

KENNETH MINOGUE



DEMOCRACY AND THE WELFARE STATE

occasional papers

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Foreword

The welfare state is commonly described as being in crisis, but that crisis is thought to be a fiscal one - welfare spending is a large proportion of GDP in most Western countries, and is forecast to grow as the population ages. The financial viability of the welfare state is of course a very important matter, but there are also very significant, though little discussed, issues of the effects of the welfare state on the character of Western societies.

It is these issues which Kenneth Minogue discusses in this Occasional Paper. He points out that the welfare state reconceptualises what it is to be a member of a modern state. It is not to be an association of independent individuals, but to be part of an essentially economic association in which the productive support the needy.

The policies and practices flowing from this reconceptualisation greatly affect the character of all concerned. Those receiving welfare, and this can include many of the productive members of society where government has taken over the provision of services, become less like adult decision makers and more like children in need of management. The more reliant people become on the welfare state, the less they get to use the skills of an independent citizen, and the more those skills decline for lack of use.

It is not just the virtues of the independent individual that are endangered by the welfare state. The idea of charity, of having a duty to others, is also put at risk; again through lack of practice and a belief that social duties are satisfied simply by the paying of taxes. When people say they 'gave at the office' as taxpayers they are telling the truth, even if as potential donors they are making it up.

Changes in the character of society occur over long periods of time, as people gradually adjust to new ideas and respond to altered incentives. Often changes are driven by the convergence of several forces. But it is hard to imagine that the welfare state has not changed the way people think and behave. If people are thought to be more selfish today than in the past, one reason is likely to be that they have lost the habit of thinking about others and instead focus on their 'entitlements'. It is probably not coincidental that the worst displays of anti-social behaviour take place in areas and among social groups that are highly dependent on welfare. Minogue argues that democratic pressure partly explains the rise of the welfare state. Democratic pressure might also help reverse the welfare state. As people resist paying higher taxes, and

as understanding of welfare's undesirable effects grows, support for winding back at least some forms of welfare is likely to grow.

Greg Lindsay
Executive Director

About the Author



Kenneth Minogue has been Professor of Political Science at the London School of Economics. His publications for the CIS include *How Much Justice Does a Society Need?*, which was the John Bonython Lecture in 1992, and *The Egalitarian Conceit: False and True Equalities* (1989). His latest book is *Politics: A Very Short Introduction* (Oxford University Press, 1995). This Occasional Paper was first delivered at a special gathering held at Mont Pelerin in Switzerland to mark fifty years since the Mont Pelerin Society's establishment.

Key Points

- the welfare state affects the character of modern societies
- the early state was theorised as an association of independent individuals
- the welfare state conceptualises individuals in terms of things they do not have
- it manages individuals to supply them with the things they need
- the space for autonomy is diminished; people become more like children
- the state becomes less of an association of citizens and more of an association between the productive and the needy
- virtues decline for lack of practice; for example there are fewer opportunities to exhibit the virtues of prudence and forethought when pensions erode the need to save for old age
- charity is displaced by tax-funded welfare, and the poor lose their moral significance and become objects of efficient organisation
- political philosophers, and their emphasis on social justice, contribute to the decline of the concept of charity
- the growth of the welfare state has been encouraged by the political pressures of democratic society
- it was thought that the welfare state would create gratitude to society and enhance social harmony
- however, patriotism is less than it was before governments did a lot for the material welfare of their citizens
- the level of taxation required to fund the welfare state is leading to some resistance to it

Democracy and the Welfare State

Kenneth Minogue

In the ancient world, philosophers knew that democracy was an unstable form of government which would plunder the rich and collapse into anarchy. In the modern world, we have achieved democracy, and avoided plunder of the rich. The rich do, however, have a substantial element of their wealth redistributed to the poor by way of the welfare state. Today it is most commonly described as 'in crisis.' One aspect of the crisis is the rising cost of redistributive welfare; the other is the moral corruption of the beneficiaries. My main concern will be to see the welfare state in a broader context, both moral and political. For only in this wider context will it become clear how much a century of welfare has changed our attitude to the world we inhabit.

1. Charity and the Problem of the Poor

Let us first consider the welfare state in its own terms. It is a technological solution to the problem of the poor. It provides money, goods, services and management to the needy. It replaces the charitable impulses of individuals and churches which met this problem in medieval times. As the modern European state emerged, policies towards the poor changed radically. In the earlier centuries of this period, the poor were neglected and marginal, partly as a result of theological beliefs about material success being evidence of divine favour, and partly because the essence of a modern state was that it was an association of *independent* individuals, and the poor were an indigestible element in such a scheme. This situation was less serious in the early modern period (except in times of actual famine), partly because most life was rural and many of the poor could find some niche in dependent clienthood;¹ and partly because families were responsible for their own. But dependence can never be a happy situation, and the expression 'cold as charity' no doubt

1 Some will remember Hume's hunchback who found a living by allowing his hump to be used as a desk by busy stockjobbers in Paris 'during the rage of the Mississippi.' Hume, David 'An Enquiry Concerning the Principles of Morals' (1751/1975) in L.A. Selby-Bigge (ed), 3rd edition, *Enquiries Concerning Human Understanding and Concerning the Principles of Morals*, Clarendon Press, Oxford, p. 237.

expresses much of the humiliation experienced by the poor.

With the growth of cities and the coming of industry, the poor became conspicuous in civil society. They were recognised as the materials of revolution, so that the moral imperative of charity and the political imperative of stability could fuse to provide reasons for improving their lot. Destitution in Britain could be avoided in the poor house after 1834, but it was such an assault upon self-respect that only the profoundly necessitous availed themselves of it. The term 'unemployment' first became current in Britain around the middle of the nineteenth century, and it was increasingly recognised that the ups and downs of an economic cycle could make it nearly impossible for some to find work. Among the so-called respectable working class, provision for these crises was made through 'friendly societies', and it was only in the Lloyd George budget of 1908 that the beginnings of state welfare clearly emerged in Britain. And those beginnings clearly responded to the political pressures arising in a now democratic society. Soon moral sentiments were such that no one would dissent from Hayek's view that 'some minimum of food, shelter, and clothing, sufficient to preserve health and the capacity to work, can be assured to everybody.'² But the provision of welfare went far beyond this minimum: it has exploded in our century, with universal state-provided education, medical care, and many other benefits which eventually became incorporated within a largely universal system in most countries. The welfare state is generally understood in the rational terms of problem and solution. It may not make people happy, but it prevents certain sorts of misery; it is, as it were, happiness objectified. But even considered in this fashion, there are problems.

The first might be called 'the demarcation problem.' 'The poor' is a very miscellaneous category. Some of them, for example, are congenitally incapable. They are mentally or physically disabled from playing an ordinary part in modern social life. A second group is situationally divorced from independence, such as workers laid off and finding it hard to find new employment, or lone mothers with young children. Finally, there are those who are feeble and devious or otherwise keen to exploit an opportunity for effortless cash, the free riders of the welfare world. Benefit fraud in Britain has been estimated at £5 billion ³, but actual fraud, of course, is only half the story. The direct provision of

2 E.A. Hayek, *The Road to Serfdom*, Routledge, London, 1944/1976, p. 90.

3 David Marsland, 'The Use and Abuse of State Welfare', *The Salisbury Review*, June 1994, p. 16.

money to the needy is the most conspicuous element of state welfare in contemporary life, but there is much more, such as government subsidy to the universities, the arts, universal child benefit, and many other subsidies which have somehow trickled far beyond the needy and now provide services for those who could afford to pay for them, or at least could if they did not have to pay so much in taxation.⁴

The welfare state, then, in what one might call its 'remedial' role, is charity technologised by the use of modern administrative techniques. Charity comes naturally out of the soil of our moral attitudes. Our civilisation exhibits a powerful benevolence which finds an outlet in charity. And with us, the impulse covers not just our own people, but the whole of humanity, as both private and public aid to countries abroad testifies. But charity is an interestingly anomalous moral virtue. It presents both a logical and a moral problem.

The logical problem arises from the fact that we who are rich owe a *duty* of charity towards the poor, but this is one case where duty does not translate into a correlative right. The poor do not have, in charitable terms, a *right* to support, just as (to cite the standard example) an adult has a duty to save a child from drowning, but it would be absurd to say that the child has a right to be saved.

The moral problem results from the fact that charity is a moral, which is to say voluntary, exercise of discretion. State compulsion is much more efficient, but it removes the moral significance of the provision, something which significantly changes the appropriate response of the beneficiary.

2. Foundations of Welfare

The civil will to welfare, then, cannot be derived from the concept of charity. It needs some other basis. And we shall find that two other bases have been supplied.

The first is democracy itself. Democratic electorates have, election by election, supported welfare policies. By 'democratic' here, I

4 In an unpublished paper given to the Mont Pelerin Society fiftieth anniversary gathering in Switzerland, Jennifer Roback-Morse ('The Modern State as an Occasion of Sin') analyses this danger of fraud in terms of the Catholic doctrine of 'occasions of sin'. Just as the insured are sometimes less careful about risks, something known to economists as 'moral hazard', so the means-tested have an incentive to divest themselves of resources, and to avoid work, in order to qualify for the benefit. Similarly the bureaucratic provision of welfare prevents the administrator from using judgement about the reality of the need, a form of knowledge available to those administering voluntary charity.

simply mean policies for which the evidence of popular support is abundantly forthcoming. With Bismarck who has some claim to be the originator of the welfare state, the calculations were no doubt tactical: he was undercutting the policies of the social democrats, and establishing a basis for collective harmony in the new Germany. With Clement Attlee's creation of the welfare state after 1945, the drive to welfare emerged from a massive electoral victory in which he was given a mandate to create a new order. Lyndon Johnson's grandiose project of 'war on poverty' certainly responded to widespread public opinion.

The second basis is a socialist belief that the benefits of social membership should not depend on economic, personal and perhaps even genetic chances. Instead, the state should be consciously organised for the benefit of its members, and for the most part benefits should be shared equally. This view raises the whole question of what the welfare state is 'about.' It might simply be a new and generous version of the old poor law provision of help for the needy. If so, it would still be caught in the rather intractable 'demarcation problem' but that could be dismissed as a relatively unimportant practical problem requiring tactical solutions. But on the basis we are now considering, the welfare state might be something quite different: it might collectivise the whole idea of the state, as an association not of citizens but of beneficiaries of the fruits of a modern economy. In this case, much of the discretion available to citizens of earlier times, a discretion about how they might choose to spend their money, would have disappeared. The state would tax citizens pretty heavily, and provide education, medical care, money for the poor, so that everyone would (if we may use the clichés) find themselves on the same starting line in a level playing field. Want would have been compulsorily abolished and human life liberated from the scourge of need, and what a person earned would be like the pocket money of children: to be disposed of according to mere impulse. Something like this situation was created in the second half of our century in Sweden and some of the other small liberal democracies of Europe, where governments took up to, and even beyond 60 per cent of the GDP in taxation.

What we have here is socialism within a capitalist framework. That is to say, collective enjoyment without quite collective control of economic life. And that is perhaps one of the reasons why it has broken down. (Socialism without a capitalist framework, of course, would break down even sooner.)

One way of formulating what is involved in this version of social justice could invoke the famous distinction (advanced by Mill,

repudiated by Hayek) between production and distribution as distinct components of the economic process. Production can be seen (as it was by socialists such as Anthony Crosland in Britain) as an almost automatic process generating wealth, leaving it to collective judgement – i.e. government – to decide how that wealth should be distributed.

3. Philosophers and the Welfare State

The welfare state can thus be construed either as a tactical response to a problem of poverty within the modern state, or as a lever for transforming the very idea of the modern state. The first or remedial conception of welfare, sometimes recommended as breaking 'the vicious circle of poverty', might promise the hope that many poor unfortunates would soon learn to live independent lives. In fact of course, the number of dependents has grown steadily, because (as the cynics express the matter) if you pay people to be poor you'll increase the supply. The second conception of the welfare state emerges from socialism and is much more radical. It seeks nothing less than to transform our conception of what it is to live in a modern society. The reason is that it has been taken up by normative political philosophers.

To move in this direction, the welfare state must be shifted away from the concept of charity towards that of justice – 'social' justice, where the term 'social' signifies that we are dealing with society rather than merely the state. A just society in this sense is largely an egalitarian one, governed by the difference principle whose intuitive idea, we learn from its formulator John Rawls, 'is that the social order is not to establish and secure the more attractive prospects of those better off unless doing so is to the advantage of those less fortunate.'⁵ Philosophers are dangerous people and in this, as in many other Rawlsian utterances, there are striking undertones. One of them in this remark, for example, is that it is the social order which 'establishes and secures' the prospects of its citizens. Another undertone here might well suggest that there is no place for opera houses, for example, unless their operation could be shown to benefit the poor – not a proposition likely to impress them in the housing shelters! Rawls is, in fact, more likely to be referring to market freedoms and fiscal policies than anything specific, but the very abstraction of philosophical utterance has led to problems in the past, and will no doubt do so again.

⁵ John Rawls, *A Theory of Justice*, Oxford University Press, Oxford, 1972, p. 75.

4. Democracy and the Crisis of Welfare

Our concern has so far been with what the welfare state might be, and what brought it into existence. I have suggested that its meaning remains contested as between two possibilities, which we might call the 'remedial' and the 'socialist'. It also seems to be generally agreed that it was brought into existence over the last century largely by the will of democratic electorates.

The democracy is still in place, but the welfare state is not what it was. It is under attack both in theory and in practice – though it has remained remarkably resistant to shrinkage.

The basic, though not the only reason for the crisis is that the rising levels of taxation needed to fund welfare have become intolerable. Taxation began to hold back the economy, and voters became restive. It is now established wisdom among politicians in liberal democracies that rising taxation correlates with declining political fortunes. But in the view of one notable exponent of welfarism, the real cause was a remarkable social fact which (he believed) had transformed the moral universe: namely, that the majority of people in modern Western societies were rich, or at least affluent enough to regard the poor and the homeless with disdain rather than as similar to themselves. 'On one side,' Galbraith tells us of modern America, 'there are now the rich, the comfortably endowed and those so aspiring, and on the other the economically less fortunate and the poor, along with the considerable number who, out of social concern or sympathy, seek to speak for them or for a more compassionate world.'⁶

Galbraith is a charity man, by contrast with Rawls who concerns himself with justice. Galbraith's notion of welfare is remedial, and his basic contrast is between the compassionate and the selfish rich. His good society is not a philosophical blueprint. Like such blueprints, however, it does assume that the beneficiaries of the welfare state are basically the passive victims of whatever their masters, the rich (now the majority), choose to do about them.

5. The Classical View of Welfare

Let us now change the focus: we have so far been considering the welfare state in terms of its own self-legitimation: as the solution to a problem whose moral demands will be universally recognised. In politics, however,

6 John Kenneth Galbraith, *The Good Society: The Humane Agenda*, Sinclair-Stevenson, London, 1996, p. 7.

the problem-solution nexus commonly misleads us. It is often the case that solutions (i.e. established bureaucracies) go looking for problems to solve. In any case, political situations are inherently highly complex. Let us introduce a little realism into the argument, by invoking the tradition of political philosophy.

Giving welfare to the poor was widely recognised in the classical world as a device for seizing power by building up a following. The classical example is discussed by Machiavelli in the *Discourses*. It concerns Spurius Cassius:

...an ambitious man, desirous of acquiring extraordinary authority in Rome, he ingratiated himself with the plebs by conferring on them many benefits, such as dividing among them the lands which the Romans had taken from the Hernici. When the city fathers discovered his ambitious projects and made them known, he became so suspect that, on his addressing the populace and offering to give them the money accruing from the sale of the corn which the public had caused to be brought from Sicily, they refused it outright, since it seemed to them that Spurius was offering it them as the price of their liberty. Whereas, had the populace been corrupt, they would have accepted the money, and would have laid open the way to tyranny instead of closing it.⁷

The very description of the welfare state is so tightly linked to its moral justification in terms of caring and compassion that it is important to invoke the classical world as a realist corrective. In some circumstances, the poor are dangerous for freedom. Machiavelli was an acute observer of these matters, and was struck by the fact that the Romans actually executed another ambitious welfarist, another Spurius, this one called Spurius Maelius, because he laid in a private stock of grain and fed the plebs in a famine at his own expense. 'This shows', Machiavelli remarked, 'that very often actions that seem good on the surface, and which cannot reasonably be objected to, may become oppressive and highly dangerous to a republic, unless they are corrected betimes.'⁸

States are, as Charles de Gaulle remarked, 'cold monsters' and they lack a heart that might beat in tune with charitable impulses. But modern states have become entangled with a dangerously sentimental rhetoric. Some groups are more susceptible to it than others. Clergymen have

7 Niccolò Machiavelli, *The Discourses*, Book III, Chapter 8, Crick Penguin, London.

8 Machiavelli, *op. cit.*, Book III, Chapter 28.

been persuaded in large numbers that merely being a citizen of a welfare state is proof of goodness of heart, and bishops sometimes advance a popular form of Rawlsian social justice which runs: 'The measure of a society is how it treats its poorest and least fortunate members.' To this we shall return, but first we must note the most obvious consequence of state welfare.

It is that welfare sustains a large staff of workers whose job is to administer, advise, develop policies, judge hard cases, counsel, and among much else, dispense money. Not much less important is what we might call the informational structure of the welfare state: the vast apparatus of academic theories and inquiries which constitutes a significant part of the cognitive capital of a modern society. The welfare state has thus generated a passionate commitment to redistribution, and the state has learned how to manage the lives of its citizens, concerning itself with their attitudes, conduct and conditions. Welfarism depends on what one might well call an 'academico-bureaucratic complex'.

6. The Welfarist Conception of the State

The academico-bureaucratic complex, influential throughout the media, has generated a quite changed idea of the modern state. For ideas respond over time to changed practices.

The early modern state had been theorised as a social contract, an association created by free and independent individuals uniting to create a peaceful order. Precisely because they were assumed to be free, disposing of their own resources, they were parsimonious in the powers they would accord to government, and their basic concern was for defence and for law and order. They had their own lives to live. In practice, no doubt, these independent agents were patriarchs who governed their families and in rural circumstances guided a penumbra of servants, clients and dependents. The essence of citizenship was autonomy or self-dependence. This was recognised by the Levellers in the English civil war of the seventeenth century: they excluded domestic servants from the franchise on the ground that they lacked the necessary independence for citizenship. Even in the late nineteenth century, when a universal franchise was the idea whose time had come, the constitutional expert Dicey still found it natural to suggest that those who were dependent on free medical treatment should forfeit full citizenship rights.

The rise of welfarism as describing a recognised responsibility of government transformed this conception of citizenship and statehood.

We have seen John Rawls suggesting that the test of justice is the benefit of the least advantaged. But that is only the half of it. Rawls is an extrapolator of welfarism, and writes, rather chillingly: "There is no more reason to permit the distribution of income and wealth to be settled by the distribution of natural assets [he means such things as natural intelligence and industriousness] than by historical and social fortune. Furthermore, the principle of fair opportunity can only be imperfectly carried out, at least as long as the institution of the family exists."⁹ Welfarism is thus the thin end of the wedge of social engineering.

The remarkable consequence of this line of thought is that the typical citizen comes to be construed as a pensioner of the state. The change can be tracked through the vagaries of language, and none is more significant than what has happened to the idea of self-interest. In the older way of thinking, everyone who could had a *duty* to themselves: a duty to be independent and to provide for their own dependents, not to be a burden on others¹⁰ and to generate for themselves what resources they needed. This was why typically children left home when they grew up. Humans being imperfect creatures, this duty no doubt often got mixed up with selfishness and the arrogance of success, but it has been the basis of a modern world in which ability and enterprise constitute the dynamism of the modern world. As we move into welfarism, however, we find that self-interest comes to be identified with selfishness and denounced by theologically shallow clergymen who contrast it with altruism and compassion. To be an independent citizen is to be someone who does not need management by the state, and that, remarkably, comes to seem like a rejection of community. In Britain, for example, it is commonly thought that to be medically insured or to send one's children to fee-paying schools is not a benefit to one's fellows as taking a burden off the overstretched state. It means that one wants to be better than the rest.

The curious fact – we shall come back to it – is that the modern state is ceasing to be construed as an association of citizens and coming to be regarded as an association, basically in economic terms, between the productive and the needy. And the fact is curious because this inegalitarian conception is being advanced in the name of equality.

We may note in passing that the transformation of our way of life

9 Rawls, *op. cit.*, p. 74.

10 Including being an emotional burden. One might well connect the new attitude with the feminisation of our 'culture' in the belief that what is wrong with men is that they repress their emotions, not 'sharing' them with others. The sense of individuality is clearly declining among us.

caused by the concept of welfarism extends far beyond what directly concerns me here. In particular, the relation between individual and collective welfare deserves attention. Individual welfare comes to be increasingly identified with the satisfaction of impulse rather than responsible choice: impulse particularly in areas such as sex and family compatibility, in which the consequences of the resulting decisions are converted into social problems rather than individual destiny. Collective welfare is the division of society into separate groups (technically referred to as 'minorities'¹¹ though some, such as women, actually outnumber the rest) and demanding an equal distribution of desired positions for members of such minorities. This move is based on a corruption of the idea of representation.

7. Philosophy and Freedom

Welfarism puts freedom in question. Why have we valued it in the past? Some think that human beings have an instinctive passion to be free, but the history of mankind suggests merely that people do not like being frustrated in their desires. Freedom must not be confused with power.

Freedom to us means living under law, while servitude is living under the commands of a master. It might, however, merely be the case that we have hitherto valued freedom because pursuing our own desires unhampered by the interference of others is the most *efficient* way of satisfying our desires. Something like this view is often implied by those who identify a free society with a prosperous one. The Soviets were impoverished because they were unfree. Whatever the plausibility of this view, it has one unwelcome implication: namely that if a more efficient way of satisfying our needs than freedom, were to be found, then we might settle for the condition of the happy slave.

We would not do so, of course, if it were still *called* slavery. It would have to be, as it were, 're-imaged.' But such changes of image are distressingly easy to achieve. Totalitarianism was merely despotism modernised, and despotism has always been regarded with contempt in the European political tradition – yet support for totalitarianism has cut a swathe through the life of our times. The basic feature of despotism is that the despot is the sole owner of property in his society. In a

11 The significance of the term 'minority' is that it invokes rights which can be used to block, if necessary, the inclinations of a democratic majority. The idea of multiculturalism is unlikely to be widely popular, and therefore its exponents have preferred to bypass direct democratic tests.

communist society, the state (if it may by courtesy be called that) is the monopolistic owner of all property – and who owns all the property controls, of course, the people. Hayek uses as an epigraph in *The Road to Serfdom* Trotsky's remark: 'In a country where the sole employer is the State, opposition means death by slow starvation. The old principle: who does not work shall not eat, has been replaced by a new one: who does not obey shall not eat.' This was Trotskyite wisdom from 1937, but Trotsky had himself been party to disguising the reality of communist despotism by the invocation of the liberal rhetoric of liberty and democracy. Similarly, the rhetoric of welfarism conceals a rejection of the idea of freedom, as well as a hatred of enterprise in all its forms. And that means, as ever, that we must be sharpening our idea of freedom so that it can deal with the perennial threat of camouflaged servility.

Hayek tends to think of freedom in economic terms. Freedom is choosing and being enterprising. Unfreedom is direction of labour, becoming the instruments of a plan, something he rightly understands to be profoundly reactionary. Innovation shakes despotisms; all they can do is hold on, and then crumble.

A more philosophically sophisticated account of the distinction is to be found in Michael Oakeshott, who starts from the question: what kinds of human association can we distinguish? A complex argument distinguishes two kinds of association between human beings: one purposive, the other non-purposive. Purposive associations present no difficulty. We are all involved in many of them and understand them well. They range from families and clubs to business firms and universities, and what brings people together in these associations is their free and voluntary commitment to a shared purpose. They have rules, but the rules tend to be managerial: conducive to the purpose in hand.

It is the non-purposive forms of association which are less easy to grasp. Here the associates come together in no other respect than their subjection to a set of rules. Those who speak the English language, for example, have nothing else in common except their subjection to the rules and grammar of English. To speak English commits one to no substantive purpose. Again, morality is an association of people sharing the same subjection to a conception of morality and the rules it involves.

The distinction between purposive and non-purposive association is entirely abstract: relating it to the real world must be done with caution. Nevertheless, Oakeshott uses the distinction to elucidate the character of the modern state. It certainly has some of the characteristics of purposiveness – in a common concern with defence, for example – and is therefore in some degree what Oakeshott calls an

'enterprise association.' But what more specifically characterises 'civil association' is its non-purposive character. And the essence of a modern state must be found in this non-purposive character precisely because it is a compulsory association.¹² To be free, in other words, is not to be subject to some alien plan or project. Such an account of the state seems to me to explain the dynamism of European history during the modern period. In each generation, peoples have embarked on a vast variety of enterprises of their own, and our modern world is, for better and worse, its outcome.

But what if all these enterprises were so exhausting, and so liable to produce conflict, that we would prefer a quiet life? What if our concern for freedom really had been merely instrumental, and hence that the advance of modern technology meant that our needs could be more efficiently satisfied by a certain sacrifice of freedom? And what also if any sacrifice of freedom would be obscured, partly by the fact that our very needs could be subject to outside adjustment, and partly by the fact that our language had been made to validate such adjustments? It is a big question, but I would suggest that some of these 'what if?' conditions are in fact satisfied in the modern world.

8. Democracy and the Moral Question

Freedom is, of course, a moral issue, and it is threatened whenever the modern state tends to turn into a pure enterprise association. The rulers of Europe in early modern times were keen to use their absolute powers to command the entire resources of their kingdoms in war. They were known therefore, slightly unfairly, as 'enlightened despots.' From the French revolution onward, democracy came to be associated (the causal connections are, of course, immensely complex) with the project of assuring the happiness of the people. Jefferson and Bentham, both dealers in happiness, meant very different things by it, but by the end of the nineteenth century happiness was being in large part understood as material provision.

Much of welfare at this early stage could be understood as enabling: universal schooling, for example. Some welfare was no doubt the relief of suffering, such as old age pensions. Both types of welfare,

¹² Oakeshott has elaborated this view in *On Human Conduct*, Clarendon Press, Oxford, 1975, especially in the second essay 'On the civil condition.' His essay 'The Masses in Representative Democracy' is a lively if rather schematic treatment of some themes relevant to welfarism. It can be found in Timothy Fuller (ed.) *Rationalism in Politics*, The Liberty Press, Indianapolis, 1991.

however, removed responsibilities from the shoulders of individuals and families. And welfarism was, of course, irresistibly attractive to the *demos*, especially in the early stages in which benefits came from the government, and taxation only affected the relatively affluent. The only question, in democratic terms was, why was there not more of it? At least, such was the question until the tax burden began to fall on everyone.

Walter Bagehot observed in the last century that one could not judge any political reform until at least a generation after its implementation. New conditions produce new responses. Public welfare clearly changes the calculations people make about their lives, and many writers (George Gilder and Charles Murray notable among them) have studied the way in which the availability of welfare has led to the emergence of an 'underclass' who have turned poverty and welfare into a way of life. I am concerned only with two consequences.

The first is that in the long run there is no such thing as a free gift – though several generations have indeed enjoyed largely free lunches. In the end, however, the piper begins to call the tune. Free education leads to a national curriculum. Governments offer money to universities, and soon begin to control them through funding committees. The beneficiaries of free medicine find their smoking and eating habits under review. Unsophisticated electorates find the promise of what looks like a free gift almost irresistible, but they soon find that there are costs.

The second consequence also concerns the increasing power of governments. Pensions erode the need to save for old age – a need which has been growing throughout our century because people tend to live longer. In the long run, the burden becomes impossible, and governments make it *compulsory* for workers to put aside some money from their wages as a contribution to a pension fund. This is a perfectly sensible move in the circumstances, but what should be noted is that the moral virtue of prudence and forethought, which workers had in fact exhibited in the nineteenth century, disappears. In one further area of life, moral autonomy disappears and is replaced by state management. Those who live under such tutelage are children – or slaves.

9. The Paradox of Equality

The argument of welfarism is the desirability of equalising, as much as possible, the power and 'life-chances' of everyone. This argument leads to a nervous and resentful concern with something called 'the gap between rich and poor' which is periodically reported to be widening or narrowing. The problem of inequality as understood in these terms is

intensified by the fact that poverty has now long been construed as 'relative deprivation.' 'Deprivation' signifies merely not having something that other people have got, and an endless array of such things is in the modern world constantly brought to attention by films and television. Welfarism leads to negative definition: People are understood not in terms of their positive characteristics, their virtues, their enterprise, but in terms of the material things ('advantages', 'privileges' and so on) which they do not have. Such a definition already invokes welfarist policies.

Inequality is an abstraction. It might refer to wealth, talent, energy or much else. In the welfarist argument, it refers to money and the things that money can buy. Yet from a libertarian point of view, the fact that someone else has more money than I have does not affect my freedom. His having money is one, but only one, aspect of the power to get what he wants available to him, and everyone has a great variety of such powers.

There is, however, one form of inequality which directly affects many people. This is the power of the manager and the expert. The social worker and the family he or she deals with, the probationer with the released convict, the counsellor and therapist, not to mention the politician and the civil servant administering the welfare system, all exemplify forms of managerial inequality between different classes of people which, unlike differences in wealth, directly affect how others live.

The paradox of the egalitarian argument for welfarism is, then, that it directly entails a class of equality-makers who must be seriously unequal to the rest - or should I say 'to the rest of us?' This was a paradox that could not be missed when communist egalitarians took over whole countries and subjected them to despotic control in the name of equality, but it occurs in a milder form in the welfare state. And its legitimization lies in the cognitive resources of the 'academico-bureaucratic complex.' That legitimization has been successful enough to conceal the paradox.

10. Welfarism and the Meaning of Life

Let me begin to harvest the conclusion of my argument: welfarism is not an optional add-on element in the evolution of liberal democracy, but the vehicle of a large if partly concealed transformation of Western life. We have seen that it causes us to think of the state differently; but we also think differently about the point of human life.

This is not an issue commonly broached in discussions of the

welfare state, but it is of the first importance. Every civilisation is based upon a view about what our diurnal doings signify, and that view is made concrete in religious beliefs. The business of life has been thought to be a matter of conforming to some ideal model, or living so as to acquire merit in another life. Our beliefs, of course, are cast in a Christian mould, and distinguished by the extent to which human life is understood as a test or trial in which we meet the challenges of existence. Pride or self-respect depends on how we think ourselves to have met those challenges, and a good deal of failure is inevitable; indeed, without failure we would not have much sense of ourselves at all.¹³ The prominence of this element of life varies a certain amount with different versions of Christianity, and is perhaps most evident in Protestantism – it was Milton, for example, who in *Areopagitica* conspicuously despised Catholics for handing over their consciences to priests ‘... that which purifies us is trial, and trial is by what is contrary’ he remarks.¹⁴ It is an extreme position, but this basic understanding of human life is integral to Christianity in all its forms.

This is why individualism steadily emerged out of the traditional structures of Christianity. The Christian concern for individual salvation in the afterlife is a belief which projects current human concerns onto a vast imaginative stage, and most forms of collectivism seek to narrow the stage down to the more manageable (and zero-sum) here and now. The whole idea of human rights emerges from the traditional individualism of Western civilisation, and is found nowhere else, but it is a further exhibition of rhetorical ingenuity that the idea of rights has become an instrument of welfarist persuasion.

In these terms, the poor are a challenge to our self-concern, and the moral value of charity lies in how we manage our temptation to ignore the needs of others. Welfarism switches our concern with the poor away from the moral significance of charity towards the efficient meeting of the needs of the poor themselves. The poor lose their moral significance and become objects of efficient organisation. And just as the objects of welfare slowly become (as we have seen) new models for modern citizenship, so they also become the pioneers of a new conception of what it is to be human: man not as a responder to challenges,

13 The hostility of welfarism to this conception of life is illustrated by the educational project of supplying not only food stamps but also self-esteem to pupils at school. ‘Minority pride’ movements are another example of the same attitudinal engineering.

14 ‘Areopagitica’ in Malcolm Wallace (ed.), *Selected Prose Works of John Milton*, Oxford University Press, 1925, p. 290.

but as a creature of needs. Life is worth living if needs are satisfied, if not, not, and the crucial test is called 'the quality of life.'

11. The Challenge of Welfarism

To the question: what created the welfare state, the answer must certainly involve democracy. Democracy was once the engine of welfarism, yet it has in some degree ceased to be. Electorates seem to be turning against the idea of the state guaranteeing a life – though there is little evidence that much of the welfare state could actually be dismantled. Indeed, politicians often claim that voters want to have both welfare *and* lower taxation. Still, chinks of reality now shine through the political process. But welfare no longer needs democracy. A new conception of human life and an immense complex of established ideas and institutions now sustains it, and both the ideas and the institutions have, especially since the United Nations was founded, been colonising the international sphere which will soon become their natural habitat. International declarations about rights or environment or safety come drifting downward, and soon find a home in our distracted world. The future of welfarism is now secured by bureaucratic insinuation rather than democratic mobilisation.

One might think that the welfare state must have succeeded in its avowed aim of including all members of society within its benefits, and that the result would be gratitude and social harmony. It has not come about. Back before 1914, when states did very little in the way of providing material welfare for their subjects, a powerful patriotism sustained governments and citizens rallied to support them, with their lives, in times of crisis. In our welfare world, by contrast, there flourishes a pervasive and sullen discontent, and a rejection of the idea that Western civilisation is something worth valuing and saving. The paradox seems to be that the more people are given by governments, the less they respect them. It is a paradox which the politics of the future must take very seriously indeed.



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The welfare state has now been experienced by several generations. In this Occasional Paper, Professor Kenneth Minogue looks at some of its effects on the character of Western states and societies.

The early Western state was thought of as an association of independent individuals, but the welfare state sees individuals in terms of things they need but do not have. In subtle ways, people are treated less like adults and more like children.

As the welfare state does more for people, they have fewer opportunities to learn the skills of the independent citizen or practice the virtues of a moral, choosing person.

The rise of the welfare state was due partly to democratic pressures, but as the ideas and incentives surrounding it change there may be some democratic pressure to reduce the scale of the welfare state.

Kenneth Minogue has been Professor of Political Science at the London School of Economics. His latest book is *Politics: A Very Short Introduction* (Oxford University Press, 1995).

DEMOCRACY AND THE WELFARE STATE



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