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**What Matters is Absolute Poverty,
Not Relative Poverty**

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1. Introduction

The purpose of this paper is to argue that the idea of economic equality does not have intrinsic value and that with regard to distributive justice, absolute poverty is considerably more important than relative poverty or income disparity. I attempt to emphasize the importance of distinguishing absolute poverty from relative poverty. Furthermore, I show that the necessity of relieving absolute poverty does not conflict with libertarianism; rather, it is required by libertarianism.

I begin by describing the relevant terminology and my reason for selecting this issue. The term “egalitarianism” is used in various ways. In this paper, it is not used to describe an idea that advocates formal equality such as “equality under the law,” but to imply an idea that justifies forced redistribution through a government in order to realize substantive equality. Here, critical consideration is given to substantive equality, and not to formal equality. Libertarians do not dispute the significance of formal equality.

Next, I present the reason for my interest in this issue. My concern with this issue is in the context of justification of a welfare state. Egalitarianism is connected with a welfare state that is a post-war consensus. Indeed, in the case of Japan, the institution of the welfare state was not constructed on a genuine egalitarian foundation. Social and political situations such as pressures from opposition parties, and encouragement from GHQ (General Headquarters) had influence on the establishment of the welfare state in Japan. However, the welfare state is often defined as a state that seeks to realize substantive equality in society through income redistribution and achievement of full employment. The other definition is that the welfare state aims to eliminate economic inequality, which affects human dignity. In addition, most people believe that affluence should be uniformly distributed; they consider affluence confined to certain sections of society to be unacceptable. These thoughts are related to egalitarianism and exert considerable influence on the acceptance of the welfare state in Japan. Judging from the above, there is a strong connection between egalitarianism and a welfare state. This connection explains the expansion of the functions of the modern welfare state. Moreover, egalitarianism has been set as a default in the sphere of the argument on distributive justice, and hence, does not require further justification.

However, this paper is concerned with whether economic equality has intrinsic value. As is

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commonly known, Robert Nozick and Friedrich August von Hayek reject the notion of distributive justice itself. Although I agree with them, if we adopt moderate libertarianism or classical liberalism—which guarantee a minimum standard of living—it is necessary to examine egalitarianism, which justifies redistribution beyond the extent allowed by moderate libertarianism. Therefore, I attempt not only to criticize the justification of the expanded welfare state but also to advocate moderate libertarianism or classical liberalism.

I begin this paper with a critical examination of economic egalitarianism and suggest alternative ideas. I then proceed to explain the importance of reviewing economic egalitarianism. Finally, I explain why libertarians should admit the necessity of relieving absolute poverty.

2. Priority or sufficiency?

First, I consider whether the idea of economic equality which is central to economic egalitarianism is essential and has moral significance. With regard to the subject of distributive justice, the issue of “Equality of what?” has been a central issue among egalitarians. In other words, egalitarians have argued about a parameter for equality. For instance, Ronald Dworkin, a liberal egalitarian, supports the “equality of resource,” while Gerald A. Cohen, a radical egalitarian, argues for the “equality of access to opportunity.” Although there are various other opinions regarding which parameter of egalitarianism is appropriate, these can be roughly classified into two positions. One position is resource-based and sets primary goods or resources as a parameter of equality. The other position claims that the inequality resulting from needs, abilities, and the process of formation of preferences should be redressed. These two positions have different perspectives regarding such problems as the manner in which personal voluntary choice should be distinguished from non-voluntary choice and the extent to which the external environment influences the formation of personal preferences. However, both agree that distributive justice requires equality and that the existence of inequality among people is undesirable.

I pose some serious questions at this point. Why should economic equality be given importance? Why must inequality be redressed? The arguments regarding “Equality of what?” in the egalitarian circle pertain to the conception of equality, and not the concept of equality. The concept of equality has not been given as much consideration as the conception of equality. The principal reason is that egalitarianism has been set as a default position in the argument on distributive justice. However, this fact does not indicate that it is morally significant. “What is equality?” and “Why does equality matter?” are more fundamental questions than “Equality of what?”

In consideration of the question—“Why should economic equality be given importance?”—the priority view proposed by Derek Parfit and sufficientarianism proposed by

Harry Frankfurt provide extremely valuable suggestions. Before examining these two theories, it is desirable to describe the current Japanese academic circumstance. In the Anglo-American academic circle, both “Equality of what?” and “What is an alternative idea to economic equality?” are argued. In contrast, Japanese studies on distributive justice primarily concentrate on the issue of “Equality of what?” Few studies have used skeptical approaches to focus on the idea of equality. This illustrates that egalitarianism as a default position has a more significant influence in Japan. The welfare state is more easily accepted in Japan than in Anglo-American countries. Therefore, it is significant to question the importance of economic equality. The problem of the validity of economic equality cannot be overemphasized in the Japanese context.

I now examine the two theories, priority view and sufficientarianism. The priority view or prioritarianism claims that in distributive ethics, priority—which considers those who are badly off—is more important than economic equality. The most common criticism of egalitarianism by the supporters of the priority view is the levelling down objection. This objection argues that if distribution aims at reducing disparity or inequality, then reducing the living standard of people who are better off to the same level as that of those who are badly off can be justified. In other words, sacrificing the average standard of living in order to realize the idea of economic equality is permissible. While egalitarians have various objections to the levelling down objection, these are too involved to be treated here in detail. In general, if egalitarianism is defined as an idea that considers inequality in itself as bad and if the levelling down objection is understood as a criticism of the idea of equality without referring to other ideas, then the objections of the egalitarians are not fatal to the levelling down objection.

Egalitarians may also agree that the condition of badly off people should be considered. Then, what is the principal difference between the priority view and egalitarianism? The difference is based on relativity. Egalitarianism is concerned with relativity, which compares one’s living standard with that of another. The priority view, on the other hand, is concerned with the living standard of those who are badly off on the absolute level, and not on the relative level. According to the priority view, if there are no people better off than me, and if my circumstance is bad on the absolute level, then priority should be placed on me. In other words, egalitarianism is concerned with relative poverty, whereas the priority view is concerned with only absolute poverty. However, most egalitarians do not distinguish economic equality from priority; they actually seek to realize the idea of priority rather than economic equality. Thus, the fact that many egalitarians use the term equality but actually seek to realize the idea of priority indicates that egalitarianism is a default position with regard to the subject of distributive justice.

The priority view’s most important contribution to the topic of distributive justice is the suggestion that egalitarianism inevitably leads to an implausible result, such as levelling down. Although the levelling down objection has considerable persuasive power, the priority view has the

following problem. Suppose a society comprises only billionaires and millionaires. The priority view would require distribution to millionaires as distributive justice since priority is placed on those who are badly off. This conclusion cannot be accepted from the libertarian viewpoint, which criticizes the idea of distributive justice. For this reason, I cannot adopt the priority view as an alternative to economic egalitarianism.

Therefore, sufficientarianism is an alternative to economic egalitarianism. Sufficientarianism presents the idea of sufficiency as an alternative to the idea of economic equality. The essence of sufficientarianism is to show that the idea of economic equality has no intrinsic value. According to sufficientarianism, when people consider what is important for their own lives, the amount of goods owned by other people becomes irrelevant. Instead, comparison with the amount of goods owned by others prevents people from seeking what they consider valuable for themselves. It is unnecessary to attach moral significance to economic egalitarianism. While Frankfurt enumerates some reasons for the failure of economic egalitarianism, he indicates that egalitarians do not actually defend the idea of equality, as indicated by the priority view. In other words, egalitarians' objections are not based on their moral aversion to a person holding a smaller amount of goods as compared to other people. In reality, their objection is to the fact that the person owns only a remarkably small amount of goods.

This naturally gives rise to the following questions. What does sufficiency imply? What is the standard of sufficiency? Although Frankfurt does not define the meaning of sufficiency in concrete terms, it does not imply that sufficientarianism is pointless. Indeed, the meaning of sufficiency can be defined in various ways. However, the essence of sufficientarianism is to seek what one finds valuable in his/her life and not compare the amount of goods one owns with that of others; this is crucial to judge sufficiency.

Irrespective of the definition of sufficiency selected, sufficientarianism cannot justify distribution to those whose circumstances are above the standard of sufficiency. Therefore, it does not lead to the implausible conclusion that goods should be distributed to millionaires in a society that comprises only billionaires and millionaires. Sufficientarianism, which rejects economic egalitarianism and simultaneously requires distribution to those below the standard of sufficiency, is consistent with moderate libertarianism or classical liberalism, which rejects distribution aimed at reducing income disparity and admits the necessity of distribution that guarantees a minimum standard of living. Indeed, the interpretation of sufficientarianism that I present in this paper might conflict with the original intention of sufficientarians.

As we have seen, I support sufficientarianism. Despite differences between sufficientarianism and the priority view, I re-emphasize the fact that they have a common crucial viewpoint regarding egalitarianism. They share the belief that being worse off than others does not have moral significance in terms of the ethics of distribution. While the idea of equality that

emphasizes relativity with others is set as a default position in the argument on distribution, both theories demand criticism of the above assumption. Egalitarians often confuse equality with priority or sufficiency; however, it is important to bear in mind that the apparent plausibility of egalitarianism is derived from its humanitarian appeal. The point I wish to emphasize is that absolute poverty, and not relative poverty, is important.

Next, before turning to an examination of the connection between sufficientarianism and libertarianism, I shall consider the necessity of highlighting the abuse of egalitarianism.

3. Economic equality and envy

Why is it important for libertarianism to highlight the fallacy of economic equality? The principal reason is that economic equality is concerned with the issue of morality, which enables the sound functioning of a market. Since libertarianism attaches great importance to the market, it is necessary for libertarianism to consider the issue of economic equality.

As we noted, the essence of sufficientarianism is that comparison with the amount of goods owned by others prevents people from seeking what they find valuable for themselves. Economic egalitarianism is concerned with comparison or disparity among people. The attitude concerned with reducing economic disparity for worse off people who are not below the standard of sufficiency can be interpreted as envy. The levelling down objection, which indicates that reducing the gap makes well off people worse, is criticism of the fact that egalitarianism can justify actions that are derived from envy.

The theory of equality advanced by Dworkin illustrates that egalitarianism is associated with envy. According to the “envy test” that he proposed, if an auction on a desert island continues until nobody is envious of another’s possessions, then equality of resources will be achieved among the people on that island. This implies that his theory interprets the realization of a type of idea of equality as the elimination of envy. The background of the envy test is the belief that the enviable situation, and not the envious feeling, should be criticized. This belief should be rejected, because many people consider that envy can justify the state’s intervention in the market. Policies that aim to reduce income disparity and protect the weak are not irrelevant to envy. Moreover, egalitarianism foments such an attitude, which is deep-seated in Japan.

Indeed, envy is not necessarily a negative emotion that should be denied; this is because it can also act as an incentive leading to productive activity. While the division between envy and emulation is a thin line, envy must be distinguished from emulation. This was best expressed by Aristotle when he stated the following:

Emulation is pain caused by seeing the presence, in persons whose nature is like our own,

of good things that are highly valued and are possible for ourselves to acquire; but it is felt not because others have these goods, but because we have not got them ourselves. It is therefore a good feeling felt by good persons, whereas envy is a bad feeling felt by bad persons. Emulation makes us take steps to secure the good things in question, envy makes us take steps to stop our neighbour having them (Aristotle[1924]: 1388a).

In order to maintain the sound functioning of the market, the awareness that emulation is admirable while envy is a shameful emotion to be vanquished must penetrate deep into society. In order to disseminate this awareness, it is indispensable to recognize the fallacy of egalitarianism because egalitarianism supports the belief that the person who makes others envious, and not the envious person, should be criticized. While criticizing egalitarianism is not a direct solution, such criticism is essential to develop morality in order to maintain the sound functioning of the market.

4. Why should libertarians care for absolute poverty?

In this paper, I show that the important issue with regard to the subject of distributive justice is absolute poverty or meeting the standard of sufficiency, and not relative poverty or economic equality. Here, we consider the relationship between sufficientarianism and libertarianism. Why should libertarians care for absolute poverty? Why should we have sufficiency? The radical version of libertarianism claims that relieving absolute poverty is merely a matter of charity, and not one of distributive justice. In contrast, I believe libertarians can admit that the necessity of relieving absolute poverty is not merely a matter of charity but also of rights. In other words, the moderate version of libertarianism can admit the right to relieve absolute poverty to the extent of minimum welfare. Indeed, the moderate version of libertarianism or classical liberalism admits the responsibility of the state to secure minimum welfare. However, the established classical liberalism maintained by Hayek and Milton Friedman does not offer adequate justification for guaranteeing minimum welfare. Therefore, the attempt to justify rights to the extent of minimum welfare can be considered as a reason for the existence of classical liberalism.

To begin with, I ask about why libertarianism should be concerned with absolute poverty and explain my reason for not maintaining the radical version of libertarianism. Radical libertarians regard relieving absolute poverty as merely a matter of charity and do not admit the right to minimum welfare. The only right they admit is the negative right of non-interference by others. However, their arguments have the following flaws.

As Ayn Rand supposes, man has individual rights, or the right to life. The right to life is the right to act and to the consequences of producing or earning an object, which is a negative right. Life does not merely imply biological survival. Rand stated the following:

Life is a process of self-sustaining and self-generated action; the right to life means the right to engage in self-sustaining and self-generated action—which means: the freedom to take all the action required by the nature of a rational being for the support, the furtherance, the fulfillment and the enjoyment of his own life (Rand [1964]: 110).

The foundation for this right is Rand’s objectivism, which claims that life is an end in itself. Those who are in emergency situations, such as floods, earthquakes, or fires, should be rescued by the good faith of others because of their capability to live. However, is living according to one’s own choice, which is an objective good, contradictory to admitting the right to minimum welfare that enables people to survive? The statement that living is an objective good implies that everyone who is rational can comprehend that. If Rand’s argument is not personal egoism but universal egoism, that is, if her egoism can be applied to everyone and not only to herself, the proposition that man must survive should be recognized by everyone. Survival is a necessary condition for people to carve out their own lives using knowledge, labor, and rationality. If this interpretation is denied, then Rand’s argument is merely personal egoism. If one maintains personal egoism, consideration of any legal and political system is meaningless. Therefore, it is difficult to regard the right to life as merely a negative right.

Moreover, according to Nozick, the only right that can be justified is the right to life, body, freedom, and property; this is the right to self-ownership. This right is inviolable and should not be interfered with by others; it is a negative right and is considered as “a side constraint.” Although Nozick does not show a clear foundation for this right, he indicates its necessity to realize a meaningful life. He appears to believe that the only people who live meaningfully are those who act in accordance with their own long-term life plans. Indeed, if others interfere in our life, we cannot fully realize its meaningfulness. However, merely guaranteeing negative rights is not sufficient for a meaningful life. If people cannot survive, then too they cannot live meaningfully. Therefore, if Nozick attempts to justify the right to self-ownership as a necessary condition for realizing a meaningful life, he cannot deny the right to minimum welfare.

As mentioned above, radical libertarians have the following difficulty: if they respect an actor who lives a meaningful life, they have to appeal for rights beyond negative rights. Furthermore, while radical libertarians emphasize the significance of charitable or voluntary activities, not all people who need support can be rescued through these activities. Therefore, I adopt the moderate version, not the radical version of libertarianism.

Hayek and Friedman are prominent advocates of the moderate version of libertarianism or classical liberalism. Indeed, they admit the responsibility of the state to guarantee minimum social security. However, they do not offer sufficient justification for this responsibility. For

example, Friedman describes social security as follows:

....., and which supplemented private charity and the private family in protecting the irresponsible, whether madman or child—such a government would clearly have important functions to perform. The consistent liberal is not an anarchist (Friedman [1962]: 34).

However, why does the government have such a responsibility? Although he concludes that paternalistic interference by the state is a practical matter, his justification for redistribution of wealth by the state is undeniably weaker than his criticism of a welfare state. Additionally, let us examine Hayek's argument:

Once it becomes the recognized duty of the public to provide for the extreme needs of old age, unemployment, sickness, etc., irrespective of whether the individuals could and ought to have made provision themselves, and particularly once help is assured to such an extent that it is apt to reduce individuals' efforts, it seems an obvious corollary to compel them to insure (or otherwise provide) against those common hazards of life. The justification in this case is not that people should be coerced to do what is in their individual interest but that, by neglecting to make provision, they would become a charge to the public (Hayek [1960]: 257-258).

Judging from the above, Hayek's support to social security is based on rather negative reasons. Thus, Hayek justifies social security on consequentialist terms, as does Friedman. While I do not oppose consequentialist justification, it is inadequate in order to advocate the moderate version of libertarianism. Then, why should moderate libertarians guarantee minimum welfare to relieve absolute poverty?

I would like to present multiple justifications for the necessity of relieving absolute poverty or the right to minimum welfare; these involve the attributes of an actor such as pursuit of purposes, humanitarian concern, and utilitarian consideration. The principal ground among these is the attributes of an actor such as pursuit of purposes. I characterize a right holder as an actor pursuing his own purposes and derive his rights as a precondition for being a pursuer of purposes; this is because the central aim of libertarianism is to allow all people to freely pursue their own purposes. In other words, libertarianism presupposes that all people have capabilities to pursue purposes.

It should be noted that the term "purpose" is used in a broad sense and that it does not suppose a particular quality. It is not required to be a praiseworthy moral or a great long-term project. Hence, whether it is impulsive or morally sound is irrelevant. With regard to pursuit of purposes, the important factor is the person's action of pursuing the purpose, and not the style and content of

the purpose. The purposes pursued by a person are based on the separateness of persons. Libertarians place great value on the separateness of persons or individuality.

The essential right for being a pursuer of a purpose is negative one of not being interfered with. However, when people are destitute, they cannot pursue any purpose. Hence, the right to minimum welfare needs to be a basic right. In order to be pursuer of purposes, the relief of absolute poverty is essential.

However, this does not imply providing goods beyond those necessary to relieve absolute poverty; hence, goods necessary for achievement of purposes are not included. Otherwise, the right of non-interference would be violated. Moreover, if we respect the pursuit of purposes as representation of individuality, we must protect our own spheres and ensure that they are never violated. If all the things that are needed to pursue one's purpose are provided like manna from heaven, it weakens one's individuality. In order to realize our own purpose, we must make efforts by using our own ability to a considerable extent. Therefore, we cannot admit the redistribution of goods beyond the extent of relieving absolute poverty. It is clear that relative poverty does not matter.

The justification derived from the characterization of the right holder as a pursuer of purposes is insufficient, however, because the right to minimum welfare is a positive right and imposes correlative duties on people for the relief of other people. In other words, a positive right conflicts with a negative right. Why should such a duty be expected of us? Although we all must admit the significance of pursuing purposes in order to justify this duty, it is difficult to fulfill it. Then, justifications other than the attribute of pursuit of purposes are necessary to supplement it.

The justification based on humanitarian concern, as indicated by Locke, has considerable persuasive power. Few people assert what is inhumane, at least in academic circles; therefore, humanitarian concern appears to have a broadly common significance. If the survival of man does not deserve consideration, it is pointless to be a libertarian. Therefore, humanitarian concern is a common moral intuition among people who consider how a society should be changed.

In addition to this, it is useful to resort to a consequentialist approach such as rule-utilitarianism. Although the argument that a society in which the right to minimum welfare is guaranteed becomes more prosperous than a society in which this right is not guaranteed is inadequate to justify the guarantee of minimum welfare as a matter of right, it is still a reasonable argument. Hence, it is persuasive even for those who do not share the belief that the pursuit of a purpose is significant.

As we have seen, the justification derived from the attribute of pursuit of purposes does not have adequate persuasive power by itself. However, it is strongly persuasive when supplemented by humanitarian concern and rule-utilitarian consideration. The right to the relief of absolute poverty or to minimum welfare can be justified as a precondition for being an actor, as supposed by

libertarians.

5. Conclusion

Finally, I summarize my discussion. I began this paper by criticizing the fact that egalitarianism has been set as a default position in the discussion on distributive justice. I then indicated that implausible consequences are derived from egalitarianism and considered an alternative idea to economic equality. After examining the priority view and sufficientarianism, I adopted sufficientarianism because it does not admit redistribution to persons whose living standards are above the standard of sufficiency. This implies that absolute poverty is important, not relative poverty. We should be concerned with relieving absolute poverty rather than reducing income disparity.

Next, I showed that the tendency to be concerned with economic inequality gives rise to the problem of envy. This is connected with the levelling down objection. Envy interferes with the sound functioning of the market. We have to disseminate the awareness that envy is a negative emotion for maintaining a free market. This is closely connected with the libertarian view of human nature. While libertarianism should accept multiple types of human nature, it tends to eliminate the envious type, as presupposed by the levelling down objection. The most ideal human nature from the libertarian perspective is pursuing one's own goals without comparing with others. However, this does not deny the possibility for envy to act as an incentive leading to productive activity.

I then showed the reason why libertarians should relieve absolute poverty. I asserted that libertarianism can justify the right to relieve absolute poverty or the right to minimum welfare on the grounds of an actor's attributes such as pursuit of purposes, humanitarian concern, and rule-utilitarian consideration. However, this does not imply that the function of the state can be justified beyond the extent of guaranteeing the minimum standard of living.

I cannot elaborate on the standard of sufficiency in this paper. What is the standard of sufficiency that moderate libertarians can admit? I shall study this issue in the future. In any case, we must remember that humanitarianism is the greatest appeal of egalitarianism, and the failure to distinguish absolute poverty from relative poverty promotes the expansion of the state's functions; even libertarians can admit the necessity of relieving absolute poverty as a matter of right. It is strongly emphasized that setting equality as a default is an error.

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