The welfare state vs. the redistributive state

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In the course of the 1970's, the United States has been engaged in an intensifying public debate over the future of the welfare state. At the present moment, widespread concern about inflation, along with resentment against high taxes and "big government," is creating pressures toward a modest retrenchment in spending on social programs. We will probably be witnessing further efforts to make these programs less wasteful and more efficient, and even to eliminate some of the more unproductive and intrusive ones. But despite the hopes of some on the Right and the fears of some on the Left, these efforts are not likely to lead to the crippling or destruction of the welfare state; indeed, if successful, they will undoubtedly conserve and strengthen it.

During the past decade, however, there has also been another noteworthy development in the debate over the welfare state. This more subtle but nonetheless critical change, which has been promoted largely by academics and intellectuals on the Left, amounts to nothing less than an attempt at a fundamental redefinition of the very purpose of the welfare state. This new vision of the purpose—and the agenda—of the welfare state can be expressed in a single phrase: the redistribution of income.

Now it might appear that such a platform would be nothing new
for American liberalism, but merely more of the same medicine it has been prescribing for many years. After all, the United States has had a progressive income tax since 1913, and an extensive set of social-insurance and welfare programs at least since the New Deal. In more recent years the scope of these so-called income-transfer programs has grown enormously, and therefore the United States is already redirecting a vast amount of income from its richer to its poorer citizens.

But while the principles of progressive taxation and of the welfare state have come to be almost universally accepted, it would be a serious error to infer that the American polity has ever embraced the idea of income redistribution. Properly speaking, a policy of income redistribution is one that is *explicitly* aimed at reducing inequality in incomes. And the legitimacy of this goal has never been endorsed by the American people or their elected representatives. The progressive income tax was generally justified, not as a means of channeling funds from the rich to the poor, but as a fair distribution of the tax burden according to the taxpayer’s ability to pay. The rationale was not that after-tax income should be made more equal, but rather that there should be an “equality of sacrifice” among the citizenry in meeting the revenue needs of government. As Walter J. Blum and Harry Kalven Jr. argued in their classic study *The Uneasy Case for Progressive Taxation*, progressive taxation was originally able to become a “respectable idea in our society” precisely *because* it was justified on non-redistributive grounds.

Similarly, social-insurance programs were meant to provide a cushion against particular contingencies, and welfare and other anti-poverty measures were intended to relieve those who were unable to provide for their own needs in a minimally acceptable fashion. But one can easily accept the principle of public insurance on the one hand and public charity or relief on the other without acknowledging the propriety of governmental efforts to promote the goal of greater equality of incomes. And, in fact, the United States has adopted an impressive array of policies that wind up transferring money from the rich to the poor, but it has never approved a policy of explicit income redistribution. J. R. Pole, in his recently published *The Pursuit of Equality in American History*, asserts, “Not until George McGovern became a Presidential candidate...was the question of income redistribution placed on any party’s agenda for serious political consideration...” The fate of McGovern’s “demogrant” proposal—and of his candidacy—shows how far the American public is from accepting the legitimacy of income redistribution.
Two views of taxation

The hostility of the American people to income redistribution is clearly recognized by the most intelligent and forthright of its proponents. A notable example is Christopher Jencks, whose *Inequality* is perhaps the most explicit attempt to discredit the principle of equality of opportunity that animated social-reform efforts in the 1960’s and to put in its place the principle of equality of result, with income redistribution as its chief instrument. The final chapter of Jencks’ book features the following conclusions:

The crucial problem today is that relatively few people view income inequality as a serious problem . . . .

If egalitarians want to mobilize popular support for income redistribution, their first aim should be to convince people that the distribution of income is a legitimate political issue. Americans now tend to assume that incomes are determined by private decisions in a largely unregulated economy and that there is no realistic way to alter the resulting distribution. Until they come to believe that the distribution of income is a political issue, subject to popular regulation and control, very little is likely to change . . . . We need to establish the idea that the Federal government is responsible not only for the total amount of the national income, but for its distribution. If private decisions make the distribution too unequal, the government must be held responsible for improving the situation . . . .

. . . If we want substantial redistribution, we will not only have to politicize the question of income inequality but alter people’s basic assumptions about the extent to which they are responsible for their neighbors and their neighbors for them.

It is doubtful whether Jencks’ exhortations have had much of an impact on the thinking of most Americans. However, the redistributionist premise has made considerable headway among those directly involved in the discussion and formulation of public policy. Increasing attention is being paid to the distributional consequences of government policies and programs; there is a growing sense that the distribution of income is a proper political concern; and there is a marked tendency to view specific public policies as justified only if—whatever their other effects—they contribute to (or at least do not work against) a narrowing of income inequalities.

Consider the public debate about the propriety of some form of tax credits or deductions for parents paying college tuition for their children. A principal argument employed by the opponents of such a policy is that it would bring greater savings to those taxpayers in the upper half of the income spectrum and thereby make the post-tax distribution of income more unequal; moreover, it would result in some tax reduction even for tuition-paying parents
who are at the very top of the income distribution. These overall distributional arguments are regarded by many as outweighing any specific considerations relating to the tax treatment of college tuition: whether, like homeownership, college attendance should be encouraged by Federal tax policy; and whether it is fair that two otherwise identical families (say, with incomes of $25,000) should bear the same tax burden if one is supporting two children in college (say, at a cost of $8,000 in tuition) and the other has no college expenses. In a wide range of other policy areas, there has been a similar tendency to give greater weight to overall distributional implications, especially where the tax system is concerned. Tax policy is increasingly viewed by public-policy experts as a way to redistribute income, rather than as a way to apportion the financial sacrifice citizens must make to support their government.

The distinction between these two conceptions of taxation is nicely illustrated by another quote from Jencks’ *Inequality*: “Americans have a strong feeling that once they have ‘earned’ a sum of money, it is theirs to do with as they please. They view taxes as a necessary evil, not as an instrument for making the distribution of income more equal.” This appraisal is surely correct. It is true that, insofar as Americans generally endorse the notion of the progressive income tax, they accept the view that the better off should contribute a somewhat greater proportion of their incomes than the less well off toward defraying the cost of public business. Yet, most Americans still adhere to the traditional conception of taxation, according to which citizens pay a share of *their own* income to provide for the *common* expenses. The redistributionist view, by contrast, implies that the income obtained by individuals is not their own but that of the society as a whole. Hence, in assessing the rate of tax on an individual the government is deciding not how much of his own income it will require him to pay, but how much of the society’s income it will allow him to keep. And if it allows its more productive citizens to keep a more than equal share of the national income, this is only because the government has decided that allotting unequal shares will promote a more efficient and more productive national economy—not because the more productive citizen is in any way entitled to a larger income.

**Justifying redistribution**

How can the redistributionist position be justified? On this question Jencks is not very helpful. The only theoretical support he
offers for his egalitarianism is a brief paragraph arguing that equal incomes “maximize the satisfaction of the population” (later followed by the somewhat inconsistent assertion that “need should play a larger role than it now does in determining what people get back from society”). But in any case, arguments or assertions about the desirability, in the abstract, of a more equal society cannot by themselves suffice to establish the justice of income redistribution. We could doubtless achieve many desirable things with other people’s money, but this does not mean that we have the right to take it from them. To justify income redistribution (as distinguished from a fair distribution of the tax burden), it is necessary to show that individuals somehow do not have a just title to the income they have earned—and that what individuals have “earned” (as Jencks would have it) therefore may rightfully be thought to belong to society as a whole.

Such an attempt to show that individuals do not have a valid moral claim to the income they have earned is made by Arthur Okun in his Equality and Efficiency: The Big Tradeoff. As the title of his work indicates, Okun is willing to allow the case for redistribution to be limited by the need for unequal incomes as an incentive for greater economic efficiency. Yet despite his moderate tone and his unabashed admiration for the efficiency of the market mechanism, Okun’s arguments wholly undermine any moral basis for opposing the most thoroughgoing redistribution of income. He finds that “the ethical case for capitalism is totally unpersuasive,” because he holds that the incomes that the market yields cannot be regarded as “fair” or “deserved.”

Okun begins his discussion by citing the “so-called marginal-productivity theory of distribution,” according to which a perfectly competitive market “will pay workers and investors the value of their contributions to output.” He then points out that in the real world, various market imperfections prevent the distribution that would be yielded by a perfectly competitive market from being fully realized. At this point in the argument, some critics believe they have completely undermined the case for granting any ethical value to the distribution produced by real-world markets. Yet the critique founded on market imperfections implicitly assumes that marginal productivity is the true criterion of just distribution. Thus, the moral bearing of this critique seems to be, not that we should blithely override the distributional outcome of real-world markets, but that, in the interests of justice, we should strive to make those markets as competitive as possible.

Okun himself appears to realize the insufficiency of the critique
based on market imperfections. Hence he proceeds to challenge the fundamental notion that rewards corresponding to contributions to productivity are fair or just. He launches this challenge by citing the problem of inequality of opportunity: The contributions that people are able to make are affected by the unequal material and cultural advantages that they derive from their family backgrounds; therefore, competition in the marketplace is unfair in the same way as a race in which the contestants are not assigned equal positions at the starting line.

The question of whether and to what extent inequality of opportunity vitiates the justice of unequal rewards is a complex and difficult one. But inequality of opportunity is not the fundamental ground on which contemporary advocates of redistribution like Okun choose to rest their case. And it is easy to see why. For just as the critique based on market imperfections implicitly assumes the justice of rewards distributed by a perfectly competitive market, so the critique based on inequality of opportunity implicitly assumes the justice of market rewards insofar as equality of opportunity prevails. That is, it assumes that once the starting positions for all contestants are made equal, justice requires that rewards be given according to how well one performs in the race. Hence this critique suggests that the best way to achieve economic justice would be through a strategy aimed at eliminating the factors that make for an unequal start (the strategy that animated much of the Great Society). Any attempt to correct for the effects of inequality of opportunity simply by redistributing income from high earners to low earners inevitably would unjustly penalize or reward many individuals—those who achieved high earnings despite lesser opportunities and those who wound up with low earnings despite greater opportunities. Moreover, since even the wholesale elimination of inequality of opportunity would achieve only a relatively small reduction in the overall inequality of income,¹ the critique based on inequality of opportunity could in any case justify no more than a rather modest redistribution of income.

¹ Jencks and his colleagues offer the following conclusion: “Our best estimate is that family background explains around 15 percent of the variation in incomes. . . . This implies that even if America could reduce inequalities in opportunity to the point where they were no greater than those that now arise between one brother and another, the best-paid fifth of all male workers would still be making 500 percent more than the worst-paid fifth. We cannot, then, hope to eliminate, or even substantially reduce, income inequality in America simply by providing children from all walks of life with equal opportunity. When people have had relatively equal opportunity, as brothers usually have, they still end up with very unequal incomes.”
Thus the full-fledged redistributionist must attempt to show that even if there were complete equality of opportunity, with every competitor enjoying an equal start, it would not be just to reward the swift and the determined for their superior performance in the race. And to do this it is necessary to explain why the two chief characteristics that enable some to "run" better than others—namely, superior ability and superior effort—do not entail a legitimate claim to the fruits of the successes they bring. Okun's discussion of the moral status of what he calls "natural abilities" is rather sketchy, but his view seems to be the following: People's natural abilities are the product of the genes they inherit from their parents; but these are in no way "earned" by individuals, and hence they cannot be regarded as deserved; therefore those who receive superior genes enjoy an undeserved and unfair advantage over their less fortunate fellows. From here Okun leaps to the conclusion that "society should aim to ameliorate, and certainly not to compound, the flaws of the universe. It cannot stop rain, but it does manufacture umbrellas. Similarly, it can decide to restrict prizes that bestow vastly higher standards of living on people with greater innate abilities" (italics mine).

It is worth stopping to consider for a moment the bizarre metaphysical doctrine that is expressed in this passage. The universe is held to be flawed because some human beings are born with greater innate abilities of various kinds than other human beings possess. The clear implication is that the universe would be much improved if the existing distribution of innate abilities were replaced by a situation in which the innate abilities of all human beings alike were reduced (or increased) to the level of the current mean. It is hard to believe that Okun would really consider such a condition of universal human mediocrity—where there were no great scientists, or artists, or economists, or athletes, or statesmen—preferable to the "universe" that actually exists. A more likely and more charitable interpretation of this passage is that Okun was led to overstate his position by a momentary excess of egalitarian zeal. A bit later in his discussion Okun cites John Rawls' elaboration of the "principle of redress." Indeed, by turning to Rawls we can see a much more coherent statement of the viewpoint that Okun is here trying to present.

John Rawls' *A Theory of Justice* is the most ambitious and sophisticated attempt to provide a theoretical justification for the redistributionist view. And the foundation of Rawls' entire theoretical structure is the premise that greater natural talent or ability cannot
provide a moral claim to greater desert or reward. Unlike Okun, Rawls recognizes that the “natural distribution [of talents] is neither just nor unjust”; it is simply a “natural fact.” What he stresses, however, is that “inequalities of birth and natural endowment are undeserved” (italics mine). Because these differences in natural ability are undeserved, they are said to be “arbitrary from a moral point of view.” Instead of exclaiming against the “flaws of the universe,” Rawls speaks more reasonably and precisely of the “arbitrariness found in nature” or the “arbitrariness of the world.” But the conclusion he draws from this is essentially the same as Okun’s: Since superiority in natural ability is undeserved and hence arbitrary, justice calls not for rewarding those endowed with superior ability but for compensating those endowed with lesser ability. In short, the redistributionist view is based on supplanting an ethics of reward in favor of an ethics of redress.

**Effort**

Before examining the claim that the arbitrariness of the distribution of natural ability justifies an ethics of redress, let us first consider how Okun and Rawls deal with the other human characteristic that allows some men to make a greater contribution to produc-

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2 It is worth noting that, despite the very different nature of his conclusions, Rawls shares to a surprising degree the premises of such notable champions of the free market as Friedrich Hayek and Milton Friedman. Like Rawls, Hayek and Friedman both assert that superior natural ability is undeserved and hence can generate no moral claim to superior reward. In part, they use this argument because they wish to defend inherited wealth by showing that inequality deriving from the inheritance of property is no less defensible than inequality deriving from the inheritance of superior natural ability. But in Hayek’s case at least, this also points toward a further agreement with Rawls—namely, that the distribution of income in a market economy can in no way be understood as rewarding moral merit or desert. Rawls concludes from this that the market distribution lacks any ethical standing and thus should be overridden by government to promote greater equality. Hayek, while also holding that the market distribution has no ethical validity, opposes in the name of individual liberty any such attempt at governmental redistribution.

Hayek is quite explicit in asserting that the distribution of income in a “free society” cannot be defended in terms of correspondence between merit and reward, or indeed on the basis of any notion of distributive justice at all. (Hence Hayek’s own defense of the free society is founded not upon considerations of justice, but upon considerations of freedom and efficiency.) I believe that this view is not only mistaken, but is bound to leave liberal capitalism morally disarmed in the face of redistributionist assaults like those of Okun and Rawls. This is not to deny, of course, that there are serious problems involved in attempting to provide a satisfactory moral justification for the distribution of income in a liberal society. But such a task, which would require a great deal more than a refutation of the redistributionist critique, far exceeds the scope of this article.
tivity than others—namely, effort. Okun begins his discussion of effort sensibly enough:

Differences in incomes that are associated with differences in effort are generally regarded as fair. If everyone were offered the same hourly wage rate and the opportunity to work as many hours as he or she chose, the resulting discrepancies on payday would be understandable. In fact, it would seem unfair for the person who takes more leisure to get just as much income. Leisure is a form of income and an element in one’s standard of living; thus, a sacrifice of leisure must be compensated in other ways if fairness is to be achieved.

But he then proceeds to muddy the waters with his subsequent paragraph:

Extra income for extra effort is unquestionably useful in providing incentives as well as fair compensation for parting with leisure. The two roles are hard to disentangle. When the fairness issue is viewed in a broad and searching context, some difficult questions arise. Shouldn’t society be capable of tolerating diverse individual attitudes toward work and leisure? Would society really want to starve those who might conceivably have lazy genes? Suppose for a moment that incentives are not relevant. If the total input of effort were completely unaffected, would society want the beachcomber to eat less well than his fellow citizens, including others who do not work, such as children, the elderly and students on fellowships?

It is hard to find in this “broad and searching” view any principle that casts serious doubt on Okun’s earlier contention that fairness requires greater rewards in return for greater effort (or a greater sacrifice of leisure). Society is likely to be capable of “tolerating diverse individual attitudes toward work and leisure” precisely to the extent that it is not expected to reward them equally. One hesitates to believe that Okun means his remark about “lazy genes” to be taken seriously; but in any case, the world has probably never seen a human being whose genes were so lazy that he chose to starve rather than to make an effort to earn a living. As for Okun’s final question, all modern societies—capitalist, socialist, or whatever—do hold that men who possess the capacity and opportunity for productive (or otherwise useful) work yet refuse to perform it have no moral claim upon the society’s resources. And he has offered no argument that would establish such a claim independently of work or effort.

Despite all the attention he gives to society’s distribution of income and wealth, Rawls has almost nothing to say about the human effort that produces them. At one point, however, he puts forth a somewhat more refined version of Okun’s “lazy genes” argument:
"... [I]t seems clear that the effort a person is willing to make is influenced by his natural abilities and skills and the alternatives open to him. The better endowed are more likely, other things equal, to strive conscientiously, and there seems to be no way to discount for their greater good fortune." Consider the consequences of this claim that the willingness to make a greater effort is as undeserved as greater natural ability. For it would imply that greater effort, like greater natural ability, has no moral claim to greater reward; instead, according to the ethics of redress, lesser effort, like lesser natural ability, is entitled to be compensated (or, in effect, rewarded). Thus the person who works harder is entitled to nothing more, while the person who works less hard gains a greater claim over what others have produced. The moral absurdity of this view is transparent.

Rawls is able to deny the moral connection between effort and material rewards only by ignoring the fact that income and wealth are not simply "there" to be distributed, but are produced in the first place only by human effort. Labor or effort is the human cost of material benefits. And, all other things being equal, it is clearly unfair to distribute equal benefits to those who have borne unequal costs. So even a community that decided to apply the principle of redress in regard to unequal natural abilities would justly insist that equal rewards be allotted only on the basis of equal efforts. (In Okun's words, "If everyone were offered the same hourly wage rate and the opportunity to work as many hours as he or she chose, the resulting discrepancies on payday would be understandable. In fact, it would seem unfair for the person who takes more leisure to get just as much income.") And if such a community (whether a commune, or a kibbutz, or a political society, or persons in Rawls' "original position") determined to share its material benefits in common, it would undoubtedly require that its members also assume a fair share of the common labor.

Natural ability

Neither Okun nor Rawls, then, succeeds in discrediting the proposition that those who are more productive because they make greater efforts deserve, all other things being equal, to enjoy greater material rewards. But now we must consider the claim of those who are more productive because they are blessed with greater natural ability. Let us take the case of two men living in what economists refer to as a "Robinson Crusoe economy" (and philosophers have
called a "state of nature"). Now suppose that each of these men expends equal efforts in constructing a dwelling for himself; but due to their differing natural abilities as builders, one produces—and thus is able to live in—quite a comfortable habitation, while the other produces an adequate but less desirable shelter. In such a case, wealth would be unequally "distributed" (by nature itself) according to "undeserved" differences in natural ability. Here is a clear instance of what Rawls means by the "arbitrariness found in nature." But what possible moral justification could there be for redressing this natural distribution, or holding that the less talented man is entitled to a share of the rewards earned by the more talented? And if such a justification does not exist in a "Robinson Crusoe economy," at what point of increased complexity in men's economic, social, or political relations does it suddenly become valid?

Rawls never answers this question with any precision; but by basing his doctrine on a version of the social-contract theory (an agreement that "free and rational persons concerned to further their own interests would accept in an initial position of equality as defining the fundamental terms of their association"), he implies that the crucial change comes about when men enter political society. The agreement that underlies a just political society, according to Rawls, will include adherence to the "difference principle," which as he formulates it specifies that "social and economic inequalities are to be arranged so that they are to the greatest benefit of the least advantaged..."

Now, Rawls says of the difference principle that it "represents, in effect, an agreement to regard the distribution of natural talents as a common asset and to share in the benefits of this distribution whatever it turns out to be." This "collectivization" of individual natural talents is obviously of material advantage to the less talented, but how can it be considered fair to the more talented? Rawls' answer essentially boils down to repeating his assertion that the more talented do not deserve their greater natural gifts in the first place;

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*This example is, of course, intentionally constructed in such a way that the man with lesser natural ability is not incapable of providing for his needs in a minimally acceptable fashion. This fits Rawls' argument for redistribution, which is based not on need but simply on inequality. If there were a case of genuine neediness—for example, if there were a third man in the neighborhood who was crippled and unable to build a dwelling for himself at all—it might be argued that the others would have a moral obligation to assist him. In that case, the individual's right to the fruits of his own labor would have to be balanced against his obligation to others. But this would in no way invalidate the general principle that the rewards that flow from superior natural ability are deserved.*
hence they have no cause for complaint. But why do these undeserved natural talents, whose consequences are unobjectionable in a state of nature, require rectification or redress in political society? The closest thing one finds to an answer to this question is the following passage:

But there is no necessity for men to resign themselves to these contingencies [i.e., the arbitrary distribution of natural talents]. The social system is not an unchangeable order beyond human control but a pattern of human action. In justice as fairness men agree to share one another's fate. In designing institutions they undertake to avail themselves of the accidents of nature and social circumstance only when doing so is for the common benefit.

What Rawls seems to be saying here is that in political society men are not bound by the arbitrary dispensations of nature precisely because they have the power to alter them, or at least their effects. Men can collectively design the institutions and implement the conception of fairness that they choose. And that conception of fairness need not be based on a consideration of men as nature has actually made them; instead, it can and should be based on a consideration of men that abstracts from the differences that nature has established among them. Social justice cannot take its guidance from human nature. It must improve upon and correct nature, by taking a moral starting point which is above or prior to the arbitrariness of the real world.

Is it possible, however, for human justice ever to attain a starting point that is totally free of the arbitrariness of the world? Rawls himself is forced to confront this problem when he poses the question whether our conduct toward animals should be governed by his principles of justice. (For after all, is it not merely a contingent fact of nature that we are born human beings rather than members of some other species?) Rawls' answer is that human beings, as opposed to other living things, are entitled to equal justice because they possess the "capacity for moral personality." Having or not having this capacity is said to be the "only contingency which is decisive" in determining who is entitled to just treatment. Moreover, the common possession of this capacity by all men constitutes the basis of human equality, which thus is "supported by the general facts of nature." At the deepest level of his own theory, then, Rawls in effect concedes the impossibility of wholly pushing beyond the limits imposed by brute natural facts. For the underlying human egalitarianism of Rawls' doctrine cannot itself escape being founded on what is arbitrary and contingent.
Equality vs. the family

We may say, then, that Rawls takes as the Archimedean point of moral reasoning that arbitrary natural fact which makes human beings equal to one another and superior to other living things; but he then arbitrarily refuses to grant any moral status to those arbitrary natural facts that distinguish one human being from another. Yet Rawls and his fellow redistributionists fail even to draw the radical conclusions that their own premises imply. One good example of where a rigorous application of these premises leads is provided by the Greek comic poet Aristophanes in his Assembly of Women (Ecclesiazusae). This play tells the story of the takeover of Athens by a female government, which establishes a new egalitarian order featuring a community of property, women, and children. But when it is objected that such a scheme will lead all the men to line up before the beautiful women and neglect the others, Praxagora, the female lawgiver, responds with a decree requiring that a man sleep with an ugly woman before being permitted to sleep with a beautiful one. This decree is an almost perfect embodiment of Rawls' difference principle, inasmuch as it stipulates that the naturally favored women may benefit only when their doing so benefits the disadvantaged as well.4

This Aristophanean conceit raises the question of why Rawls does not extend the application of the difference principle to the distribu-

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4 There is at least one other discussion in Ancient literature of the application of the ethics of redress to sexual matters. In Book I of the Histories, Herodotus describes an "ingenious" custom of the Babylonians:

In every village once a year all the girls of marriageable age used to be collected together in one place, while the men stood round them in a circle; an auctioneer then called each one in turn to stand up and offered her for sale, beginning with the best-looking and going on to the second best as soon as the first had been sold for a good price. Marriage was the object of the transaction. The rich men who wanted wives bid against each other for the prettiest girls, while the humbler folk, who had no use for good looks in a wife, were actually paid to take the ugly ones, for when the auctioneer had got through all the pretty girls he would call upon the plainest, or even perhaps a crippled one, to stand up, and then ask who was willing to take the least money to marry her—and she was knocked down to whoever accepted the smallest sum. The money came from the sale of the beauties, who in this way provided dowries for their ugly or misshapen sisters.

With its emphasis on monetary compensation, this scheme is much more in the spirit of Rawls' own thinking. Moreover, the notion of monetary compensation for natural disadvantages suggests a whole new avenue for applying the ethics of redress. Those who are born blind, or crippled, or mentally impaired might be made the beneficiaries not merely of programs designed to meet their special needs but of monetary grants to indemnify them for the psychic pain caused by their undeserved misfortune. Society would then be organized as a kind of insurance scheme against Divine malpractice—an arrangement that would appear a logical outgrowth of Rawls' principles.
tion of sexual rewards. If the distribution of natural gifts is to be regarded as a "common asset" whose benefits are to be shared by all, why should those human beings who are beautiful or otherwise well endowed be allowed to enjoy the "undeserved" sexual benefits that flow from those qualities arbitrarily allotted to them by nature? And why shouldn't those who have the misfortune to be born ugly be compensated according to the dictates of the "ethics of redress"?

And what about children, the products of sexual union? In a society composed of families, there are some couples that very much desire to have children but are unable to have any, while other couples enjoy an abundance of children. Why aren't the "undeservedly" childless couples entitled to be compensated for their arbitrary misfortune by being given some of the children of the more prolific? Again, why not go further still? Because of genetic inheritance, parents with greater natural advantages tend also to have children with greater natural gifts, and thereby to enjoy the greater satisfaction that more talented children often bring. Why not, then, distribute children in such a way as to eliminate the impact of this "undeserved" benefit? But even an impartial distribution of children among all sets of parents would leave those children who were placed in "better" homes undeservedly and unfairly favored over those who were placed in "worse" homes. Only the abolition of the family as an institution for raising children would appear capable of meeting the Rawlsian standard of fairness.

At one point in A Theory of Justice, after noting that "the family will lead to unequal chances between individuals," Rawls explicitly poses the question, "Is the family to be abolished then?" His answer: "Taken by itself and given a certain primacy, the idea of equal opportunity inclines in this direction. But within the context of the theory of justice as a whole, there is much less urgency to take this course." And of course Rawls chooses not to take this course. Like his fellow redistributionists, he does not seem to be disturbed by "undeserved" inequalities in the sphere of marriage and the family except insofar as these are productive of inequalities of income and wealth. And even where such inequalities of income and wealth do result, the Rawlsian strategy is not to attempt to eliminate their causes but rather to attempt to mitigate their effects (through redistribution). The hallmark of the radical rejection of inequality

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6 There is also a rather cryptic passage in A Theory of Justice in which Rawls indicates that the difference principle would call for an active eugenics policy. Since the implications of this passage are so unclear, it is difficult to tell to what extent the eugenics policy Rawls has in mind would lead to social regulation of marriage and childbearing.
since Aristophanes has been the call for a community of property, women, and children. But despite the radical egalitarianism of their ethical premises, our present-day redistributionists want no part of communism. Not only are they perfectly content to leave the "bourgeois" family intact, but they even shrink from advocating a community of property. Indeed, even their call for redistribution falls far short of a demand for equality of income or wealth.

Equality vs. wealth

Why are our redistributionists so "moderate" with respect to their agenda for egalitarian political reform? The answer is to be found by investigating the principle that they accept as permitting (or requiring) a justifiable limitation on redistribution toward complete equality. In Okun's case, the opposing principle is clearly stated in the very title of his book—Equality and Efficiency: The Big Tradeoff. It is for the sake of economic efficiency that Okun is willing to stop far short of attempting to achieve complete economic equality. But why should we be so concerned about economic efficiency? Okun explains the justification for making this "tradeoff" as follows: "In pursuing such a goal [i.e., complete economic equality], society would forego any opportunity to use material rewards as incentives to production. And that would lead to inefficiencies that would be harmful to the welfare of the majority. Any insistence on carving the pie into equal slices would shrink the size of the pie." Thus economic efficiency is to be valued because it increases "the welfare of the majority." And welfare is to be measured, it appears, in strictly economic terms—a larger slice (in absolute terms) of "economic pie" constitutes greater welfare.

In fact, then, Okun's "big tradeoff" is really an exchange between equality and wealth. The pursuit of economic equality is to be compromised or abandoned when it would lead to unacceptable reductions in most people's wealth. But as Okun presents it, there is a strange imbalance between the two sides of his tradeoff equation. Equality is presented as an ethical principle, while efficiency (or wealth) is treated merely as a practical or pragmatic consideration. It is a curious sort of moral reasoning that allows practical considerations to be weighed equally in the balance with ethical ones. We would hardly approve of the conduct of an individual who was just only when acting justly was compatible with preserving his wealth. Why should we be any more approving of a society that acts in this way?
Here again we can find a more sophisticated justification of Okun's essential position by turning to Rawls. The grounds on which Rawls legitimizes stopping well short of complete economic equality are internalized in his "difference principle" (which forms part of his second principle of justice). As noted earlier, the difference principle requires that "social and economic inequalities are to be arranged so that they are to the greatest benefit of the least advantaged." What Rawls means by this is that departures from the standard of equal distribution of economic goods are permissible only if they make the least advantaged (i.e., poorest) man wealthier than he would be if the distribution were made more equal. The way an unequal distribution can achieve this result is by offering incentives that promote productivity and thereby increase the size of the society's total economic product. So for Rawls, as for Okun, economic justice ultimately comes down to a tradeoff between equality and wealth (though Rawls makes the focal point of the tradeoff the least advantaged members of the society rather than the majority or the society as a whole).

In the structure of Rawls' theory, the goal of maximizing individual wealth is actually prior to the goal of equality. For Rawls' principles of justice are conceived of as those principles that would be chosen in a hypothetical "original position" by "free and rational persons concerned to further their own interests." Through the device of a "veil of ignorance," Rawls imposes strict limits on the knowledge available to the parties in the original position, but one thing they do know is that they wish to maximize their share of certain "primary goods," including wealth. So from their very inception, the Rawlsian principles of justice have as an essential aim the maximization of individual wealth. (The initial standard of equal distribution, and its subsequent modification to allow those inequalities that improve the economic position of the least advantaged, are supposedly chosen only because no one is allowed to have any indication of what his own position in the distribution will be, and thus no one wants to take a chance on being too badly off in the event that he should happen to come out at the bottom of the income ladder.)

The priority of the goal of maximizing individual wealth over the goal of economic equality is strikingly reflected in the practical consequences yielded by an application of the difference principle. Let us take the example of a society that enforces strict economic equality and where everyone has an income of $5,000. Now let us assume that by allowing some people to earn up to $25,000, we will increase
productivity and total output to a point where even the poorest members of the society have an income of $6,000. And then suppose that by increasing the maximum allowable income to $1 million, we increase the income of the poorest members of the society to $6,100. Each of these steps away from economic equality would be justified by the difference principle. Indeed, that principle would justify the most enormous income inequality if it were to produce merely the tiniest increment in the income of the poorest class. So there can be no doubt that for Rawls (as for Okun) economic equality has only the most subordinate status when weighed against the maximization of wealth.

It is only in this light that one can properly appreciate the extraordinary role played in Rawls’ theory of justice by economic incentives. Recall that Rawls absolutely refuses to allow that those who make a greater economic contribution deserve greater economic rewards. Yet his difference principle nonetheless affirms that it is just to grant them greater economic rewards insofar as these serve as indispensable incentives to increase their contributions in ways that ultimately benefit the disadvantaged. In other words, according to Rawls justice requires that the more productive receive rewards that they do not deserve.

This points to the profound inconsistency that besets the redistributionist position in its attempt to embrace simultaneously both radically egalitarian ethical premises and economic incentives. To deny that individuals deserve to enjoy the fruits of their efforts and natural abilities is to deny that powerful principle of human justice which holds that each is entitled to what is his own. It is hardly less radical a denial of the right to one’s own than would be the taking away from parents of their own children. And as such, it entails the most extreme sort of invasion of the private sphere and the rights of the individual in the name of the public and communal good.

The denial of this principle would be understandable in a doctrine that, aiming at a profound transformation of human nature, sought to erase men’s attachments to what is private and to refocus them

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6 It is the right to what is naturally one’s own that John Locke, the pre-eminent philosopher of liberalism, holds to be “the great foundation of property”: “...[E]very man has a property in his own person; this nobody has any right to but himself. The labor of his body and the work of his hands, we may say, are properly his.” This, of course, is precisely what Rawls and Okun deny. They would presumably correct Locke along the following lines: “No man has a property in his own person; this everybody has an equal right to along with himself. The labor of his body and the work of his hands, we may say, are properly the society’s as a whole.”
wholly upon the public (whether in the benign manner of the Israeli kibbutz or the barbaric manner of Pol Pot's Cambodia). But this is surely not the kind of thing our redistributionists have in mind. Their devotion to maximizing individual wealth and their consequent championing of economic incentives are inevitably calculated to foster self-interest and attachment to private goods. In this light it is not surprising that Rawls turns out to be almost as great an admirer of economic efficiency and of markets as Okun is. The prevailing spirit of both of their doctrines is profoundly bourgeois and capitalistic. Indeed, one suspects that both their hope and their expectation is that a society structured in accordance with their principles would not be terribly different from the United States as it is today. They want all the benefits that come from a bourgeois liberal democratic order, but merely wish to improve upon it through a kind of egalitarian "fine-tuning" aimed at bringing about a more equal distribution of income and wealth.

**Individual rights and liberal society**

Yet the moral basis of Rawls' and Okun's economic egalitarianism is incompatible with, and destructive of, the moral basis of a liberal society. The moral and political tradition that animates liberal democracy is founded on the notion that the rights of the individual are prior to the claims of society—indeed, that the protection of those individual rights is the very goal of political society. Liberalism does not merely recognize that principle of justice which holds that each man is entitled to what is his own; it seeks to extend and exalt this principle, imparting to the private sphere a sanctity far greater than it enjoys in any other political doctrine. Liberal society leaves each man free to devote himself to the pursuit of his own happiness; in particular, it promotes the pursuit of economic self-interest. In Locke's phrase, it aims "by established laws of liberty to secure protection and encouragement to the honest industry of mankind..." And the bedrock moral premise of a liberal society is that those who devote themselves to "honest industry" are entitled to reap—in the form of private property—the economic rewards that it brings.

By contrast, the redistributionist view, in holding that individuals do not deserve the economic rewards that are the fruit of their own talents and efforts, and that the goods produced by their "honest industry" are instead the "common asset" of society as a whole, totally undermines the moral foundations of private property, and
therewith of liberal society. And the consequences of such a view are not merely theoretical ones. As Jencks makes clear, the redistributionist position requires that society "politicize the question of income inequality." For if individuals have no moral claim to the private property they obtain, it is up to the government to decide how it should be distributed. Now, it would be one thing if, under the new dispensation, the distribution of income and wealth were to be determined by a benevolent despot applying the "difference principle" and carefully weighing the longer-range benefits that would accrue from varying degrees of economic incentives. But in a democracy, distributional decisions will be the subject of the most intense political controversy, with each citizen in effect casting a vote about how large his own share of the society's income and wealth should be. And since the potentially adverse long-range effects of reducing incentives will necessarily remain speculative, there is likely to be a tendency to cut down the share of the better off first and worry about incentives later.

Moreover, if people really come to believe that no one deserves the income he earns, the case for incentives by itself is bound to look morally suspect, particularly when it is a question of increasing them. To argue that those who are already better off should be granted still greater incentives to make them produce more will then resemble arguing that the rich should be given a wholly undeserved bribe paid out of the pockets of the poor. Under such circumstances, it would not be at all surprising if the poor decided that even if their own incomes were to suffer (from the general loss of productivity), they would prefer this to paying so offensive a bribe. (One cannot extrapolate from the relative self-restraint shown by democratic governments in similar matters today, because that self-restraint is in large part precisely a product of the belief that individuals do deserve what they earn and that taxes are a necessary evil rather than a mechanism for redistribution.) In any case, just the uncertainty about the safety of one's wealth and the prospects of one's future income caused by the politicization of the distributional issue would be bound to have a deleterious effect not only on incentives but also on the general feeling of political and economic security enjoyed by the citizenry. In this sense, at least, the shelter of the private sphere would be severely threatened.

But this is far from being the only danger to the private sphere implicit in the redistributive ethic. Jencks says that in order to have redistribution we must "alter people's basic assumptions about the extent to which they are responsible for their neighbors and their
neighbors for them.” He presumably has in mind here primarily a
heightening of people's feelings of mutual solidarity and benevo-
ience. Yet so long as the maximization of people’s wealth remains
a fundamental goal of the society, it is likely that their feelings of
reciprocal responsibility will take a less attractive form. For if the
society's wealth is regarded as a common product of which every-
one is entitled to a generous share, the economic well-being of each
individual becomes directly dependent upon the behavior of his
fellow citizens.

In the first place, this is likely to lead to heightened public con-
cern about who is admitted to citizenship. It is one thing for a
country to accept unskilled immigrants (say, Vietnamese refugees)
when it is essentially up to them to “make it” economically on
their own; but it is a very different matter if they are immediately
and perpetually entitled to draw upon a sizable share of the society's
resources. Similarly, fears about adding to the number of unproduc-
tive people in the society could lead to attempts to restrict child-
bearing on the part of those who are thought incapable of raising
children to be useful contributors to the nation's wealth. Moreover,
there would be a strong tendency for the public to impose some
work requirements upon those living off the common wealth without
making what is deemed an adequate contribution of their own
efforts. Or there might be an attempt to regulate the ways in which
the beneficiaries of redistribution spend their money (designed, for
example, to make sure they do not buy luxury items while stinting
on the needs of their children). Public money is seldom disbursed
without any strings attached, and if everyone comes to be viewed
as a recipient of society's benefactions, it is only to be expected
that they will be subjected to greater public accountability regard-
ning the details of their private lives. In short, it is difficult to see
how the private sphere can retain its autonomy when wealth is
regarded as communal. The practice as well as the premise of re-
distribution would be incompatible with liberal society as we know
it.

A final word

By way of conclusion, it is worth re-emphasizing the vital dis-
tinction between redistribution and social-welfare programs. Social
insurance and assistance to the needy can be regarded as legitimate
functions of the public sphere, properly supported by public reve-
nues. The obligation of citizens to pay taxes to finance the legitimate
expenses of government has never been doubted by the liberal tradition. Financing public-welfare expenditures with tax dollars in no way conflicts with the notion that people have a right to what they earn, and that their own property is genuinely private. But as social programs grow larger and more complex, it is all too easy to make the mistake of regarding redistribution as a logical extension of—or even simply a way of rationalizing—the welfare spending of the liberal state. This is an error to which economists are particularly prone, given their penchant for focusing on economic effects (i.e., how much is being transferred to whom) rather than political principles (i.e., on what grounds the money is being transferred). Yet there is an immense gulf of principle between the welfare state and the redistributive state, which can be crossed only at the gravest peril to a liberal political order.