Chapter 6: The Importance of Independence III: Market Vulnerability

Karl Widerquist
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If you lay duties upon people and give them no rights, you must pay them well.

- Johann Wolfgang Von Goethe

I have conceded that there may be situations in which A and B have a duty to do x with or without consent, but this observation does not necessarily imply that giving a democratic majority the power to force individuals to do things is the best method to ensure that duties are done under just conditions. There is an important second-best reason to protect personal independence even if active duties exist. Mandatory participation is vulnerable to abuse and error, which are likely to produce unjust outcomes, because people are fallible, and no one has privileged knowledge of abstract morality. For the social project to be just, its goals, methods, and terms have to be just. Even if we completely disregard the possibility that participants’ agreement has direct barring on whether the social project is just, the requirement to obtain each participant’s agreement is an extremely powerful tool to ensure that the goals, methods, and terms of cooperation are good, fair, right, or just and not one-sided in favor of the ruling majority, property owners, or any other powerful group. Section A
argues that the power to say no is useful to protect the vulnerable in a market economy. Section B argues that, to some extent, other social safeguards, such as labor regulation, are deficient without it. Section C argues that independence is also a powerful tool in protecting individuals in their nonmarket interactions.

1. The Invisible Hand and economic independence

Michael Lewis and I have argued elsewhere for the efficiency advantages of an unconditional approach over the conditional approach. I want to show here that even a perfectly working labor market does not necessarily work for the poor in the way we would want it to. Mainstream market theory is still based on Adam Smith’s invisible hand theorem, which demonstrated that under certain conditions voluntary exchange benefits everyone. This insight is the basis for what is now known as the first fundamental theorem of welfare economics. As long as all parties involved know their own best interest, and as long as all trade is truly voluntary (perfect information and no fraud, theft, externalities, or extortion), neither side will engage in a trade that makes them worse off. Under those assumptions, even if traders seek their own benefit, voluntary trade drives them, as if by an invisible hand, to benefit the other. The theory goes on to argue that competitive trade will exploit all possibilities to benefit both parties relative to their starting points. If all markets for all conceivable commodities are characterized by “perfect competition” the economy will reach an efficient equilibrium at which it is impossible to make one person better off without making another worse off. That is, it exploits all opportunities for gains from trade. The conditions necessary for the theorem to hold fully are seldom if ever present, but to the extent that it works at all it provides a guide to how, why, and to
what extent trade is beneficial. And when it doesn’t work it provides a way of understanding how markets fail.

Each party benefits from voluntary trade in the sense that they are better off than they were with the initial distribution of property without trading, but nothing in the theory ensures they benefit in the sense of getting a fair share, what they deserve, or even a decent standard of living. If a trade begins with one party on the edge of starvation, the best the invisible hand can assure is that they are slightly better off than that—perhaps one day away from the edge of starvation—but the invisible hand theorem does not assure how much better. Smith recognized that propertylessness and the need to get a job to survive could adversely affect workers’ wages.\footnote{7} If the economy works perfectly, workers are paid their “marginal product,” but they do not control their marginal product. The equilibrium wage (and therefore the marginal product) depends on a large number of impersonal market forces, one of which is workers’ next best option to labor market participation. The worse the workers’ next best option, the lower we can expect wages to be.

If people start with the ability to live by their own means, and the conditions of the invisible hand hold, trade ensures them something better than they could provide for themselves on their own. If we takeaway individuals ability to provide for themselves and put them in the position where they must sell their labor to survive, trade does not assure that they will be even as well off as they would have done on their own. A “free” market without free workers—even under theoretically perfect competition—does not assure that they will finish better than they could have done on their own or that they will have decent wages, decent working conditions, decent housing, or a decent life. Workers who lack an exit option are inherently vulnerable.
Respect for ECSO freedom provides, in Robert Goodin’s terms, the basic safeguard against market vulnerability, which is, in short, invulnerability through self-reliance. The power to say no is not a perfect protection against market vulnerability. There could be a system in which an advantaged group left others with just enough to give them economic independence, but seized control of everything else. The only cooperative opportunities they offer to the disadvantaged group are the worst forms of social participation in the sense of working conditions, pay, and hierarchical position. However, the power to refuse can be an important tool even in these circumstances. If the disadvantaged find the dominant group’s project to be too unfair or not enough in their interests, they can refuse it. They won’t live as well as they would in a fairer society, but they will live decently without contributing to the system that is being unfair to them, and the more people who refuse participation under such circumstance, the more upward pressure they put on wages and working conditions.

2. Regulation as a substitute for independence

An egalitarian who believes in a mutual obligation to contribute to a joint project might recognize the labor market benefits to disadvantaged individuals of having an exit option but yet seek another policy to achieve the labor market benefits without allowing people to avoid their social responsibility to work. I conceded above that a conditional welfare state might be able to eliminate poverty while maintaining a mandatory-participation economy with the following strategy. The government would have to separate those who can and cannot work; provide conditional benefits for those who can’t work; and use market regulation, subsidies, or direct job creation for those who can work. All welfare states across the industrialized world use the conditional model, although they very greatly in generosity and strictness. The
ubiquity of the conditional welfare state indicates a popular desire to combine greater labor-market fairness with mandatory participation.

Many liberal-egalitarians favor some version of this approach. Stuart White, for example, makes a thorough an explicit argument for a potentially enforceable duty to contribute to a mutually beneficial social project as long as the community provides a sufficient range of satisfying opportunities and a fair share of the social product.9 In this context, we would like to reach an outcome in which three conditions are satisfied: people do their duties (x); people are not forced to do things that aren’t their duties (y); and side constraints are met (z). In a first-best world, some infallible authority would ensure conditions x, y, and z are met, and everyone would comply without the need for force. In a second-best world, society must find the institutional arrangement most likely to approximate justice in x, y, and z. Under mandatory participation, a democratic government oversees the market to separate duties (x) from non-duties (y), to decide when side constraints (z) are satisfied, and enforces participation. The ruling coalition assumes power, at least over propertyless individuals, in all three areas. Under voluntary participation, after the ruling coalition sets rules determining x, y, and z, individuals respond by deciding whether they will participate under that set of rules. The ruling coalition may respond to people’s choices by changing the rules. Therefore, x, y, and z are partly determined by a bargaining or a market process between those who have power over the social project (government and property owners) and individuals who have power over their own participation. Decision makers either find a way to elicit voluntary participation or tolerate refusal.

This strategy can be thought of as one to minimize the maximum possible injustice in a perfect world. Unjustly forced labor must count among the worst
possible injustices—far worse than the threat that someone might get more than their fair share. We can eliminate the possibility of unjustly forced labor by eliminating all directly and indirectly forced labor. If we want to minimize the maximum possible injustice, and we recognized that the most vulnerable, the most disadvantaged people have been subject to the most severe injustices throughout history, we should take special care to minimize injustices against this group by not demanding anything of them. We restrain ourselves from taking advantage of vulnerable people by creating a basic structure in which support for the disadvantaged is unconditional.

This section argues that there is a significant trade-off between the goals of maintaining a mandatory-participation economy and improving the lives and living standards of disadvantaged individuals. The mandatory-participation economy leaves workers vulnerable both to market failure and government failure, so much so that a voluntary-participation economy might lead to better overall fulfillment of conditions $x$, $y$, and $z$ than a mandatory-participation economy. Cession of the power to say no to the least powerful people in society is an extremely valuable tool to ensure better outcomes than granting the democratic majority full authority in all three areas.

Although market forces generally favor workers with the power to refuse employment, they can actually frustrate efforts to boost incomes of workers who cannot. If redistributive policy employs lump sum grants, such as basic income, recipients benefit fully; that is, by the amount of the grant, and the exit option can give workers additional power to command higher wages in the private market. However, if redistribution is conditional on work, it gives employers an incentive to reduce private sector wages, partially counter-acting the effort to increase the welfare of the disadvantaged.
Government regulation of wages and working conditions demonstrates de facto recognition that workers are unfree to refuse exploitative jobs, but it is often an inadequate solution. The regulating authority can say that, in its opinion, there is no longer a need to refuse, but once we leave the realm of a voluntary agreement between parties who all have the power to refuse, we need more than an opinion; we need a strong assurance that force is being used to promote justice. The ruling coalition might fail to get \( x, y, \) and \( z \) right because it is merely a majority-sized group of fallible people, who might not have adequate concern for or ability to protect the welfare of dissenters and the disadvantaged. To reach a desirable outcome without the consent of the participants, the regulating authority has to consider all of the 17 reasons a person might object to participation, decide which ones are legitimate and which aren’t in all conceivable cases, and then find a way to eliminate all of the conditions that could give workers legitimate reasons to refuse. It is a difficult job. The potential for government error is great; and the burden on the disadvantaged will be substantial if the government fails. Experience shows that disadvantaged individuals have reasons to be wary of government programs bearing conditional benefits.\(^{14}\) When the fully fair solution is not possible (because of imperfect information or market failure), the ruling coalition has to determine how closely they need to approximate it. The ruling coalition must rule on all of these issues with the confidence that they are not merely stating the ruling coalition’s opinion about justice, but they are doing what is really just.

Because any ruling coalition is a fallible group of people in a complicated, hard-to-understand world, governments should seek mechanisms that empower individuals and/or institutions in ways that are likely to promote fair, just, desirable,
and reasonable outcomes. The separation of powers between the legislature, the executive and the judiciary is one such strategy.\textsuperscript{15}

The power to say no is the ultimate separation of powers—the ultimate check in government—because it is the only power that can be effective at the individual level and that isn’t dominated by some other power. The powers to speak, vote, organize unions, and so on are important powers to protect dissenters and the disadvantaged, but they are not powers that are effective at the individual level. Trade unions quite obviously get their power when working collectively. The right to vote can be exercised individually, but it only becomes effective when many people vote the same way. The power to speak can be exercised individually but it is only effective in terms of economic outcomes if other people change their behavior based on the individual’s speech.

Consider the economic powers legally held by major groups in the market. The government has the power to tax, regulate, and redistribute property rights. Property owners have the power to decide whether and in what industry they will invest.\textsuperscript{16} Propertyless individuals have the power to decide which job to take, but not the power to decide \textit{whether} to take a job.\textsuperscript{17} The power to decide which job to take can be exercise individually and it can have positive effects, but it is dominated by governments’ and investors’ powers. If some group can effectively create a list of available jobs, the power to choose any particular job from that list is entirely dominated by the power to make up the list.

If every individual holds the power to say no, whatever other powers everyone else controls, every individual has one very powerful decision to make. This tool is valuable on its own, and it is valuable when used in concert with others whether or not those who refuse coordinate their decisions with each other. It might lead to more
acceptable labor market conditions and even if it doesn’t it frees individuals from being forced to accept unacceptable conditions.

Essentially, this argument applies a well-known game theory strategy to the labor market as a whole. Game theorists use the example of two people who have to decide how to divide a cake to examine the problem of finding an incentive-compatible strategy to ensure fair division. The “cut-and-choose” rule has proven to be a robust and incentive-compatible solution. The first player is given the power to cut the cake and the second is given the power to choose which half of the cake she wants. The first player has the incentive to cut the cake as evenly as possible, because if one piece is obviously better than the other, the second player will have an incentive to choose the better piece.

The cut-and-choose strategy works because each participant controls something the other does not. It works almost perfectly for the simple problem of dividing a cake, because the two powers are equally valuable: the power to cut the cake is just as valuable as the power to choose the first slice. Therefore, each player has the incentive to act in a way that leads to equal division. The economy is too complex to give every player completely equal powers, and the labor market is far more complex and deals with many more issues at once than the simple cake division problem. Thus, we shouldn’t expect to find any rule that works as well as cut-and-choose. But we can keep one essential characteristic of the cut-and-choose rule: ensuring that every player in the market controls something no one else does.

A society that respects and protects personal independence concedes some power to individuals on both sides of every labor-market transaction. It gives propertyless individuals the power to communicate that the goals, conditions, or pay of any class of jobs are unacceptable. Dissenters and the disadvantaged need this
power because they know things about their situations that market regulators might not know; they see their situation in a way that the ruling coalition might fail to give sufficient consideration. A voluntary-participation economy gives every individual small but direct influence over social cooperation. It makes it easier for disadvantaged people to organize and increases their influence even if they fail to organize.

The enormous practical problem for egalitarians who are committed to mandatory participation is that a work obligation sides with the powerful by default in any dispute—whether the powerful group is a democratic majority or a property owning class. This default distribution of power continually works against efforts to help the disadvantaged. The power to say no gives dissenters and the disadvantaged the most effective and least destructive way to voice their discontent. One lone dropout is one voice for a better deal. A large number of dropouts is a powerful statement that something about the system is not working for everyone and a powerful incentive for the government and industry to find out how to make it in the interest of the dropouts to join up. If others don’t want to change, dissenters can use the resources at their disposal to combine in ways that are not endorsed by the rest of society. The power to refuse won’t obviate the need for all labor market regulation, but gives workers a form of control of their lives than they cannot enjoy without it.

As I understand it, even in the context of a mandatory-participation economy, liberal-egalitarianism provides three relevant checks to protect the vulnerable from insensitive or abusive authority. First, the authority is subject to democratic oversight. Unanimous agreement is neither likely to exist as a collection of beliefs nor free from manipulation as a decision rule, but any less-than-unanimous decision-making rule involves one group forcing its decisions on another group. Democracy is centrally important to good government, but majoritarianism can’t always be counted on to
protect dissenters and the disadvantaged. Dissenters (by definition) and the disadvantaged (very likely) have little influence in the political process. The majority might lack sufficient empathy for or knowledge of disadvantaged and dissenting individuals, and therefore, they might fail to choose goals, methods, and terms of the social project that are truly good or just or fair to everyone.

Second, dissenters can use collective action to voice complaints. This check is extremely valuable, but does not disperse power down to the individual level. It is not necessarily accessible to the least advantaged people even if it is accessible to people with less-than-average advantages. There may be conflicts within the less advantaged group, and the agreement of some does not imply the agreement of all.

Third, liberal-egalitarian principles ask the majority to use empathy aided by devices such as the original position. This check can be largely empty, if it does not involve the responsibility to cede power to them. Most people do not think of themselves as unjust. I don’t believe many Russian Stalinists or Czarist aristocrats thought of themselves as unjust in the burdensome duties they forced onto the vulnerable people in their societies. People in power are hardly constrained by a rule saying that they may force dissenters to serve their interests only if they feel justified.

Perhaps devices such as the original position ought to tell us the following: if we entered society expecting to be the least advantaged individual, receiving less than our fair share would not be our greatest fear. More likely our greatest fear would be that others would take power over our lives; we would most want the power to refuse the commands of the more advantaged. Of course, we should all care about each other and most especially the needy, but one of the most valuable things we can do for the needy is to stop forcing them to do things for us. A voluntary-participation economy can make use of the three checks to protect the vulnerable available under liberal-
egalitarianism and an additional check that is potentially far more valuable: each individual has the power to choose not to participate.

Mandatory participation supporters might argue that whatever the advantages of voluntary participation, it allows people to avoid duties, leaving $x$ unsatisfied. Allowing individuals to decide whether to participate seems to invite them to treat the fulfillment of a duty as an opportunity for selfishness. If genuine duties exist, they might argue, a good government must enforce them. But this does not necessarily follow. If we are to consider the possibility that dissenting individuals will use the power available to them selfishly, we must also consider the possibility that the ruling majority (or whoever has the power to make the rules) will use their power selfishly. We cannot assume that the social project has any greater moral weight than that it benefits the people who successfully influence its decisions.

Returning to the example from Chapter 2, the recognition of moral duties did not convince Garrison Frazier to support forced service. General Sherman asked how best to enlist freedmen in the military. Although the outcome of the war was still uncertain, and a northern victory was essential to securing a permanent end to slavery, Frazier answered, “I think, sir, that all compulsory operations should be put a stop to. The ministers would talk to them, and the young men would enlist.” Frazier clearly recognizes that there is a moral duty, but he has more confidence in individuals’ ability to live up to their duties voluntarily than in the majority’s ability to impose them justly.

If either side is capable of error, there are four reasons why a voluntary-participation economy might obtain as good or better compliance with $x$, $y$, and $z$. First, even if mandatory participation could assure compliance with $x$, the government authority might force less favored people to do things that aren’t duties but are just as
much or more demanding. Considering the great number of frivolous goods and services produced in modern economies, a blanket responsibility to work must force people to do things that aren’t actually duties.

Second, mandatory participation has its own free-rider problem. The government might give favored people credit for doing things that aren’t duties, while forcing less favored people to do the more demanding, actual duties. For example, one person might be allowed to fulfill a duty to “work” by being a board member of a tobacco company or a university professor even if these jobs require very little effort have questionable social value. Another person might only be able to fulfill their duty to “work” by performing one of many unpleasant, demanding jobs in manual labor.

Third, force isn’t the only way to get people to do things. Other methods exist, such as positive rewards. A person living at the minimum necessary to secure independence may still have far less than participants in the social project. If everyone has a price, and rewards are sufficient, free people will do x out of their own self-interest. The act of refusal communicates an objection to the terms of cooperation, indicating that the rewards for participation are not enough to be worth the effort. Individuals might selfishly demand too much, but people who control resources might also selfishly offer too little. If the social project produced nothing but public goods, it would generate no private goods with which to give private rewards for contribution and it would be unreasonable for someone with a duty to contribute to insist on a private reward. But that’s not the way our economy works. Most of it is devoted to the production of private goods. If the social project is mutually beneficial, and devoted largely to the production of private goods, it must be possible to give people private rewards for contribution that are much greater than the level needed to secure personal independence. Mandatory participation might be motivated less by the fear
that individuals will refuse participation than by unwillingness to pay them enough to elicit voluntary participation. If so, it might reflect the ruling coalition’s failure to comply with $z$.

Fourth, comparing the worst-case scenarios of the two institutional arrangements greatly favors voluntary participation. In a voluntary-participation economy, no one is forced to do anything actively, and so there seems to be little possibility of violating $y$, but there are risks to $x$ and $z$. Dissenters might not do their duties (violating $x$) or they will demand over-generous rewards for doing them (violating $z$). However, presumably everyone receives similar rewards for similar duties, implying that over-generousness won’t cause a horizontal distributional problem: they will be no more highly rewarded than anyone else doing similar work. If the demand for over-generous reward causes a distribution problem, it will be a vertical distribution problem. That is, the error will be of over-rewarding the less advantaged relative to the more advantaged—the type of problem that ought not be a major concern for egalitarians.

Voluntary participation does not eliminate the risk that the ruling coalition will be unjust to dissenters. They might create a joint project that is unfair to dissenters in its goals, methods, or terms. However, if dissenters decide it is not worth participating in the project because of these problems, at least they can live at a decent minimum and they can interact with whomever they wish. If they choose to participate, the system must be—in their individual judgment—sufficiently fair and desirable to warrant participation. Only a voluntary-participation economy ensures this basic level of fairness for all participants.

A mandatory-participation economy protects more diligently against the risk that dissenters will be unfair to the ruling majority than against other possible
injustices. It is unclear why—of all the ways in which society could be unjust—this one deserves the most attention. By focusing on this risk, a mandatory participation economy risks forcing its least-rewarded members to live in poverty, to fear destitution, to perform actions they have no duty to perform, to suffer because side constraints about fairness and justice are violated, or to make up for the free riding of more highly rewarded people who are given credit for doing things that are not actual duties. In short, voluntary participation protects the disadvantaged from the powerful; mandatory participation protects the powerful from the disadvantaged. If so, egalitarians should be strongly in favor of voluntary participation.

The power to force people to do things is probably the most dangerous power one group can hold over another. The worst forms of oppression in history could not have coexisted with ECSO freedom. Ancient emperors, medieval lords, early modern slave owners, and modern dictators took power, killed people, forced others to do things, or made them live in horrible conditions. These kinds of injustice are far more striking than the prospect of someone sitting out of a just project. Even the injustice of taking more than one’s fair share is not very striking compared to forced labor. Liberal-egalitarians have sought to manage forced labor more equitably and to harness it for the common good, when they should seek to eliminate it.

To conclude, even if people have an obligation to contribute to a just system of social cooperation, giving individuals the power to say no to working conditions they find unacceptable might be a better method to create a just system of social cooperation than giving a democratic majority the powers both to determine the conditions of fair cooperation and to enforce participation. Under mandatory participation, the government can give individuals choices of what work to do, but it cannot give them a check over the list of available jobs or working conditions. The
ruling coalition must be prepared to speak for justice (rather than merely for majority opinion) on every issue that might give individuals a reasonable cause for objection. Of course, the ruling coalition has to speak for justice in extreme cases such as the formation of criminal law, but if it is aware of its limitations, it should seek to avoid speaking for justice when it is not necessary. Speaking for justice in the realm of the entire economy is an enormous moral and practical responsibility that the ruling coalition would not need to take on if they were willing to say (as the prologue suggests), *our system of social cooperation is as fair and mutually beneficial as we know how to make it, but it is up to you to decide whether it is fair and beneficial enough to earn your participation.*

### 3. The value of independence outside the market

Although this chapter so far has focused on the labor market, the power to say no is also important for nonmarket interaction and as a safeguard for most other freedoms. For example, independence can protect the religious freedom of a homeless person who may be forced to choose between going hungry and sitting through a religious speech at a soup kitchen. It can protect the freedom of speech of a person who is afraid of losing her job for making controversial remarks. Importantly, it can help fight problems related to dependency in marriage and to mental and physical health.

According to Carole Pateman, feminists have argued for centuries that mainstream political theory has treated personal interaction differently than public interaction, as if the family was a separate sphere where the rules of justice do not apply.\(^{22}\) I have hopefully avoided that pitfall here, arguing that no contract can override an individual’s status as a free person. Marriage, like employment,
supposed to be a mutually beneficial arrangement in which two people decide to cooperate toward goals that are good for both of them. We like to think of marriage as a perfectly cooperative arrangement in which people fully put their interests together, but also like employment, there are potential conflicts of interest within marriage. It involves toil, effort, sacrifice, and distribution of benefits. If one partner is financially dependent on the other, the financially powerful partner can use that power to make marriage an unequal partnership.23

People can escape propertylessness not only by getting a job but also by marrying someone who is willing and able to support them. As long as people are able and free enough from care responsibilities to hold jobs, they are not any more dependent on marriage than employment. However, many couples still follow the convention in which men specialize in making money and women specialize in caring for children.24 Such specialization can cause women to develop financial dependence on men. Divorce laws protect women to some extent but often not enough, and women are sometimes unable to hold their former husbands to their responsibilities.25 Women who do leave often face poverty and dependence on what can be a tyrannical conditional system of income support for single mothers.26 Cases in which women suffered cruelty of husbands for years because of financial dependence are not unusual. This problem follows largely from an asymmetry in the two parties’ ability to withdraw from the relationship;27 women might want to be cruel to men, but men tend to have much more power to walk away than women,28 especially women with children. We can imagine cases without asymmetry in the ability to withdraw (such as in marriage without the possibility of divorce) in which other asymmetrical powers (such as physical strength, control of property, or legal rights29) causes one party to have power in the marriage. However, the problem here still involves the lack of the
power to say no, even if that power is not the one that is asymmetrical. The protection of ECSO freedom, by providing women with the resources they need to maintain their independence (in case they ever need it) would make them much more able to walk away from such a situation.

Anyone who is unfree to refuse is vulnerable to unfair or abusive treatment in market and nonmarket relationships. The protection of ECSO freedom helps individuals protect themselves from unfairness in many areas because it gives them the power to walk away from any unjust arrangement. This alone will not make the sexes equal, but it will create a baseline protection against the worst abuses.

Conditional benefits would seem to be ideal for people who are unable to work because of a mental or physical disability. Hopefully, a conditional welfare system would have more money available to meet the needs of people with disabilities. However, it does not always work out as well in practice largely because of the difficulty in determining who can work and what kind of support is best for those who cannot. Consider Alison who is diagnosable with schizophrenia but fears doctors and has not sought treatment. She has been unable to hold a job for the last two years and has lived on the streets for 18 months. She probably will continue being homeless until her situation deteriorates to the point at which someone forces her into the mental health system. Unconditional access to the resources she needs to maintain a home and a decent diet will not cure her mental disability, but it would be a much more humane way to treat a person who fears our mental health system.

Denis has a developmental mental disability that gives him lower intelligence than other people. His intelligence level is not quite low enough to qualify for government benefits, but it is low enough so that he can’t qualify for anything but minimum-wage work. He is 43 years old and has been a dishwasher in back of a
restaurant for 24 years. Perhaps his job gives him a sense of satisfaction or contribution. Perhaps it is a source of stress and inspires feelings of inadequacy. In either case it seems inhumane to take advantage of his condition to force him to do low paid, unpleasant labor that the rest of us benefit from.

I could give other examples of people with mental or physical attributes that make it difficult for them to thrive either in the paid labor market or on public assistance, but the point is simply that only a system of unconditional support can ensure that no one lacks for the basic needs because of some physical or mental disability.

4. Conclusion

Most of us are aware that economic destitution can lead people to do things that they would not normally do: to prostitute themselves, to sell their internal organs, to accept cruelty from a marriage partner or an employer, to beg, to eat out of a garbage can, to send their children to work in sweatshops, to sell themselves into servitude, and to do many other degrading things. Some people will do these things even if they are not forced by desperation, but almost anyone will do some of these things if they are desperate enough. We can take from this observation that we need to treat the symptom, for example, by regulating labor markets and providing unemployment insurance, but treating the symptom is not enough, we need to treat the cause. We need to recognize that propertylessness is a state of unfreedom, and abuse and unfairness are some of its consequences. Propertylessness is not the only source of unfairness in the labor market, but it is not enough to try to be more humane while we intentionally use propertylessness as a work incentive.


5 Smith (1976).


7 Smith (1976), book I, chapter 8, paragraph 12.


15 How well it works is a matter of debate in political theory. Jeremy Waldron, Law and Disagreement (Oxford: Oxford University Press, 1999).

16 They also have the power to use their property to influence the political process, but I’m looking only at powers in the market right now.
I’m ignoring the option of surviving by foraging through other people’s garbage, because it fails to provide a minimum standard of decency.


Townsend (2007).

This statement does not imply that voluntary participation encourages selfishness any more than mandatory participation. It is just as selfish to avoid punishment as it is to seek reward.


For a discussion of the reasons see ibid.

Ibid.

Funicello (1994).


Okin (1989).

For a discussion of unequal legal rights within the family see Pateman (1989), especially Chapter 4, 71-89.