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978-0-521-00535-7 - Should Differences in Income and Wealth Matter?

Edited by Ellen Frankel Paul, Fred D. Miller, and Jeffrey Paul

Excerpt

[More information](#)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.<sup>1</sup>

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

<sup>1</sup> 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.

<sup>2</sup> 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](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.<sup>3</sup> 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.<sup>4</sup>

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.

<sup>3</sup> 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.

<sup>4</sup> 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.

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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.<sup>5</sup>

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.<sup>6</sup> 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

<sup>5</sup> A counterargument is that people will not contribute because they believe their contributions will be ineffective. I discuss this in Section VI.

<sup>6</sup> For some helpful accounts, see Kathleen Woodroffe, *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 Woodroffe 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.<sup>7</sup> 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.<sup>8</sup> 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.<sup>9</sup> 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

<sup>7</sup> 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.

<sup>8</sup> Missions, begun by Jerry McAuley, 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.

<sup>9</sup> 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.<sup>10</sup> 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).<sup>11</sup> 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.<sup>12</sup>

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

<sup>10</sup> Beito, *From Mutual Aid to the Welfare State*, 2.

<sup>11</sup> Green, *Reinventing Civil Society*, 66.

<sup>12</sup> 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.



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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.<sup>13</sup> 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.<sup>14</sup> 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

<sup>13</sup> Beito, *From Mutual Aid to the Welfare State*, 10–11, 44–45, 49–62.

<sup>14</sup> 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.<sup>15</sup> 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.<sup>16</sup> 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.<sup>17</sup>

<sup>15</sup> 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.

<sup>16</sup> 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.

<sup>17</sup> 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.<sup>18</sup>

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.<sup>19</sup> 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.<sup>20</sup> 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

<sup>18</sup> 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.

<sup>19</sup> This is developed in most detail by Dworkin, “Equality of Resources,” 293–335; and Rakowski, *Equal Justice*, 97–106, 120–48.

<sup>20</sup> For an examination and critique of egalitarian arguments for national health insurance, see Shapiro, “Why Even Egalitarians Should Favor Market Health Insurance.”

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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,<sup>21</sup> 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

<sup>21</sup> Dworkin, “Equality of Resources,” 303–6; Rakowski, *Equal Justice*, 107–12; Thomas Nagel, *Equality and Partiality* (New York: Oxford University Press, 1991), 108.