survey* (Paris: Organization for Economic Cooperation and Development, 1999).

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and energy are scarce resources in the first place, mean that it is unsurprising and perfectly appropriate that most voters rely on a kind of impressionistic approach when making political decisions. The political process is thus not an impressive mechanism for generating interest in ascertaining the best way to relieve involuntary disadvantage or in evaluating whether programs have been effective in achieving their purported aims. Private charities have an advantage here, since they are more likely to be supported by people who have an incentive to closely monitor and evaluate whether the charities' approaches are succeeding—namely, those who voluntarily supply the funds. This is not to say that private donors cannot be as uninterested as voters generally are in figuring out how well their money is spent. The point, though, is that when one's own money is being used, one's incentive to evaluate the relevant programs increases, particularly when one selects the charity and is personally involved with it.

It may be objected that the problem of rational ignorance means that state bureaucracies administering aid have a great deal of autonomy, and that given the right kind of professional ethos, bureaucrats will carefully monitor the progress of their programs, or perhaps hire consultants to do the evaluating. Political scientist Lawrence Mead argues, in fact, that something like this occurred in the U.S. state of Wisconsin.[49] Even if Mead is right, however, this does not overcome the rational ignorance problem. Wisconsin may be a special case. Mead himself cites the unusually high quality of the Wisconsin welfare bureaucracy, and if overcoming rational ignorance requires unusual circumstances, then it will as a general rule not be overcome.

Another way to see if state or private conditional aid is better at reducing involuntary disadvantage is to see which is better at reducing moral hazard. In the context of welfare policy, moral hazard refers to the observation that paying those who are disadvantaged tends to bring about more disadvantaged people. Since egalitarians oppose subsidizing people's choices, they must view the reduction of moral hazard as an important criterion for evaluating welfare policies. Moral hazard is a far worse problem for unconditional aid than it is for conditional aid, since the attachment of conditions to aid reduces the incentives for people to be eligible for welfare. Still, it is a problem for both kinds of aid, since conditional aid with rather loose conditions and weak enforcement of those conditions increases moral hazard. In order to combat moral hazard, one needs a credible threat to cut off aid for those not meeting the requirements for aid. However, it seems that for two reasons, government agencies are in a worse position than private institutions are to

[49] Lawrence Mead, "The Twilight of Liberal Welfare Reform," *Public Interest*, Spring 2000, 35.

make this kind of credible threat.[50] First, making a credible threat involves a willingness to tolerate the misery that will occur if the threat is carried out. If governments (national or state) are providing most of the aid to the disadvantaged, then they will be virtually the only agencies held accountable for any misery that results from a cutoff of aid. But if any particular private agency cuts off aid, it is not solely accountable in the same way because there are other agencies; hence, any particular charitable society can credibly threaten to cut off aid.[51] Second, the arguments I gave earlier that those who donate to charities have a greater incentive than voters to see how well their money is spent applies here as well: bureaucrats are likely to face fewer negative consequences, if conditions for receiving aid are not strictly enforced, than employees of private institutions would face. Furthermore, government officials are rarely subject to the bottom line: they are typically paid regardless of how well they do their job.

It may be objected that there are institutional mechanisms for reducing these various problems. Government officials' pay could be tied to performance, and performance could be defined in terms of reducing clientele. So, for example, bonuses could be paid in accordance with how many people government welfare officials removed from the welfare rolls for an extended period of time. Or the incentive could operate at a higher level. Welfare reform in the United States has succeeded remarkably well in driving down the number of people on welfare, partly because, as noted above, it turned welfare into a system of capped block grants to the states. Because the states get to keep any unexpended funds, they have an incentive to cut caseloads. Indeed, in a few short years there has been a remarkable turnaround in the ethos of welfare departments in the United States: whereas they used to focus on enrolling people to get them benefits, their concern now is getting people jobs and diverting away from welfare those who will not seek work.[52]

[50] I have been influenced here by Richard Wagner, *To Promote the General Welfare: Market Processes versus Political Transfers* (San Francisco: Pacific Research Institute for Public Policy, 1989), 164–76.

[51] Of course, in the absence of state welfare, private charities will differ in their willingness to cut off aid as a way of enforcing their policies. Indeed, if some donors favor unconditional aid, then some charities may give aid unconditionally. Thus, there will be a tendency in a system of private charities toward a kind of match between donors and recipients: the donors who are more willing to put up with some moral hazard will in effect pay for that by tending to donate to those charities that give unconditional aid or aid with rather loose conditions, while those who are not willing, or less willing, to put up with moral hazard will tend to donate to charities that give conditional aid with stricter conditions. But the system of private charities as a whole will tend to have less moral hazard than will government welfare because, for reasons noted in the text, branches of government tend not to be able to make credible threats of cutting off aid, while at least some charities, and perhaps many of them, do tend to be able to do this.

[52] For a good summary of the progress of welfare reform in the United States, see Besharov and Germanis, "Welfare Reform—4 Years Later."

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These are legitimate points, and the fact that welfare reform in the United States has drastically reduced the welfare rolls may seem to show that state conditional aid can be reasonably effective in reducing moral hazard. However, the jury is still out, because the reforms have had the good fortune to coexist with a booming economy, which probably accounts for some of their success; we do not know whether the reforms can continue if times turn bad. Furthermore, the usual *modus operandi* of government is not to tie pay to performance or to reward bureaucracies for shrinking their clientele. Thus, for state conditional aid to be as effective as private charities are in reducing moral hazard, it must push against the grain, so to speak; this does not seem to be true of private charities. So it still seems like the latter has an edge with respect to the problem of moral hazard.

Thus, overall, private charities seem more effective in reducing involuntary disadvantage: they will be more flexible in designing policies, in monitoring their effects, and in reducing moral hazard. Since I argued in the previous section that egalitarians have no basis for preferring coerced donation over voluntary donation, and since private charities seem more effective in achieving the egalitarian goal of reducing involuntary disadvantage among aid recipients, should we conclude that egalitarians should favor private charities over state welfare? This may be too strong, because I have not argued that egalitarians must view state conditional aid as unjust. The arguments in this section have been about effectiveness, and it is not obvious that egalitarians are required by their theory to favor the most effective system of aid. So while there are some reasons for egalitarians to favor private charities over state welfare, they are not decisive ones, and we are left with the somewhat weaker, although still quite significant, conclusion that egalitarians should view private charities as no worse than state welfare. However, even this weaker conclusion will look suspect unless we address two arguments against private charities: that they will not provide sufficient aid, and that voluntary methods of reducing involuntary disadvantage do not express a social commitment to justice. I discuss these arguments in the next two sections.

VI. Will Private Charity Be Enough?

One of the most common reactions to any proposal to replace state welfare with private charity is that voluntary provision of aid will be insufficient. How should we understand this claim? One way to do so would be to interpret it as saying that private charities will not spend as much as the state does on aid. One could support this claim by arguing that people are more likely to vote for welfare than to give aid voluntarily,

since they will perceive the former as being cheaper.[53] However, even if it is true that the quantity of aid produced by political means outweighs the amount that would be produced by voluntary means, this is irrelevant, because private aid does not have to match exactly the expenditure level of state welfare policies. As I argued in the previous section, private charity will likely be more efficient and discriminating in its choice of recipients than state welfare is, and thus, if state welfare were abolished, the need to have a sufficient amount of private charity would not entail that the amount of aid provided be equal to that provided under state welfare.[54] In the context of egalitarianism and the arguments in this essay, it seems more reasonable to understand the claim of insufficiency as meaning that the quantity of voluntary aid provided, were state welfare abolished, would be so small that it would cancel out the virtues of private aid—that it avoids doing injustice by not forcing those entitled to their income and wealth to surrender part of it, that it is more effective than state welfare in reducing involuntary disadvantage, and so forth. At the extreme, the claim would also mean that a system of voluntary aid would be stingy to the point that enormous suffering would be tolerated—widespread malnutrition, large numbers of people without shelter, and so forth. If these things really would occur, then regardless of whether or not one is an egalitarian, support for state welfare would be quite plausible.

Is there any empirical evidence supporting the claim of insufficiency when it is considered in the more reasonable way? At first glance, it is hard to see how there could be, since there has never been a period, even in the United States or England, when state welfare was completely absent or abolished at all levels of government. However, the situation of the United States in the late nineteenth century provides us with something

[53] I thank Tyler Cowen for this point. His argument rests on two ideas: that voting involves expressive preferences, and that it is cheaper to express a preference that an outcome occur than to bring the outcome about oneself. These ideas are elaborated in Geoffrey Brennan and Loren E. Lomasky, *Democracy and Decision: The Pure Theory of Electoral Preference* (Cambridge: Cambridge University Press, 1993).

[54] I will not discuss here two other factors that affect how much private charity would be needed were state welfare abolished. First, it is arguable that certain government regulatory programs increase the need for state welfare. If these programs were abolished along with state welfare, this would provide an additional reason why private charity need not equal state welfare expenditures to be sufficient. For example, rent control and zoning increase the cost of housing, and minimum wage and licensing laws worsen the employment situation for those with minimal skills. Thus, these regulatory programs increase the need for state welfare because they reduce the disposable income of those with below-average income. I thank Richard Epstein for reminding me of these points. Second, a consideration pointing in the opposite direction is that recessions tend to decrease donations to private charity. If this pattern would continue or worsen if state welfare were abolished, this might, all other things being equal, make it somewhat more difficult for private charity to be sufficient. I thank Edward Wolff for reminding me of this. Indeed, to the extent that one thinks that certain government policies and programs, such as government control of the money supply, cause business cycles, one might argue that it is wrong to eliminate state welfare until the policies and programs that cause business cycles are abolished. I cannot consider this argument, proposed by Jeffrey Paul, in this essay.

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very close to a natural experiment for testing the claim that private charity would be insufficient absent state welfare, because from the mid-1870s until around the turn of the century, unconditional aid to able-bodied needy people—"outdoor relief," as it was called—was either abolished or curtailed drastically in large, and some medium-sized, cities.[55] Since organized charities kept fairly detailed records of their activities, we can see whether the claim that private charity alone would be insufficient is historically accurate. It does not appear to be. In almost all of the relevant cities, private giving rose to the occasion, and the amount contributed was roughly comparable to the amount given by outdoor relief.[56]

[55] I say that this is *very close* to a natural experiment because although unconditional government aid was abolished in these cities, not all forms of government welfare were abolished. Prior to the rise of an extensive welfare state at the national level, government aid in England and the United States was of two types: the outdoor relief mentioned in the text, which involved cash and in-kind aid such as food or fuel for the winter, and "indoor relief," which involved poorhouses. Poorhouses were workhouses that had rather harsh conditions: long hours were mandatory, and whipping and other punishments for infractions of a house's rules were common. This harshness was designed to deter people who were thought capable of working from applying for government aid. See Michael Tanner, *The End of Welfare: Fighting Poverty in the Civil Society* (Washington, DC: Cato Institute, 1996), 34–35. Poorhouses were not abolished in the U.S. cities that abolished outdoor relief in the late nineteenth century. Still, examining whether or not private giving made up for the absence of outdoor relief in those cities is relevant for the issue at hand: a major form of government welfare was abolished or drastically reduced for a quarter-century, and thus these cities relied on private aid for a substantial portion of the provision of aid to the needy and unfortunate.

[56] In Ziliak, "The End of Welfare and the Contradiction of Compassion," 56–58, 61–62, Ziliak shows that this occurred in Indianapolis. In 1899, Frederic Almy, secretary of the Buffalo Charity Organization, gathered data on outdoor relief and private charity in forty cities, ten of which had completely abolished outdoor relief, and found that the cities with the lowest level of such aid had the highest level of private charity, and vice versa. See Frederic Almy, "The Relation between Private and Public Outdoor Relief—I," *Charities Review* 9, no. 1 (1899): 22–33; and Frederic Almy, "The Relation between Private and Public Outdoor Relief—II," *Charities Review* 9, no. 1 (1899): 65–71. Almy's study does have some drawbacks. The relationship he found did not hold very well for cities with intermediate levels of outdoor relief; for these cities, the main observable relationship was that northern cities provided more total aid (public and private) than southern cities did. (Almy thought that the explanation for the regional difference was the harsher winters in the north.) Also, Almy's study only measured private giving by regularly organized charitable societies; it omitted charity provided by individual churches, mutual aid societies, and the Salvation Army, so it may be that his study systematically underestimated the amount of private charity. Still, Almy's study seems to refute the claim that when state welfare is abolished or drastically cut back, enormous harm must result since private charity will not pick up the slack.

As with any correlation, of course, Almy's study by itself cannot prove causation. In Katz, *In the Shadow of the Poorhouse*, 44–45, Katz speculates that other factors—in particular, the proportion of women that worked outside the home—may explain why those cities that abolished outdoor relief had large amounts of private charity. In cities with high percentages of working women, Katz argues, local officials could safely vote to abolish outdoor relief, knowing that this would not bring about great hardship even if male breadwinners became unemployed. I find Katz's argument unconvincing because he only mentions two cities of the ten Almy listed as having abolished outdoor relief; furthermore, Katz's explanation would seem to show less need for aid, period, not just less need for government aid—yet the total amount of aid in the cities where public relief was abolished remained high.

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Of course, that individuals seem to have risen to the occasion a century ago does not prove that this would occur today. However, there is a more general argument that explains why the results of the late-nineteenth-century United States should not be too surprising. Economists frequently discuss the "crowding-out" effect of government welfare, by which they mean that when government provides aid, individuals react by giving less than they otherwise would. However, if crowding-*out* occurs when there is government welfare, then we should expect crowding-*in* when there is not.[57] If people react to government welfare by decreasing their donations to charity, then it is plausible that they will react to its absence by increasing their donations.[58]

A natural response to this argument is that we cannot rely on crowding-in. Even if it is plausible that the abolition of state welfare would increase donations, this response goes, the increase may not be sufficient in today's circumstances. This is correct: it may not be. The question, though, is that if history does not support a claim of insufficiency, and if the crowding-out that occurs because of state welfare suggests that some crowding-in will occur when such welfare is absent, why think that private charity will be insufficient? Since so far no decisive reason has been found for egalitarians to favor state welfare over private charity, some kind of argument for insufficiency is needed if one wishes to tip the balance of reasons in favor of state welfare. The most likely argument at this point is that voluntary provision of charity is a public good, and as such will tend to be underproduced.

A standard argument that public goods will be underproduced if supplied voluntarily goes roughly as follows. A public good is non-excludable—it is impossible or exceedingly costly to exclude nonpayers or nonusers from using it—and is jointly consumed—one person's consumption or enjoyment of the good does not diminish others' consumption or enjoyment. Faced with the decision to contribute to a public good,

[57] Ziliak, "The End of Welfare and the Contradiction of Compassion," 60–62. It is worth noting that Ziliak believes that along with crowding-in comes what he calls "futility," by which he means that private charity will produce roughly the same negative effects as government welfare does as far as promoting moral hazard is concerned. He argues that if private charity's funding matches what government welfare expenditures would have been, then private charity will be no more effective in getting people into the workforce (ibid., 62–64). He thinks that the empirical evidence supports this claim, since the average duration of a spell on private charity in Indianapolis in the late nineteenth century was not significantly different from the average duration of a spell on government welfare in recent (pre–welfare reform) times. Ziliak's argument for futility, however, seems flawed: comparing the Indianapolis of 1870 to 1900 with recent times proves little, since other factors could obviously account for the lack of a significant difference. To support Ziliak's point, one would need to use, at the very least, a study of the same city (or cities) before and after a drastic reduction in state welfare, which is what Ziliak and Almy (see the previous note) each used to support the crowding-in thesis.

[58] Notice also that the abolition of state welfare means, all other things being equal, that the tax burden on individuals is lessened, which means that more money is available for donations to charity.

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a rational person will reason in this manner: If I believe that some amount of the good will be provided by others' contributions, then since I can get the benefits of the good without paying for it, I will "free ride" and not contribute. If I think that some amount of the good will not be provided by others' contributions, then I still will not contribute, because my contribution will be wasted if it is insufficient to bring about the good, or to bring about enough of it so that the benefit I receive will outweigh the cost of my contribution. Thus, noncontribution is a "dominant strategy"—I will not contribute regardless of what others do.

But is provision of charity a public good? At first glance, it appears not to be, because it is excludable. Those who do not contribute to charity are excluded from the good, if what they value or what is a good for them is their own contribution to charity. By not contributing, people with these values or views are, by definition, excluded from the benefits of contributing, since the good for them is simply their contributing or something that accompanies it (e.g., psychic benefits, the sense that one has done the right thing, etc.).[59]

One can get out of this problem by assuming that what potential contributors value is simply that charity be provided, and that they are indifferent as to whether it is themselves or others who provide the

[59] Allen Buchanan, in Allen Buchanan, "The Right to a Decent Minimum of Health Care," *Philosophy and Public Affairs* 13, no. 1 (1984): 70–72, provides an argument that noncontribution will be a dominant strategy even if one values one's own contribution to charity. Imagine that potential contributors to charity realize that some of the most important forms of aid, such as the provision of sophisticated medical technology, require coordinated collective giving, and that they realize that these projects requiring coordinated giving may very well be more effective than any uncoordinated giving that people might perform. When deciding whether to give aid to such a coordinated collective effort, potential donors must consider two possibilities. If other people contribute enough to make the project that requires coordinated aid a success, a donor's contribution will provide little benefit, for it is others' aid, not his, that is decisive to the project's success. Furthermore, the donor also incurs a cost by giving to the project, since by giving he loses opportunities to channel the donated resources into alternative individual charitable acts whose success does not depend upon the actions of others. Thus, it is more rational for a donor to "free ride" (in scare quotes here because this is not free-riding in the literal sense) and provide aid instead to a project whose success does not depend upon others. Alternatively, if a donor thinks that too few people will give to the project needing coordinated aid, then he will lack assurance that his contribution would not be wasted; as a result, he will perform an individual act of charity whose success does not depend upon others. If enough potential contributors think along these lines, then an insufficient amount of aid will be given to those important large-scale projects that require coordinated giving.

Buchanan's argument fails because it depends on the assumption that after a certain threshold has been reached, and a project's success assured, one's contribution to it does not add any significant benefit. This assumption is clearly crucial to the argument: if it is false, a potential contributor's contribution need not be decisive to produce nontrivial benefits, and therefore the temptation not to contribute will sharply diminish. And while it is possible that there are projects for which the assumption is applicable, Buchanan provides no evidence that the most important elements of assistance for the needy are in fact such projects. Indeed, his own example of medical technology belies his argument. Even after sufficient funds have been provided to acquire, say, some piece of complicated medical equipment, more funding hardly produces nontrivial benefits: the equipment can be made more widely available, more people can be trained to use it, and so on.

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contributions. Let us assume, for the sake of the argument, that a significant number of people think this way. For them, provision of charity seems to be a public good: noncontributors cannot be easily excluded from enjoying the benefits generated when others provide charity, and one's enjoying those benefits does not seem to diminish others' enjoyment. Some economists argue that for people like this, noncontribution will be a dominant strategy. If a potential contributor thinks that an adequate amount of charity will be provided, then he will free-ride, because he does not value contributing when others have provided an adequate amount. On the other hand, if he thinks that others will not provide an adequate amount of charity, then he lacks assurance that his contribution will be able to produce an adequate amount without others' contributions; hence, here again he will refrain from donating. Thus, no matter what a donor thinks others will do, he will withhold his contribution.[60]

This argument has two problems, however. First, the claim that there is an assurance problem is flawed. There is an assurance problem only if a potential donor does not value his contribution (or values it less than its cost) if it fails to produce, in conjunction with others, a *sufficient* amount of charity—in this context, a *sufficient* reduction in the problem of involuntary disadvantage.[61] It is this assumption that supports the claim that a potential donor will prefer withholding his contribution if he thinks enough others will not contribute; if he thought that there was some net value in helping reduce poverty or disadvantage even if a sufficient reduction was not achieved, he would contribute even if others did not. It is hard to see, however, why a potential donor of this type would place no or almost no value on the partial reduction of involuntary disadvantage. Even if someone thinks that one should address the whole problem, this implies not that addressing the parts has virtually *no* value, but only that doing so has less value than addressing the problem in its entirety.[62]

Thus, it seems that there are good grounds for contributing to charity even if one thinks that others will not adequately contribute. If this is so,

[60] An argument of this sort seems to have originated with Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962), 190–91. Since then the argument has been employed by a variety of economists. See Robert Sugden, *Who Cares? An Economic and Ethical Analysis of Private Charity and the Welfare State* (London: Institute of Economic Affairs, 1983), 11–22; and the references cited therein. Friedman's argument only refers to a potential donor's lack of assurance that others will contribute sufficiently. This by itself will not show that noncontribution is a dominant strategy; one also needs to mention that free-riding will occur when others do contribute sufficiently. Hence I mention both of these elements in the text.

[61] This seems implicit in Friedman's presentation of the argument: "we might all of us be willing to contribute to the relief of poverty, *provided* everyone else did." Friedman, *Capitalism and Freedom*, 191. One explanation of why I need assurance that everyone else contributes is that I only value relieving the problem of poverty if a certain threshold of relief is produced.

[62] As pointed out in Robert Nozick, *Anarchy, State, and Utopia* (New York: Basic Books, 1974), 267.

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then there is no dominant strategy here: I will not contribute (that is, I will free-ride) if others give a sufficient amount, but I will give if others do not. In game-theory parlance, we have a game of "chicken" here. There is no settled view about what strategy is rational in a game of chicken, but noncontribution is clearly not a dominant strategy.

A second problem with the public-goods argument is that a plausible case can be made that just as there really is no assurance problem, there really is no free-rider problem, either. This is because it is not obvious what amount of charity is "sufficient," and therefore one should probably reason as if providing some sufficient amount of charity is not a real option. In these circumstances, contribution becomes a dominant strategy—one gives because one is never sure that others have given a sufficient amount, and one values the bringing about of a partial reduction of poverty or disadvantage.

Since neither the historical evidence nor the public-goods argument supports the claim that private charity would be insufficient were state welfare abolished, and since the sensitivity of private aid to the amount of state welfare provided suggests that private aid would rise if state welfare were ended, it is hard to see what basis there is for claiming that private aid would be insufficient in the absence of state welfare. I have not, it is worth emphasizing, *proved* that private aid will be sufficient. This is probably impossible to prove. We need to keep in mind, however, where the burden of proof lies here. So far I have argued that egalitarians should view private charity as no worse (and possibly better) than state welfare. To raise the question "But will private charity be enough?" as a way of showing that state welfare is better, one needs a positive argument that private aid will be insufficient. If such an argument is lacking—and the common ways of providing such an argument do seem to fail—then the case I made in the previous sections still stands.

VII. Sending a Message

One of the functions of law or particular laws is that it or they can be used to express a community's—or a significant part of a community's—values.[63] Law can send a message, indicate that we—or at least some of us—stand for something, or show that we find certain actions or ways of life valuable. Egalitarians may want the law to express the value of aiding the involuntarily disadvantaged, and it may seem as if state welfare has a significant advantage over private charity in this regard. Since state welfare is provided by taxes from most citizens, while voluntary contributions to charity are provided only by some, state welfare may seem to

[63] This has been a central theme of some modern legal theorists—in particular, Cass Sunstein. See Cass Sunstein, "Social Norms and Social Roles," in Sunstein, *Free Markets and Social Justice* (New York: Oxford University Press, 1997), 32–69; and Cass Sunstein, "Incommensurability and Valuation in Law," in Sunstein, *Free Markets and Social Justice*, 70–107.

send a stronger message about the importance of aiding the involuntarily disadvantaged. Furthermore, in a democracy, elected representatives vote for welfare programs, which provides a message of a kind of social approval; this message is not matched when some members of the community voluntarily provide aid to the unfortunate.

An argument for the expressive function of particular laws works best when there is widespread consensus favoring those laws, the message of those laws is quite clear to those who vote for them, and this message remains clear during the existence of those laws and is understood and affirmed by the citizens. When any of these conditions are absent, the argument becomes weaker. When there is no obvious consensus favoring particular laws, there is no overriding social commitment. When laws have multiple and conflicting messages, talk about "the" message of these laws is exaggeration if not fiction. And when the original program changes in ways that were not anticipated, then even if there was a consensus among the voters and citizens about the message of particular laws at the time the program began, that meaning can disappear or change as the program evolves and as citizen sentiment alters.

In the context of state welfare, it is unclear whether any of the three conditions are met. There is no consensus (anymore) about state welfare: unlike social insurance, it is politically contentious. Someone might argue that there is a consensus that there should be state welfare, and that the disagreements are just about what form (e.g., conditional versus unconditional) it should take. But if this is so, then these disagreements are likely to involve disagreements about what values the law does or should express, which suggests that there is no obvious single message sent by state welfare. Does state welfare express our solidarity with the unfortunate, or let us off the hook so that we don't have to choose to expend our time and resources helping them? Does it show that we care for the unfortunate, or that we are buying them off so that they don't revolt? Does a work requirement or a time limit on benefits get people to take responsibility for themselves, or are these things vindictive attempts to blame the victim? All of these ways of interpreting "the" message of state welfare have some plausibility; the interpretation one accepts will depend on one's values and beliefs. As for the matter of changed or altered meanings, state welfare, like almost all major government programs, evolved slowly over time, and grew into something that was not anticipated. In the United States, for example, AFDC originated as part of the Social Security Act of 1935, and was originally intended to provide federal aid to widows with children.[64] No one at the time thought of it as creating a new federal entitlement for never-married women with chil-

[64] AFDC was a federal program giving matching grants to the states, many of which had already set up "mother's pensions" designed chiefly for widows with children. In effect, AFDC federalized mothers' pensions. See Tanner, *The End of Welfare*, 49; and the references cited therein.

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dren. One could argue here that after it became apparent that the program had created this new entitlement, Congress nevertheless reappropriated funds for AFDC, thus demonstrating a social commitment to it. However, the link between reappropriating funds for an established program and expressing a social commitment to that program is rather weak. Established government programs are hard to alter or abolish. Indeed, AFDC was unpopular long before it was abolished in 1996.[65]

Suppose, however, that I am wrong, and the fact that state welfare creates larger numbers of "contributors" and generates a political endorsement allows it to send a stronger message than voluntary contributions do about aiding the unfortunate. On the other side of the ledger, there are three reasons why private charities are better vehicles than state welfare for expressing the value of aiding the unfortunate.[66]

First, private charities provide more flexibility in the way that one can express the value of, or participate in, aiding the unfortunate. One can donate money, time, or advice—or any combination thereof—to a charity, in accordance with one's own preferences. Indeed, as I mentioned in Section II, there will be a tendency for personal involvement in charities to increase if state welfare is abolished. Right now, unless one works for a welfare department, one's only participation in state welfare programs is simply as a taxpayer or as a recipient (or both).

Second, the fact that private charities are likely to be more decentralized than state welfare means that they provide the opportunity for people to express their commitments in ways that are more individualized and focused. One may, for example, wish to aid a specific group in a specific area with a specific problem through a specific kind of program. State welfare provides little or no opportunity for these kinds of very particularized ways of expressing one's values.

Third, suppose one believes that private charities or state welfare programs are not really expressing, or not expressing in an appropriate way, the value of helping the unfortunate. In these circumstances, the main strategy for rectifying this mismatch between an institution and one's values is to change the institution or leave it. Neither private charities nor government agencies have a comparative advantage with respect to ease of change: such ease depends on the size of the relevant institution, be it private or public, and on the degree of bureaucracy found in it. (It is easier to change the policies of a local government than it is to change those of the United Way; it is easier to change the policies of a small charity than it is to change those of a state or federal government.) However, while one can exit from a private charity when one believes it is not

[65] For a discussion of popular disenchantment with AFDC, see Theodore R. Marmor, Jerry L. Mashaw, and Philip L. Harvey, *America's Misunderstood Welfare State: Persistent Myths, Enduring Realities* (New York: Basic Books, 1990), 82–83.

[66] I am indebted here to N. Scott Arnold, "Postmodern Liberalism and the Expressive Function of Law," *Social Philosophy and Policy* 17, no. 1 (2000): 98–101.

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really expressing one's deepest values, there is no exit, short of migration, from contributing to or participating in state welfare.

It may be replied that these three advantages of private charity can be maintained when there is state welfare, since state welfare only crowds out private charity to some degree. This is correct. The choice here, though, is between state welfare with some provision of charity and no state welfare with a greater provision of charity. Clearly, the latter provides more scope for the three advantages I mentioned above.

Thus, we are left with two possible ways to weigh the expressive advantages of state welfare versus private charities. If its larger numbers of "contributors" and its generation of a political endorsement of welfare gives state welfare some expressive advantages over private charity, then this is counterbalanced by private charity providing a more flexible and individualized way of expressing one's values as well as the ability to exit if one disapproves of a charity's activities. If, as I suspect, state welfare's alleged expressive advantages do not really let it send a stronger message than voluntary charity does, then the latter's three advantages catalogued above show that it is a better expressive vehicle than state welfare for sending a message about aiding the unfortunate. Either way, though, an egalitarian cannot use the expressive function of the law to tip the balance of reasons in favor of state welfare.

VIII. Conclusion

Egalitarians should view private charity as being no worse than state welfare. This has some rather important implications. First, egalitarians should not argue that attempts to reduce or get rid of state welfare are unjust. They can, of course, argue that such proposals will make matters worse, but their principles do not support the claim that state welfare is essential for justice. Second, egalitarians should endorse (some version of) welfare reform, that is, making state provision of aid contingent upon recipients agreeing to work, learn new skills, and so forth. I argued in Section V that egalitarians should favor conditional over unconditional aid, because only the former helps to reveal whether a recipient is willing to take responsibility for his future, and egalitarians should view taking responsibility as essential for enabling victims of bad brute luck to get their lives under their control.[67] While egalitarians need not favor private conditional aid over state conditional aid, a change from state unconditional aid to state conditional aid is an improvement from an egalitarian point of view.

[67] Patrick Boleyn-Fitzgerald comes to the same conclusion, using somewhat different arguments; see Patrick Boleyn-Fitzgerald, "Misfortune, Welfare Reform, and Right-Wing Egalitarianism," *Critical Review* 13, nos. 1–2 (1999): 141–63.

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It is perhaps worth asking how egalitarianism ended up with institutional implications not that far removed from libertarianism. The answer can be found in a compliment G. A. Cohen paid Ronald Dworkin, who, Cohen said, "performed for egalitarianism the considerable service of incorporating within it the most powerful idea in the arsenal of the anti-egalitarian right: the idea of choice and responsibility."[68] This idea does indeed help to make egalitarianism an attractive doctrine: it links egalitarianism with most people's firm intuition that inequalities obtained through choice or voluntary assumption of risk are acceptable, and it provides a way to refute claims that egalitarianism is a doctrine that favors leveling down the productive, hard working, and deserving. However, the powerful idea of choice and responsibility also turns out to undermine support for forcing the affluent to surrender part of their income and wealth to the (involuntarily) disadvantaged. Since choice and brute luck are so interwoven, a coercive redistribution will unjustly take away voluntarily produced income and wealth, and, as I argued in Section IV, this seems no better than the injustice involved in relying on voluntary transfers to aid the unfortunate. Since egalitarians want people's lives to be governed as much as possible by choice, they should favor the system of aid that induces victims of bad brute luck to take responsibility for their lives—and a private system of charity, I argued in Section V, is at least as good as, and possibly better than, state welfare in performing this task.

Thus, the idea of choice and responsibility turns out to be a double-edged sword for egalitarians: it makes their principles more attractive, but it undermines the institutional implications that they thought followed from those principles. My hunch is that it is not just egalitarianism and libertarianism that place the idea of choice and responsibility at center-stage, but any credible political philosophy. If I am right, then the arguments in this essay suggest that the case for welfare-state redistribution is on shaky intellectual ground.

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[68] Cohen, "On the Currency of Egalitarian Justice," 933.