

**Let the Poor Starve?
A Libertarian Approach to Welfare**

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[Please note that because this paper was prepared for oral delivery and its preparation left until the last minute, there may be some un-noted or unreferenced citations in the text. But any such, if there are any, are to be located in the books and articles listed in the brief bibliography. The paper is made available to readers as is. I have attempted to emend the more egregious typographical errors but, almost certainly, there are still some of those little blighters lurking in the shadows.]

Introduction

I am a terrible person! I'm white, I'm old, I'm male, I'm socially conservative, I'm Catholic and I'm heterosexual (or, at least I was, the last time it was an issue!) All these are terrible things to be. But worse than all of these, I'm a libertarian, which means, of course, that I spend most of my time promoting and defending drug-taking, and that's only when I'm not actively oppressing the poor. Ah yes, what would life be without my 20 cups of tea a day while I grind my heel into the face of the poor and the oppressed of this world. So, what's all this libertarian nonsense? It's actually very simple

What Libertarianism is

The fundamental principle of libertarianism is the zero-aggression principle [ZAP]: *no one, whether individually or as a member of a group, may initiate or threaten to initiate the use of physical violence [aggression] against the person or property of another.* And that in essence, is the sum and substance of libertarianism.

It should be noted that while the ZAP is a *minimal political principle*, it is most definitely *not* the whole of morality. If I were to say that water is essential to human life, it wouldn't imply that there weren't more interesting and attractive things to drink. So too, the ZAP is a constituent element of any defensible form of morality but it is not, and doesn't set out to be, a comprehensive moral system. Libertarianism, in fact, is consistent with a wide variety of moral positions (utilitarianism, consequentialism, deontology). Perhaps more significantly for the purposes of this talk, it is consistent with both social radicalism and social conservatism. And by the way, it doesn't mean you have to do drugs or morally approve of drug-taking, which I don't (except, of course, for tea!)

Libertarianism, pure and simple, then, is the least aggressive and least committal of all the positions that one can take in respect of politics. Almost all political theories set out to

answer the question—which is the best (or least worst) system of government? Libertarianism, in contrast, asks a more fundamental question about the legitimacy of any form of government, calling into question any form of government or governance that is premised on the denial of the ZAP, in other words, any form of government that is based, ultimately, on aggression.

All non-libertarian forms of politics are zero-sum games in which individuals and groups compete to capture and control the coercive power of the state. In non-libertarian politics, if my gang wins (my gang being that collection of individuals who have persuaded more suckers to vote for us than voted for the members of your gang), then it get to make the rules and to use force to make you and everyone else obey—or else!

You might say, well, you can vote in elections so you have a choice. You *do* have a choice, which is to play the game as it is set up, to choose between one gang and another. What you don't have a choice to do is to step out of the game altogether and refuse to endorse any and every gang.

Perhaps you think, well, I'm not a libertarian; I reject the ZAP. But here's the question you must ask yourself: Do I feel lucky? Well, do you, punk? Sorry, wrong question! The question you must ask yourself is, do I in fact reject the ZAP? If you do, you must be prepared to accept the consequences of that rejection.

If you don't subscribe to the ZAP, then you are willing, in principle and in practice, to initiate violence (or to threaten to initiate violence) against non-aggressive human beings to force them to act in certain ways or, more often, to prevent them from acting in certain ways. Your willingness to do this has the consequence that you cannot object to others being willing to initiate violence to prevent *you* from acting in certain ways or forcing *you* to act in certain ways should they be in a position to do so. And who is to say what those actions might be? Positively, you might be forced to participate in wars of aggression; negatively, you might be forced to refrain from....well, I'll let you use your imagination here.

So, you have a choice: accept the ZAP and become a libertarian, or recognise that you already are a libertarian even if you didn't realise it; or reject the ZAP because you are prepared to use physical violence or the threat of it against those who pose no aggressive threat to you or to others and, as a consequence, be prepared to find yourself at the mercy of the whims of those who are individually or collectively stronger than you, with no possibility of availing of any principled avenue of resistance. Which will it be? You decide!

There are a whole host of trivial and wearisome objections to libertarianism of the 'But what about...?' variety. 'What about the roads, man, who will build the roads?' I'm not going to deal with any of those this evening. The most significant *intellectual* objection to Libertarianism relates to the provision of law, justice and security. Here, libertarians divide into those who think this can only be supplied by a monopoly provider (minarchists) and those who, like me, believe that law, justice and security too can be provided for by free association and cooperation between individuals and the groups that they voluntarily subscribe to.

However, while the provision of law, justice and security grounds the most significant *intellectual* objection to libertarianism, the most *emotionally* significant objection is that it

will leave a significant section of the population completely unprovided for. What about the poor? Who will look after the poor?

The Poor

Libertarians are used to hearing the following accusation or variations upon it: “You libertarians care nothing for the poor and disadvantaged. Your attitude to poor people is, Let ‘em starve! All you care about is grimly and mean-spiritedly hanging on to your money, much of it ill-gotten at the expense of those you are leaving to suffer. You libertarians are the epitome of hard-heartedness. Your stateless world or minimal state world is just this world minus social welfare, that is, with the poor deprived of a social safety net. Without the state or with only a minimal night-watchman state, there will be no welfare and it will be a case of ‘I’m alright Jack and the devil take the hindmost’. Why don’t you libertarians just admit that you hate the poor?”

Well, I can’t speak for most libertarians but I can say with all truth that I *do* hate the poor! I hate them so much I want them to cease to exist!

There are three ways to bring this about. The first, radical way, is by shooting them all or encouraging them all to avail of their local friendly euthanasia-options. The second, somewhat less radical way, one that is pervasive in our welfare states, is to herd the poor onto reservations (think the areas of Jobstown, Ballymun, Darndale in Dublin, and similar urban areas in other cities and countries) and make sure they stay there, thus making them functionally non-existent, except during elections. The third way, the blindingly obvious one, and the one favoured by libertarians, is by making the poor un-poor.

When people talk about libertarianism and its social implications, they sometimes seem to be under the impression that, as I’ve already noted, our brave new libertarian world is just like the old not-so-brave unlibertarian world except that it doesn’t have (social) welfare. But that is not so. *A world operating on libertarian principles would be radically different from the social world we now inhabit.* It’s important not to allow yourself to be constrained by a constipated imagination that has been produced by years of state-sponsored indoctrination (sometimes called education!)

It is true that in a libertarian world there would be no welfare, as that term is currently understood, meaning the involuntary transfer of wealth from one group of people to another or, to put it bluntly, theft. But I should stress that libertarians oppose the operation of *all* welfare, including corporate welfare. Nothing can be taken by force from one individual or group to be given to another, whatever the motivation, whether charitable or merely political clientship or helping out your pals in the banking business).

Welfare: social and corporate.

The most spectacular form of *corporate welfare* is the special privilege granted routinely and extraordinarily to the banks. These institutions, together with very large corporations, are, it seems, too big to fail. Not too big to need your money, of course, but too big to fail. Because of what is euphemistically entitled ‘fractional reserve banking’, banks, ironically, operate routinely in bankrupt mode. There is only one way to bring about the disappearance of the privileged corporate welfare recipients, and that’s by removing all

the laws that privilege them, and that requires removing the class of professional 'legislators' which, of course, is the ambition of all libertarian anarchists.

Social welfare, which is touted as a form of social insurance, is based not on funds accumulated from premiums (as is the case with any real insurance) but rather on current government 'income' and is therefore a Ponzi scheme where the early entrants reap all the benefits and the late entrants get little or nothing while paying for all. In connection with the old Roman form of social welfare, Ammianus said that '[the free poor of Rome] divided their days among wine-bars, cook-shops, dice-tables, chariot-races and gladiatorial combats.... a hundred and seventy-five days of the year were given up to public shows...in the mid-fourth century 300,000 Romans held bread tickets, which entitled them to draw free rations from the government....Certainly the population of Rome was largely parasitic.' [p. 60] And these rations and entertainments (bread and circuses) were paid for not by the Romans but by what is euphemistically called 'tribute' from their captured territories, or protection money, as you or I would call it. Well, exacting tribute from other nations is no longer fashionable, so governments, to fund their Ponzi social welfare schemes, must exact tribute from their own citizens. This tribute consists of the taxes we all know and love and which you too will eventually come to know and love—or perhaps not.

Welfare, whether corporate or social, is objectionable on two grounds—one, principled, the other consequential. The principled objection is that welfare in all its forms, whether corporate or social, involving the coercive transfer of property from one individual or group to another, is a form of theft, literally theft, and theft can never be the foundation of a just social order. The principled objection is—and this point is not generally appreciated—that welfare programs and those who support them institutionalise poverty and infantilise their clients. Someone once remarked that you'll get as much poverty as you're willing to pay for! It's as if they were to say "You poor people stay in your ghettos or reservations and we'll give you some money, but don't ever think that you have something to contribute to your family or community. Don't ever think that you can make a life for yourself, develop and exercise your skills or grow in self-respect based on achievement. Just stay where you are, know your place and vote as required." Moreover, the welfare state infantilises its 'clients'. The welfare state is an institutional mummy or daddy and its clients are institutionalised children. Infantilised in every way, they are deprived of the opportunity to exercise responsibility and encouraged to behave as large feckless children.

Welfarists are like a doctor who would say to a man with a broken leg: "Just stay on crutches and we'll give you pain medication to help you get around": the libertarian is the doctor who tries to get the man back on his own two feet as quickly as he can. The libertarian's vision is wholly different from that of the welfarist, and it is not just this world with a few minor adjustments. The key is liberty—freedom to act without legal constraint, subject only to the non-aggression axiom and voluntarily entered into contracts. Freedom to work, save, invent, spend, contract, care , and so oná.

As I said already and cannot sufficiently emphasise, the libertarian vision is not just the political status quo minus social welfare. It's about a world populated by people, families and communities who are free to take responsibility for themselves and their dependents. The libertarian vision isn't only or primarily about the elimination of all forms of welfare—it's about empowerment through liberty, so that anyone who has any skill at all

can make some contribution and so become not only financially self-sustaining but also socially responsible.

Libertarians believe that in a libertarian world there would be very many fewer poor people. Moreover, the uncoerced generosity of people of means would be at least as good as current welfare programs at assisting poor people and very likely much better. The number of charities that emerged in Britain and the USA in the 19th century was staggering. (See Taylor 1984) Libertarians don't reject *voluntary* 're-distribution' of resources (after all, you can do what you will with what is yours)—we just reject the welfare state's forcible and violent redistribution of other people's resources.

Legal and moral obligations

In considering these matters, it is essential to distinguish between moral and legal obligations. Not all moral obligations are or should be legal; and not all legal obligations are or should be moral. Wherever you locate the boundaries of such obligations, even if you differ from others in where you draw the line, you all accept this principle. I believe, in fact, that I have a moral (and religious) obligation to assist the poor, but I do not believe that anyone has a legal right to determine on my behalf how I give effect to that obligation.

The issue then relating to the poor seems to come down to this dilemma. Either you have the safety net of social welfare, which requires the institution of the state with all its coercive powers, including the power to confiscate and re-distribute your property; or, you have a libertarian world, with no coercive states (or states whose coercive activities are confined to the provision of law and justice), but also no social welfare and hence no safety net for the poor.

But this dilemma is false. There was social welfare long before the state ever got into the welfare business, forms of non-state social welfare that provided hospitals, schools and, as we shall see, much, much more. The existence of the non-state provision of social welfare is one of the best kept secrets in social and political thought, knowledge of which has only been retrieved in the relatively recent past from the depths of the Orwellian memory hole.

Friendly or Fraternal Societies or Mutual Aid Societies

Let me introduce you to the notion of the Friendly Society or the Mutual Aid Society. The Friendly or Mutual Society was once a central part of working class American and British life but has now almost vanished from memory. "Mutual aid" or "fraternalism" was the way that ordinary people, often poor, organised and acted collectively for their mutual help and benefit.

The services provided these societies were very wide ranging, stretching, literally, from the cradle to the grave. Today, we tend to believe that these kind of services can only be provided by government or (perhaps) by commercial enterprises. But for many years, these services were provided by the free co-operation of ordinary people. The spontaneous, organic development of mutual aid societies and the role they played before the development of the welfare state gives the lie to the claim that "except for government" people would be helpless and "dying in the street".

Friendly Societies were controlled by their members, that is, they were mutual. They were also decentralized. In the late 19th century, some of the larger societies built orphanages and old-age homes. The benefits provided by the Friendly Societies typically included: death benefits (often as much as was equivalent to a year's salary at the time) payable to survivors, unemployment assistance, illness cover, accident insurance, financial aid in the seeking of work, funeral expenses, health cover (by means of contracts entered into between the societies and physicians) and lump sums for emergencies.

Before the Depression, Friendly Societies dominated the health insurance market. Unlike commercial companies, Friendly Societies had a built-in check in moral hazard by virtue of their mutuality. If you cheated, you weren't cheating on some abstract commercial entity which had lots of money and could afford to lose some; you were cheating on your friends and neighbours. Because these societies were mutual and self-administered by those who supported them and benefitted from them, malingering and cheating was not a major problem. It was not a case of Lady Bountiful condescending to assist the poor, but of responsible individuals voluntarily bound together to assist each other. Apart from their aid and assistance functions, as mutual organisations, these societies were also a training ground for the development of leadership and character. The rules were made by the members for the members; if they constrained, they constrained voluntarily.

Incidentally, these fraternal societies were not, as their name might suggest, all-male preserves. There were Friendly Societies solely for women, auxiliary branches of other societies and given their longevity vis-a-vis men, women were the major beneficiaries of death benefits.

David Beito writes, 'With the exception of churches, fraternal societies were the leading providers of social welfare in the United States before the Great Depression. Their membership reached an estimated 30% of the adult male population and they were especially strong among immigrant and African Americans. In fact, African-Americans and immigrants were disproportionately likely to be involved in such societies. For African Americans (AA) you had, for example, the Prince Hall Masonic Order and there were many more. In Philadelphia, some 70% of African-Americans belonged to such Friendly Societies.' (Beito, 1990)

It is important to note that both Social Welfare *and charity* operate on an adversarial or quasi-adversarial relationship between donor and recipient. In contrast, the benefits provided by mutual aid institutions were rights, not handouts, and organised on a reciprocal basis, rather than on the basis of hierarchy and dependency, and they were tied to a strict and elevated moral code. Unlike the adversarial relationships engendered by government welfare programs and the private charity, fraternal social welfare rested on a foundation of reciprocity between donor and recipient. So, for examples, the manual of the Friendly Society called 'The Coloured Knights of Pythias' said that those who are sick 'among our brethren are not left to the cold hand of public charity; they are visited, and their wants provided for out of the funds they themselves have contributed to raise, and which, in time of need, they honorably claim without the humiliation of suing for parochial or individual relief—from which the freeborn mind recoils with disdain.' [723] In 1906, the National Fraternal Congress listed 91,430 lodges. By 1925, this had reached 120,000.

The situation in Britain was not substantially different from that in the USA. 'In Britain

the friendly societies were the most important providers of social welfare during the nineteenth and early twentieth centuries.”

Friendly Societies were to be found as early as the 16th century [the Incorporation of Carters in Leith, Scotland]. By 1801, there were 7,200 such societies with around 700,000 adult male members, in a society of 9 million. In 1848, the Manchester Unity of Oddfellows had 249,261 members; in 1870 it had 434,100 members. In 1848, the Ancient Order of Foresters had 84,472 members; by 1870, it had 361,735 members. By the time the British government introduced compulsory social insurance for 12 million people in the 1911 National Insurance Act, 9 million were already covered by various mutual associations. Government intervention occurred at a time when Friendly Societies were growing and indeed accelerating and when there were some 27,000 in existence and operating.

You might think: Friendly Societies were all very well for those who were in a position to join them. But what about those who couldn't afford to make the contributions? Those in uncertain work or those not able to insure themselves were a real problem but even the so-called undeserving were not to be neglected! Although aware that some people have a proclivity to trade on other's compassion and to be permanently in receipt of benefits, the Manchester Unity (with some 750,000 members) for example, held that 'those who unworthily seek assistance are not to be neglected if really in distress; the voice of misery, proceed from whence it may, should never be disregarded. However, after relieving the actual wants of these unhappy persons, we should endeavour to raise them from the degradation in which they have fallen and make them richer in their own esteem. As it is better that ten guilty persons escape than that one innocent should suffer, so it is better that ten undeserving person be assisted than that one worthy be neglected.'

William Beveridge, the man credited with the invention of the British welfare state, (1942) proposed to keep Friendly Societies in the loop to supplement and cooperate with state action. 'Beveridge sought to maintain the position of the friendly societies, among other things by preserving the role of the societies in the administration of sickness benefit and by arguing for a flat-rate contribution/flat/rate benefit system designed not to discourage incremental, personal provision. In his 1942 Report, Social Insurance and Allied Services, he recommended that the proposed Ministry of Social Security should make agreements with societies whereby they would act as agents for the administration of sickness benefit....'[80] These proposals were rejected by the Atlee government in favour of full nationalisation of social security.

Charles Hanson writes 'the tragedy of the welfare state is that the reformers have been far more interested in grandiose, centralize, all embracing compulsory schemes than in tackling the tricky problem of the 'residuum'. And in developing these grandiose schemes they have damaged the spirit of self help, of which the friendly societies were the epitome'. Much more than a means of addressing deep-seated cultural, psychological, and gender needs, fraternal societies gave people a way to provide themselves with social-welfare services that would otherwise have been inaccessible. In addition to creating vast social and mutual aid networks among the poor and in the working class, they made affordable life and health insurance available to their members, and established hospitals, orphanages, and homes for the elderly. Fraternal societies continued their commitment to mutual aid even into the early years of the Great Depression.

Why did the number of Friendly Societies eventually decline. One reason might have to do with the kind of actuarial problems common to all forms of insurance. But there is a more significant correlation between government involvement and the decline of the Friendly Societies, a phenomenon known as ‘crowding out’. Mutual aid is, after all, a creature of necessity. Where that necessity disappears upon the provision of ‘free’ social welfare, so too does the mutual aid. Friendly Societies remained viable during the Depression but as Social Welfare went up, Friendly Societies went down. Reciprocity and autonomy gave way to paternalism. After all, why pay for something when you can, it seems, get it for free?

Conclusion

Suppose we were able to reintroduce Friendly Societies into our societies, would the world then be perfect? No. Perfection is impossible. The decision as between schemes A and B is not which is perfect but which, taking everything into account, is the better. There is no reason to think a libertarian world with flourishing Friendly Societies would be less effective at relieving want than what we have at present, and there is every reason to think it would be more effective while, at the same time, respecting people’s freedom, their property, their decisions, and their responsibilities. Moreover, in the libertarian world, charity will be even more effective in reaching people in need than it is now because there will be far fewer poor people, many more people with more disposable income and therefore a greater amount of money available for a much smaller target. So, who holds the high moral ground on this issue—state welfarists or libertarians? Hmmmm! Let me think!

Social welfare, supplemented by charity, is based upon the use of or the threat of the use of force, is economically inefficient in that it creates a permanent class of poor, leaves less money available for charitable use, creates a culture of dependency and thus impairs human dignity, and relieves people of the need to care for themselves and for and about others [the Scrooge principle—“Are there no workhouses?"]. Mutual aid, on the other hand, supplemented by charity, is *not* based on force, is economically efficient in that there will be significantly fewer poor people, makes more money available for charitable use, and encourages self-help, independence, mutuality and social solidarity.

“Let the poor starve?” Not in a world that respects human dignity, human responsibility and human freedom. In a word, not in a libertarian world.

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