

**Bertrand
de Jouvenel**

**The Ethics of
Redistribution**

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Redistribution**

INTRODUCTION BY JOHN GRAY

**Liberty Fund
Indianapolis
1990**

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First published 1952. Reprinted with permission from Cambridge University Press.

Library of Congress Cataloging-in-Publication Data

Jouvenel, Bertrand de, 1903-1987

The ethics of redistribution / by Bertrand de Jouvenel; introduction by John Gray.

p. cm.

Reprint. Originally published: Cambridge: University Press, 1952.

ISBN 0-86597-084-X. — ISBN 0-86597-085-8 (pbk.)

1. Income distribution—Moral and ethical aspects. 2. Transfer payments—Moral and ethical aspects. 3. Social ethics. 4. Social justice. I. Title.

HB523.J68 1989

339.2'2—dc20

89-27759

CIP

10 9 8 7 6 5 4 3

The Ethics of Redistribution

A Liberty*Press* Edition

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Foreword

The Boutwood Lectures at Corpus Christi College were founded by Mary Boutwood in memory of her husband, Arthur Boutwood, a Civil Servant in the Charity Commission, but more widely known through his writings, usually under the pseudonym Hackeluyt Egerton, on the philosophy of religion and political philosophy.

The College was fortunate in securing Baron de Jouvenel to deliver the lectures in the autumn of 1949 and welcomed the suggestion made on behalf of the University Press that his lectures should be published. I am glad to have this opportunity of expressing our thanks to the lecturer, to the University Press, and, also, to Mrs. Patrick Bury who prepared the lectures for publication.

Corpus Christi College
2 October 1950

Will Spens

Preface

I feel honored that I was invited to give these lectures in Cambridge, and by the famous college of Corpus Christi, that they should now be published by the Cambridge University Press and introduced by Sir Will Spens. Would that the offering were worthier of such patrons!

Generous friends helped to deck it out, as a plain girl invited to an unwonted feast. Never has so slight a piece benefited by so much excellent advice.

Mr. and Mrs. Patrick Bury kindly eradicated my major errors of form, though they could not remedy the clumsiness attendant upon the use of a foreign language. Dr. Ronald F. Henderson, Professor Ely Devons of Manchester, and Professor Milton Friedman of Chicago read the proofs for economic barbarisms, Professor Willmoore Kendall of Yale read them as a political theorist.

It would be an ill return for their most generous help to saddle them with any responsibility for my views and the errors I may have persevered in.

I trust it will be clear to the reader that this little essay is in no way meant as a contribution to the great debate on income redistribution; but rather as an attempt to stress values commonly disregarded in this debate. Contributions to civilization cannot be rightly assessed in national income calculations.

9 May 1951

Bertrand de Jouvenel

Introduction

Bertrand de Jouvenel's study in the ethics of redistribution is distinctive, in the first instance, because it focuses precisely on the morality of redistribution and not on its side effects on incentives. This is to say that de Jouvenel's critique embodies a fundamental challenge to the values expressed in redistributionist thought which in no way depends upon an instrumental or utilitarian assessment of the consequences of redistributionist policy. De Jouvenel is concerned with the impact on individual liberty and on cultural life of redistribution rather than with its effects on productivity.

His study is significant for another reason, which is that he is careful to distinguish redistributionism from other, superficially similar doctrines. Thus, he shows clearly how it differs from agrarian egalitarianism, which aims to equalize a resource—land—but does not seek to control the distribution of its product. Again, redistributionism is not socialism. Redistributionism has caused severe harm to modern civilization but has not destroyed it. On the other hand, socialism is the suppression of private property in a new order of communal moral solidarity and is incompatible with modern society. It can be realized, if at all, only in monasteries where material goods are spurned or in communities that are small, simple,

and even primitive—an insight that was grasped by Rousseau but not by Marx.

De Jouvenel makes another fundamental distinction within redistributionism itself. Modern redistributionism encompasses two wholly disparate elements: the belief that government should be centrally involved in the relief of poverty, and the belief that economic inequality is itself unjust or evil. These two beliefs have indeed been conflated in the increasing acceptance of the view that it is the responsibility of government to ensure rising popular living standards. A further move in the direction of egalitarian redistributionism is taken when to the proposal that government supply a subsistence floor beneath which no one may fall is added the proposal that there be instituted a ceiling beyond which no one may rise.

As de Jouvenel shows, such egalitarian proposals are given specious support by the invocation of a felicific calculus which incorporates the claim that income has a diminishing marginal utility—a claim he criticizes incisively by showing the insuperable impediments to our making reliable comparisons of interpersonal satisfaction. De Jouvenel might also have noted that, even if utilities were interpersonally comparable, redistribution according to marginalist principles would have morally perverse results. It would sanction the redistribution of resources from the very worse-off (the depressed paraplegic, say) to those, chiefly in the middle range of income and natural endowments, who could generate most satisfaction from the resources. This is not a result congenial to egalitarian sentiment, but it flows inexorably from the marginalist argument for redistribution.

De Jouvenel's ethical critique of redistributionism is powerful and many-layered. He develops an important empirical criticism of egalitarian redistributionism when he observes that the resources needed to support a sub-

sistence minimum cannot be derived solely, or even primarily, from taxation of the rich. Such resources must be extracted from the middle classes, who are also the beneficiaries of income-transfer schemes. This is a point of cardinal importance in de Jouvenel's critique. His insight that the distributional upshot of transfer schemes is extremely complex and sometimes regressive has been amply confirmed by more recent historical experience. He further notes that a policy of redistribution is bound to discriminate against minorities, since it will inevitably favor the preferences and interests of the majority—a fact remarked upon also by Hayek.

Redistributionist policy is condemned by de Jouvenel, in addition, for undermining the sense of personal responsibility. It does this by transferring authority for crucial life-decisions from the individuals who make them to the State. By catering for all the basic needs of the individual, the State leaves him with authority only in the sphere of determining how to spend his pocket money. Again, the effect of redistributionist policy is to disprivilege the family as against such legal fictions as the corporation—principally by conferring upon businesses tax immunities denied to families. The regime of high taxation inseparable from the redistributionist state has the further undesirable consequences of diminishing the sphere of free services in which people engage in convivial relations without the expectation of payment—and thereby corroding the culture of civility that sustains liberal civilization.

For de Jouvenel, however, the most profound result of redistributionist policy is the impetus it gives to the baleful process of centralization. If the state confiscates high incomes and imposes penal rates of taxation on saving and investment, the state must take over the saving and investment activities that private individuals are no long-

er able to undertake. If, because of the confiscation of higher incomes, there are important social and cultural activities that can no longer be sustained privately, such as provision for high culture and the arts, then once again the state must assume responsibility for such activities through a program of subsidy. Inevitably, the state comes to exercise an ever-increasing degree of control over them. The consequence of redistributionist policy, accordingly, is the curtailment of private initiative in many spheres of social life, the destruction of the man of independent means, and the weakening of civil society.

De Jouvenel goes on to speculate that the underlying causal process may go in the opposite direction: Redistributionist policy may be an incident in a process of centralization that has acquired a momentum of its own. Here de Jouvenel anticipates the findings of the Virginia School of Public Choice, most profoundly theorized in the work of James Buchanan,¹ which illuminate the origins of the expansionist state in the economic interests of government bureaucracies. As de Jouvenel, once again anticipating the insights of later theorists of the New Class, presciently concludes:

We then may well wonder which of these two closely linked phenomena is predominant: whether it is redistribution or centralization. We may ask ourselves whether what we are dealing with is not a political even more than a social phenomenon. This political phenomenon consists in the demolition of the class enjoying "independent means" and in the massing of means in the hands of managers. This results in a transfer of power from individuals to officials, who tend to constitute a new ruling class as against that which is being destroyed. And there is a faint but quite perceptible trend toward immunity for this new class from some part of the fiscal measures directed at the former.

¹ See James M. Buchanan, *The Limits of Liberty: Between Anarchy and Leviathan* (Chicago: University of Chicago Press, 1975).

Subsequent thought and experience have strongly corroborated de Jouvenel's perceptive account. Empirical research reveals the transfer payments schemes of the major Western democracies to be ruleless and chaotic. Insofar as it is the creation of redistributionist ideology, the modern welfare state is not defensible by reference to any coherent set of principles or purposes. It has not significantly alleviated poverty but has instead substantially institutionalized it. This is the upshot of pathbreaking studies such as Charles Murray's *Losing Ground*.² A generation of welfare policy has inflicted on its clients such disincentives and moral hazards as to leave their last state worse than their first. The net, on-balance impact of the entire array of redistributive measures conforms to no clear pattern (save that, as Nozick has noted,³ if any social group benefits it is likely to be the middle class majority rather than the poor). And Hayek's conjecture in *The Constitution of Liberty* that the redistributionist state is bound to be an expansionist state, like de Jouvenel's earlier warning, has been increasingly borne out by events.

Recent developments in philosophical inquiry confirm the essential soundness of de Jouvenel's analysis. Robert Nozick's *Anarchy, State and Utopia* contains a critique of the idea of social or distributive justice that parallels closely de Jouvenel's criticism of the ethics of redistribution. Nozick's attack, like de Jouvenel's, has several elements or layers. He shows, first, that the attempt to impose an approved pattern on the social distribution of goods requires continuous interference with individual liberty, since gifts and free exchange will constantly subvert the pattern. As Nozick famously put it, the end re-

² Charles Murray, *Losing Ground: American Social Policy 1950-1980* (New York, Basic Books, 1985).

³ Robert Nozick, *Anarchy, State and Utopia* (New York: Basic Books, 1974).

sult of the attempt to impose a pattern on distribution is a socialist state that forbids capitalist acts among consenting adults.

Redistributionist policy embodies an abstract or false individualism in which the intermediary institutions that are the indispensable matrix of individuality are neglected or suppressed. It is especially hostile to the institution that is the cornerstone of civil society—the family. Nozick follows de Jouvenel in noting that the institution of the family is disprivileged under any redistributionist regime: “To such views, families are disturbing; for within a family occur transfers that upset the favored distribution.”⁴

It is in the more recent work of Hayek that de Jouvenel’s analysis is most strikingly paralleled. In the second volume of his trilogy *Law, Legislation and Liberty*, entitled *The Mirage of Social Justice*,⁵ Hayek develops a devastating critique of current distributive conceptions that strengthens, and extends in directions that are thoroughly innovative, the central thrust of de Jouvenel’s analysis. Hayek’s first and perhaps most radically original thesis is that no government or central authority can know enough to be able to realize or impose the preferred distributional pattern. This is true, whether the distributional principles refer to the satisfaction of basic needs, linking rewards to merits, realizing equality of resources or well-being, or whatever. Whatever the distributional principles, the knowledge needed to implement them is, except in a few limiting cases, so dispersed throughout society and so often in tacit or practical form that it is usually impossible for government to collect it in any usable form. This irretrievable dispersion or division

⁴ Ibid., p. 167.

⁵ F.A. Hayek, *Law, Legislation and Liberty, Volume Two: The Mirage of Social Justice* (Chicago: University of Chicago Press, 1976).

of knowledge in society erects an insuperable epistemic barrier to the realization of virtually all contemporary distributivist conceptions. It renders unrealizable even the most subtle of them, that of John Rawls,⁶ inasmuch as government could never have sufficient information to know whether the Difference Principle (requiring that inequality be restricted to that which is necessary to maximize the holdings of the worst-off) has been satisfied.

There is a second strand of argument in *The Mirage of Social Justice* that strengthens de Jouvenel's case against redistribution. This is the claim that, even were government able to acquire the knowledge needed to implement its preferred distributional principles, there exists no consensus in society as to how the different principles are to be weighted when they come into conflict with one another. If, for example, the satisfaction of basic needs competes with rewarding merit, which is to be given priority? Since our society contains no overarching moral code in terms of which such considerations may be compared, they are for us incommensurable, in regard to which there exists no agreed procedure of rational arbitration. For this reason, any allocation of resources according to a weighing of these values cannot avoid appearing, and indeed being, unprincipled, unpredictable, and arbitrary. Because of such inevitable conflicts among its constitutive values, redistributionism cannot fail to spawn bureaucracies with wide discretionary powers. But the large margin of discretionary authority exercised by the apparatus of redistribution is difficult to reconcile with the institution of the rule of law that is one of the foundations of a free society.

There is a final strand in Hayek's argument that links it with the analyses of de Jouvenel by James Buchanan. This is the proposition that, in the absence of any princi-

⁶ John Rawls, *A Theory of Justice* (Cambridge: Belknap Press of the Harvard University Press, 1971).

pled justification of redistributive policy, it is best theorized in terms of its beneficiaries. Redistributionism then comes to be intelligible as a system of ideas whose function is to legitimate the interests of expansionist bureaucracies and, in general, to insulate well-established interest groups from the negative side-effects of economic change. Redistributionism thus emerges, at last, as the conservative ideology of the interventionist state and its client groups.

Though *The Ethics of Redistribution* is remarkably contemporary in many of its insights, de Jouvenel himself was never completely satisfied with it. In a letter of 18 September 1981, he wrote: "As to my *Ethics of Redistribution*, I have repeatedly refused its reprint. I have dwelt upon the subject in the many years gone by and I now have to say, not only what I then thought, but what I have acquired since. . . ." He never returned to this work and died on 1 March 1987 at the age of 83.

This seminal little work remains extraordinarily fertile and suggestive of further thought and inquiry as we can see from its many points of affinity with the more recent work of Buchanan, Hayek, Nozick, Rawls, and others. It is an important contribution to discussion about the redistributionist state and its implications for liberty. Its republication is to be welcomed.

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Oxford

Work on this Foreword was conducted by the author during a period of residence as Stranahan Distinguished Research Fellow at the Social Philosophy and Policy Center, Bowling Green State University, Ohio.

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