

Libertarianism Against the Welfare State: A Refresher

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Rethinking the Welfare State

- Many libertarians are rethinking their opposition to the welfare state.
 - Bleeding Hearts Libertarians
 - Niskanen Center
- But strangely, the “rethinking” often fails to:
 - Identify alleged libertarian errors.
 - Explain why they’re errors.
 - Specify what parts of the libertarian critique survive the rethinking.
- My project: Spell out the “classic” libertarian case against the welfare state so rethinkers can pinpoint what they reject and why.
- Claim: Spelling out the classic case shows it’s much stronger than the rethinkers admit.

The Soft-Core Libertarian Case

- “Universal” programs that help everyone are folly. Yet they’re the vast majority of social spending!
 - Social Security
 - Medicare
 - Free K-12 and subsidized college
- Social programs – universal *or* means-tested – give perverse incentives for work, planning, and self-insurance.
- As a result, even carefully-targeted programs often fail a cost-benefit test. While libertarians need not support every program that passes a CB test, they should at minimum oppose every program that doesn’t.
 - The case of disability:
- Public choice problem: Since “helping people” sounds good, gov’ts tend to adopt social programs even when they fail CB test.

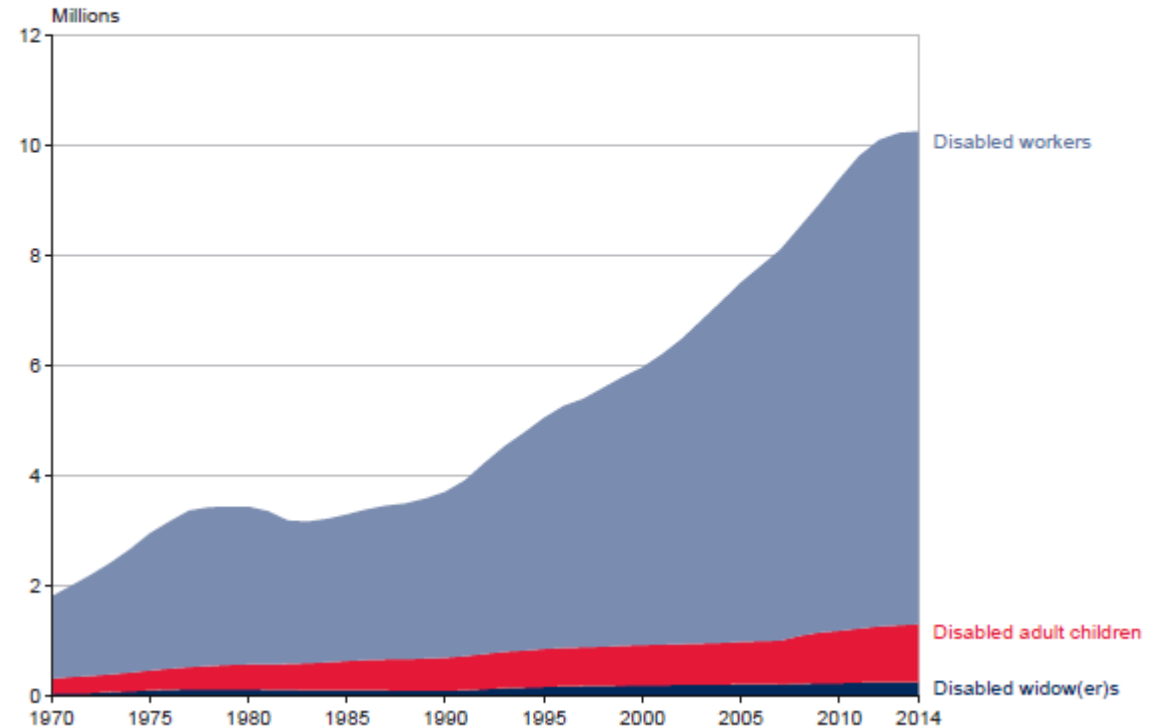
The Case of Disability

- From 1977-2014, U.S. working-age population grew from 135M to 203 M – 50% increase.
- “Disabled” population grew about 2.6M to 9M – about 250% increase.
- During this period, work become less physically demanding.
- Obvious story: Disability threshold and knowledge of how to game the system led to massive abuse.
- Hard to stop because “helping the disabled” sounds so nice.

Chart 2.

All Social Security disabled beneficiaries in current-payment status, December 1970–2014

The number of disabled beneficiaries has risen from 1,812,786 in 1970 to 10,261,268 in 2014, driven predominately by an increase in the number of disabled workers. The number of disabled adult children has grown slightly, and the number of disabled widow(er)s has remained fairly level. In December 2014, there were 8,954,518 disabled workers; 1,048,879 disabled adult children; and 257,871 disabled widow(er)s receiving disability benefits.



SOURCE: Table 3.

The Medium-Core Libertarian Case

- Forced charity is much more morally plausible when the recipients are:
 - Absolutely poor.
 - Poor through no fault of their own.
- Absolute poverty standard is hard for First World adults to meet.
 - Officially “poor” are well-off by world and historic standards. (diet, living space, consumer goods). See Rector.
- “No fault” standard is also hard to meet. Most poor adults engage in a lot of irresponsible behavior.
 - Low labor force participation.
 - Non-marital births.
 - Substance abuse.
- Welfare state provides a popular excuse for restricting immigration of people who *are* absolutely poor through no fault of their own!

The Hard-Core Libertarian Case

- Ambiguity about what counts as “absolute poverty” and “irresponsible behavior” should be resolved in favor of taxpayers, not recipients.
- If private charity can provide for people in absolute poverty through no fault of their own, there’s no good reason for tax support.
- Even in the best-case scenario, forced charity is less morally plausible than it looks.
 - “Fellow citizens” are strangers.
 - Can you honestly deny it’s *debatable*? If so, why coerce dissenters?

The Supererogatory and the Good Samaritan

- The Good Samaritan as intuition pump.
- Good Samaritan is a classic example of “supererogation.”
 - Supererogatory: beyond the call of duty; morally good but not morally obligatory
- What the Good Samaritan did (Luke 10):

A man was going down from Jerusalem to Jericho, when he was attacked by robbers. They stripped him of his clothes, beat him and went away, leaving him half dead... But a Samaritan, as he traveled, came where the man was; and when he saw him, he took pity on him. He went to him and bandaged his wounds, pouring on oil and wine. Then he put the man on his own donkey, brought him to an inn and took care of him. The next day he took out two denarii and gave them to the innkeeper. “Look after him,” he said, “and when I return, I will reimburse you for any extra expense you may have.”

- At the time, one denarius one about one day’s wage for a laborer. So the timeless symbol of supererogation gave the stranger:
 - emergency medical care
 - one donkey ride
 - two days’ wages + extra expenses

Responses Considered

- Disincentive argument *for* universal programs.
- Political economy argument for universal programs.
- It's never their fault. (Variant: Can never *know* it's their fault).
- Arguments about “fault” don't help fix social problems.
- Every modern country has an expansive welfare state.
- Safety net increases public support for free markets.

Bottom Line

- Existing welfare states are crazy.
- Targeted tax-funded programs for children in absolute poverty and severely disabled adults aren't crazy, but they're still questionable.
- “Extreme” positions remain a useful compass even when they're politically impossible.
- Further reading: Michael Huemer's *The Problem of Political Authority*.

