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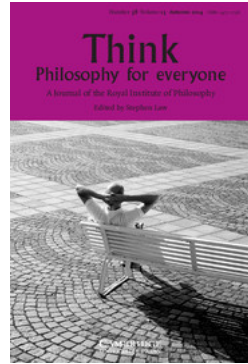
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IN DEFENSE OF THE SOCIAL SAFETY NET Craig Duncan

This article responds to Tibor Machan's criticisms of government provision for needy citizens. It argues that although charity may be morally worthy, private charity is inadequate to the task of providing our fellow citizens with the security they deserve; the tremendous social good of secure access to a life of dignity can only be produced by a public social safety net. Moreover, individual rights to property do not stand in the way of providing a public social safety net. Since there are social inputs in wealth creation, reasonable levels of taxation do not violate people's rights to their wealth.

In his essay 'Two Flaws in Anti-Market Criticisms', Tibor Machan puts forward two main arguments against wealth redistribution. First, he defends 'value individualism', according to which (a) what is good for or right for persons can vary from individual to individual, and (b) what is good or right has no moral worth for the individual unless the individual can freely choose it. Second, Machan argues that even when some citizens have unmet needs, ownership rights to private resources rule out coercive redistribution as a way of meeting those needs. However, matters are not as simple as these two arguments suggest.

I will begin by focusing on the second component of Machan's value individualism, namely, his claim that 'the moral worth of making the right choices in their market exchanges will be lost if these choices are removed from them and taken over by government planners and regulators.' While Machan gives no specific examples of this, presumably something like the following illustrates his claim.

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Imagine a person who makes a voluntary donation to a soup kitchen, say, and contrast this with a person who is required by law to surrender some of her income in the form of taxes – taxes which are then used to provide food for the hungry. Machan would claim that a person's action in the first case has a moral worth that is lacking in the second case, since the first person's action was voluntary whereas the second person's action was coerced.

One important objection to this claim is that it is possible for people to do voluntarily even what they are required to do by law. Parents are required by law to support their children, for instance. The vast majority of parents surely do this voluntarily, however, despite this law. In any case, the existence of the law does not rob all parental nurturance of its moral worth.

But let us for the sake of argument suppose that Machan is right, and thus let us suppose that a legally required action is rendered devoid of moral worth by the existence of the coercive threat inherent in the law. Does this mean that all legally mandated aid to the needy is morally worthless?

It does not. To prepare the way for this point, let us first consider a case distinct from that of legally mandated aid; let us consider the law against murder. Suppose that Al lives in a country that (for some strange reason) does not outlaw murder. But despite murder's legality, let us suppose that Al voluntarily chooses not to murder. Contrast this case with the case of Bob, who also does not murder, but who lives in a normal country that outlaws murder. What should we make of this difference? Having assumed for argument's sake that Machan's view of moral worth is right, we thus can agree that Al's voluntary abstention from murder has more moral worth than Bob's legally required abstention from murder has. In other words, the law against murder has reduced the moral worth of Bob's abstention from murder. Does this mean that the law against murder is morally worthless? Not at all. For preventing murder is morally more important than providing people

with opportunity to exhibit moral worth. If the ban on murder reduces the opportunity of some people to exhibit moral worth (a bad thing), but at the same time prevents some people from being murdered (a good thing), well, that is an easy judgment: the good the ban on murder does outweighs the bad.

The same is true of the laws that create a public social safety net, such as laws instituting unemployment insurance, social security, food stamps, health care for the indigent and elderly, child protective services, public primary and secondary education, financial aid for higher education, and the like. True, some wealthy people likely would donate to these same causes even in the absence of a public social safety net; thus, those particular wealthy people will have less opportunity to exhibit moral worth as a result of being taxed to support their fellow citizens in need. But to fixate exclusively on *that* downside of a public social safety net is to ignore the tremendous good that is done by the safety net itself: a great deal of suffering is mitigated, and many children get a fairer go in life than they would otherwise get without the net. The tremendous good done by the safety net makes it far from morally worthless, despite the fact that it is funded via legally mandatory taxation.

Much empirical data attests to the real world success of safety net programs. An important contemporary study in this regard is Robert E. Goodin, Bruce Headey, Ruud Muffels, and Henk-Jan Dirven's work *The Real Worlds of Welfare Capitalism*.¹ This work demonstrates the effectiveness of safety net programs; based on the data, the authors judge the most effective safety net system to be a social democratic system like that found in northern Europe. This is not to say that the United States' safety net is ineffective;² it is simply to say that it could be more effective. Even the conservative *New York Times* columnist David Brooks, for instance, recognizes that the U.S. now has less social mobility (i.e., less moving up the income ladder) than many countries in Europe.³ The lack of

mobility is not because the United States lacks the knowledge or the funds to improve mobility; rather, it is a lack of political will. For instance, the Nobel-prize winning economist James Heckman (widely regarded as a conservative) has mounted a meticulous empirical argument demonstrating that state-supported high quality daycare programs would increase mobility and at the same time save taxpayers money, since children who take part in such programs have been shown to have lower rates of incarceration and welfare usage later in life.⁴

Presented with the evidence of the effectiveness of safety net programs, Machan at this point might object in a couple of ways. First, he might object that voluntary private charity could achieve the same valuable results that a taxation-supported social safety net achieves. Second, he might object that in any case, even if a taxation-supported social safety net does some good, it is illegitimate to use political force to achieve this good. Neither objection, however, is convincing.

Voluntary private charity could not adequately replace the social safety net. Consider, for instance, the lessons of history.⁵ Historically, the wealthy managed to live lives of great comfort while masses of their fellow citizens lived in squalor (as many a Victorian novel attests). The wealthy of the past could apparently consider themselves good, charitable citizens while only giving a modest amount of their wealth away – far short of what it would have taken to make a sizeable dent in the misery around them. I see no reason to be confident that the wealthy of the modern world would behave any differently, if we were to dismantle the social safety net and leave the fate of those in need to the tender mercies of the charitable.

Additionally, replacing the public social safety net with a private safety net resulting from charitable giving would make for a patchy safety net at best. Popular causes such as children, veterans, and stray animals, say, would receive far more charitable funds than less popular and less obvious causes would. Charities addressing afflictions that

befall the middle and upper classes (such as cancer research charities) would likely be better funded than charities focusing on the plight of 'those people', whether they are racial minorities, religious minorities, immigrants, etc.

A private safety net funded via charity would be geographically patchy as well. Poor residents of cities that have a number of well-run charities would fare much better than poor residents of cities without such charities. Even worse, many poor and remote rural areas will lack the wealth base needed to make effective and adequate charity possible. Thus, those at the bottom of the social ladder will be exposed to a capricious geographical lottery.⁶

Imagine, then, that you find yourself living in a libertarian society, unable to make ends meet and thus in need of charity. You needn't imagine yourself the victim of some extraordinary misfortune or terrible judgment, for the truth is that in a laissez-faire economy, a great many jobs will fail to pay a living wage. Perhaps your job is stocking shelves, or emptying bedpans in a nursing home, or cleaning rooms as a hotel maid, or washing dishes in a restaurant, or mopping the floors of an elementary school, etc. These are jobs that need doing, so it is good that someone does them. But the skills involved are minimal enough that a great many people can do these jobs, so the wages will be low. Most importantly, there is no guarantee that the wage you can command is a living wage, so that you might find yourself unable to provide for you and your family's needs. (After all, no minimum wage laws will exist in a libertarian society.)

There could be other reasons you find yourself in need of charity. Perhaps your health insurance has refused to renew your coverage (remember, the health insurance market will be unregulated in a libertarian society) and you cannot pay the bills for your needed cancer treatment. Perhaps you and your children are escaping a violent relationship with only the shirts on your backs. Perhaps the economy is in a severe recession and you have used up your savings as you search for a job. Perhaps a natural disaster has struck your area. And so on.

Needing charity to make ends meet, you now must rely on the private patchwork quilt that passes for a safety net in your libertarian society. You will likely start by leaning on relatives who might help. That might sometimes do the trick, but it won't always suffice; many times they may be struggling just as much as you. Odds are that you will have to try to piece together the extra needed help by seeking the aid of multiple charities, filling out their various forms (perhaps only to hear they are out of funds at this time), complying with their various conditions (perhaps they will ask you to attend their church services in order to receive the aid), hoping that the handouts which you can cobble together will match your needs. This process will be costly in terms of time – and time may be precious given the long hours you spend working at your low-paying job and traveling to that job (remember, there is no public transportation in a libertarian society). Doubtless, you and your family will feel the opposite of secure. Often, your needs will go unmet.

There is a familiar moralizing response to this predicament – for example, from those who would say to someone in need, 'Well, if you are stuck in such a job that does not paying a living wage, then it is your own fault for not applying yourself harder in school. You should have planned better. Your problem is your problem, not mine.'

To this piece of moralization, there are many possible replies. I will make two. For starters, not everyone has the parental support and mental wherewithal to do well in school. Secondly, and even more fundamentally, jobs like stocking shelves, cleaning hotel rooms, emptying trash cans, and the like are jobs that must be done by someone. If everyone applied themselves in school and went to college, then we would have college graduates stocking shelves, etc. And since there is no reason to think they would be paid anymore for doing those jobs just because they are college graduates, we would have college graduates struggling to make ends meet (a phenomenon already all-too-familiar in the recent recession).

In short, there is no reason to think that an inability to make ends meet is purely a function of bad decisions on the part of the individuals in question. This is true of some cases, to be sure, but very often the financial shortfall arises simply from the fact that a great many jobs that need doing in society are relatively unskilled jobs, and thus the people who do them are in no position to command a high wage. However, people who are doing jobs that must be done by someone should be able to meet their basic needs, and meet them securely. To deny this simple truth is in essence to say 'Sure, somebody needs to do these jobs in my society, but that somebody doesn't matter enough to be entitled to a secure and decent life.' The callousness of such an attitude is self-evident.

Moreover, such an attitude is not simply callous; it is also inconsistent with an ideal of equal citizenship, according to which no one should have to live as a second class citizen. To remove the public social safety net, and thereby force the poor, the ill, and the unfortunate to rely exclusively upon a patchy private safety net, is to elevate one group of citizens above another. It does this by making needy individuals dependent in servile fashion on the whims of private charitable benefactors. In such a society, individuals who are laid low for some reason must sometimes grovel before their social betters in order to meet their basic needs. In turn, many of these social betters will no doubt feel smug satisfaction at the 'moral worth' they exhibit when they deign to give aid to their pitiful brethren. Fellow citizens who are in need – many of whom, as we noted earlier, will be doing essential jobs in society – should not have to suffer this gratuitous insult to their dignity. In short, ensuring that all citizens have secure access to a life of dignity requires a public social safety net.

At this point we must turn to consider Machan's second major argument, which I identified at the start of this essay – namely, his argument that even when some fellow citizens have unmet needs, ownership rights to resources rule out coercive redistribution as a way of meeting those needs.

This argument rests on an implausibly absolute account of property rights. In essence Machan is alleging that I have a fundamental moral right to keep every penny that comes my way via transactions in a *laissez-faire* economy. Such a view, however, suffers from a sociological naiveté, since it ignores the fact that an economy of any significant size is sustained by a complex and interlocking network of social rules and institutions. Such a view also ignores the contributions made by a society's 'social capital' in the form of both the prevailing level of technology and the cultural patterns of behavior among citizens that make a peaceful and productive coexistence possible.

Recognizing these sociological realities means recognizing that in truth there is no such thing as a 'self-made man'. Those who are financially successful are usually successful in part because of their hard work, but never *wholly because* of their hard work. Their success is also due in part to the good fortune of living in a society whose rules, institutions, and social capital make it so that hard work yields high returns. Philosopher Eric Schliesser provides a vivid illustration of this point, by observing that

A taxi driver, who moves from La Paz, Bolivia, to New York city can (with a little bit of credentialing) without any change in his skills make a lot of extra income as a taxi driver. (An economics professor who moves from Harvard to Karachi experiences the reverse.) This suggests that our actual individual income is a poor proxy for the individual contribution to marginal product. In fact, a lot of social institutions contribute to general productivity.⁷

We can make essentially the same point using a historical example. Twenty-first century Americans and Britons are fantastically wealthier than, say, their nineteenth century forebears. Is this because twenty-first century people are fantastically harder workers? No. (I would wager the opposite is more likely to be true). The greater wealth that people

today enjoy does not mean that people today are somehow *more deserving* of wealth than people in the past. Rather, the greater wealth that people today enjoy stems largely from the better technology, transportation infrastructure, prevailing levels of education, and the like – all factors that no single individual today can claim responsibility for, since it took the hard work of our forebears to make it possible. Thus, we have not made our entire fortune ourselves; we have built on the good fortune bequeathed to us by those who came before us. The ‘self-made man’ is a myth.

That this is a myth does *not* mean that society ‘owns’ you, or that you own nothing of what you come to possess via your economic dealings. Your hard work, your ideas, and the risks you run are all inputs that deserve an economic return. My point is only that there are social inputs too. This is relevant for two reasons. First, since we owe a significant part of our fortune to the social institutions and the social capital of our society, we must ensure that those same institutions and social capital allow citizens adequate opportunity to secure a life of dignity for themselves. In a wealthy nation, our fellow citizens should not have their lives blighted by poverty or crippling financial insecurity or lack of access to essential health care. Second, if ensuring adequate opportunity requires taxation to support a social safety net, then no one can complain that ‘I have made my fortune entirely by myself; I owe nothing to society or to anyone.’ Reasonable levels of taxation do not trespass on one’s just deserts.

This of course leaves open the question of what level of taxation would count as unreasonable. That is a large question I will not be able to answer thoroughly in a short essay. Suffice it to say, though, that the well-off of the modern world can still live fantastic lives even with current levels of taxation, so that current levels surely count as reasonable. (If I had more space I would argue that the social inputs to wealth creation are sizeable enough that even those who live in high tax northern European social democracies cannot reasonably complain that their ownership

rights are being violated. I will content myself with noting in passing that some of these societies count as among the happiest societies on the planet, according to recent research.⁸ That is hardly consistent with a claim that citizens in such countries are being crushed by unreasonable and onerous tax burdens.) In short, it is implausible for Machan to claim that the levels of taxation needed to sustain a public social safety net infringe upon an individual's right to his or her justly deserved earnings.

By way of summary, let me pull my thoughts together in the form of an argument. I have in essence argued as follows:

1. A public social safety net provides citizens with secure access to a life of dignity.
2. A private safety net would leave citizens without secure access to a life of dignity.
3. Thus, the tremendous social good of secure access to a life of dignity can only be produced by public means.
4. If a tremendous social good can only be produced by public means, then it is legitimate for citizens in a society to produce this gain via their governing institutions, provided that individual rights are not violated in the process and provided that costs to individuals are reasonable.
5. The taxes that fund a public social safety net do not violate anyone's rights.
6. The taxes that fund a public social safety net do not impose unreasonable costs on individuals.
7. Therefore, We the People should maintain a public social safety net and ensure each other access to a life of dignity.

The criticisms in Machan's original essay intersect with this argument as follows. Machan's complaint that taxation

violates people's property rights can be seen as a failed attempt to disprove premise 5. Recall, too, Machan's earlier complaint that a coercive requirement to aid the needy reduces the moral worth of the act of providing for need. This can be seen as an attempt to disprove premise 6 by identifying an 'unreasonable cost' of a public social safety net. It is a failed attempt. Costs must be judged relative to the goods at stake. Given the great goods at stake with the social safety net, this cost in terms of opportunities for displaying moral worth (if it is a real cost at all) is but a small one.

I do not claim this argument constitutes a complete defense of the social safety net. Ideally, more needs saying – in particular, more needs saying about the values of freedom and dignity themselves. (The objects of Machan's criticism, Amartya Sen and Martha Nussbaum, are good sources on these topics.⁹). However, the case presented here successfully rebuts Machan's arguments against any kind of public provision for need. Morally worthy though charity may be, it is inadequate to the task of providing our fellow citizens the security they deserve, and individual rights to property do not stand in the way of more robust public measures to ensure that our fellow citizens have fair opportunity to meet their needs.

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Notes

¹ Robert E. Goodin, Bruce Headey, Ruud Muffels, and Henk-Jan Dirven, *The Real Worlds of Welfare Capitalism* (Cambridge: Cambridge University Press, 1999).

² For recent data demonstrating that U.S. safety net programs do in fact reduce poverty, see Zachary A. Goldfarb, 'Study: U. S. Poverty Rate Decreased Over Past Half-Century Thanks to Safety Net Programs', *Washington Post* (December 9, 2013). Available at <http://www.washingtonpost.com/business/economy/study-us-poverty-rate-decreased-over-past-half-century->

thanks-to-safety-net-programs/2013/12/09/9322c834-60f3-11e3-94ad-004fe61ee6_print.html.

³ David Brooks, 'The Sticky Ladder', *The New York Times* (January 25, 2005). Available at <http://www.nytimes.com/2005/01/25/opinion/25brooks.html>. For the latest data, including international comparisons, consult The Economic Mobility Project run by the Pew Charitable Trusts (<http://www.pew-states.org/projects/economic-mobility-project-328061>).

⁴ James J. Heckman, *Giving Kids a Fair Chance* (Boston: The MIT Press, 2013). For a brief overview of Heckman's position, see his *New York Times* blog post, 'Lifelines for Poor Children', at <http://opinionator.blogs.nytimes.com/2013/09/14/lifelines-for-poor-children/>.

⁵ For an illuminating study of the insecurities afflicting average American citizens prior to the rise of public safety policies, see Chapter 2 ('Security') of Claude S. Fischer, *Made in America: A Social History of American Culture and Character* (Chicago: The University of Chicago Press, 2010).

⁶ Another problem of a private safety net funded by charity is its vulnerability to 'the free rider problem', in which it is tempting for a wealthy person simply to leave it to other wealthy people to donate to poverty relief. For an examination of this phenomenon, see my discussion in Craig Duncan and Tibor R. Machan, *Libertarianism: For and Against* (Lanham, MD: Rowman and Littlefield Publishers, Inc., 2005), 57–61.

⁷ Eric Schliesser, 'Philo-of-eco blog: Specialization without Trade (or naked self-interest of ignorant economists)', <http://www.newappsblog.com/2011/02/philo-of-eco-blog-specialization-without-trade-or-naked-self-interest-of-ignorant-economists.html>.

⁸ According to the 2013 *World Happiness Report*, for instance, the top five countries in terms of self-reported happiness levels are Denmark, Norway, Switzerland, The Netherlands, and Sweden. (http://unsdsn.org/files/2013/09/WorldHappinessReport2013_online.pdf, 23). For a sophisticated cross-country analysis of the data on happiness, which concludes that a social safety net is a causal factor highly conducive to happiness, see Benjamin Radcliff, *The Political Economy of Happiness: How Voters' Choices Determine the Quality of Life* (Cambridge: Cambridge University Press, 2013). Also important in explaining a country's level of happiness, reports Radcliffe, is the degree to which its citizens belong to labor unions. As a result, Radcliffe argues for the importance of labor laws that facilitate the formation of unions.

⁹ On freedom, see Amartya Sen, *Rationality and Freedom* (Cambridge, Mass: Harvard University Press, 2004), especially

Part IV, 'Freedom and Social Choice'. On dignity, see Martha Nussbaum, *Women and Human Development: The Capabilities Approach* (Cambridge: Cambridge University Press, 2000), especially Chapter 1.4, 'Central Human Capabilities'. I defend my own conception of dignity in 'Democratic Liberalism: The Politics of Dignity', 79–126 of Craig Duncan and Tibor Machan, *Libertarianism: For and Against* (Lanham, MD: Rowman and Littlefield Publishers, Inc., 2005).