



# Book Social Welfare and Individual Responsibility (For and Against)

David Schmidtz and Robert E. Goodin  
Cambridge UP, 1998

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## Recommendation

David Schmidtz and Robert E. Goodin present a point-counterpoint discussion of the role of government in social welfare programs. This book explains the basic disagreements underlying the social welfare debate. David Schmidtz reasonably presents the conservative argument, but does not address what to do with people who truly cannot contribute to the economy. Goodin stays more clearly on topic, particularly when dismantling arguments for "self-reliance," but is less persuasive when he discusses the fate of displaced workers. Schmidtz is willing to accept more people suffering today as the price of progress. However, his argument is weakened by his use of out-dated statistics, which cast a shadow on his other assertions. Goodin prefers to sacrifice some progress to help those who are suffering today. Although neither writer anticipated the recent economic boom, which exposes flaws in both arguments, *BooksInShort.com* still recommends this valuable book as a serious study of social policy.

## Take-Aways

- People are better off when they think of their welfare as their own responsibility, not the government's.
- Everybody can win when commerce creates prosperity.
- Distinguish between internalized responsibility and externalized responsibility.
- The welfare state, a vast experiment with externalized responsibility, ensures that the poor will stay poor.
- Every system leaves some people behind, but the best systems encourage people to contribute.
- Social welfare has long pitted personal responsibility against public dependency.
- Society must decide what to do with people who are unable or unwilling to assume responsibility for themselves.
- In most social welfare discussions, responsibility is defined by looking backwards and assigning praise or blame. It is better to look forward and decide what we should do in the future.
- If punitive deterrents work, fewer of the "undeserving poor" stay on welfare. Yet deterrents still punish those who remain, no matter how helpless or innocent.
- By focusing on creating opportunities, we empower the poor to make choices.

# Summary

## David Schmidtz: Taking Responsibility

In a market society, prosperity and profit comes from producing what other people value. Everybody can win when commerce creates prosperity. Some people are always behind, but there is material progress. People see a need, meet it, and create things of value. People are better off when they think of their welfare as their own responsibility, rather than the responsibility of the government. It is more important to create and support institutions that prevent people from being left behind, than to save them after it happens.

“If we wanted to guarantee that the poor would be left behind, here would be the way to do it: teach them that their welfare is someone else’s responsibility.” - David Schmidtz

Institutions create conditions where people can lead peaceful, productive lives when these institutions lead them to take responsibility for their own welfare. Our institutions should lead people to be willing and able to take care of themselves - and each other.

Distinguish between internalized responsibility and externalized responsibility. Economists call it a negative externality when some people bear the costs of other people’s decisions. People who do not take responsibility for their own problems, externalize responsibility. Those who accept accountability for their own welfare internalize responsibility. When groups internalize collective responsibility, society prospers. When responsibility is externalized, people pay for other people’s needs and mistakes, not their own.

“Crudely put, we are asking our institutions to guarantee that people will not need to fend for themselves (or each other) when we ought to be asking our institutions to make people willing and able to fend for themselves (and each other).” - David Schmidtz

People who internalize responsibility do not need government help. We must not disrupt economic processes that allow people to be free of government help. The welfare state is a vast experiment with externalized responsibility, even including efforts to deliberately increase dependency on government. This all but ensures that the poor will stay poor.

“The welfare state’s actual operation provides more occasion for mutual recrimination than for fraternal feeling. It turns people into faceless strangers, not neighbors.” - David Schmidtz

People must be accountable for their actions. Private ownership is not the only, or even the best, way to get that accountability. One sensible social goal would be to combine public and private property in a way that keeps externalities and transaction costs to a minimum. Even if a role is preserved for common property, government should not necessarily manage it. Governments are often inept at managing large resources. Nor does internalized responsibility mean everyone must fend for himself. People can come together, without government, for mutual aid.

“I have come to believe that material progress has less to do with individual responsibility and more to do with internalized responsibility.” - David Schmidtz

Some say that the quality of life for the poor began to decline when social welfare programs were installed to protect them. We will never know whether those programs caused that decline. But people feel widespread dissatisfaction with the results of the welfare state. Mutual aid societies thrived on sharing and a sense of brotherhood. That sense of brotherhood is lost when society tries to enforce charity on a national scale. When government gives people a right to receive benefits without having to be productive, it turns individual production into a societal problem. This turns people against each other. Government intervention forces people to fight to get control of the power of government. On the other hand, when people choose to take responsibility, they become less of a threat to each other.

“Encouraging people to take responsibility can help many of the people who need help right now, but that is not the main reason for such encouragement. The main reason is that when people take responsibility, they are less likely to need help in the first place.” - David Schmidtz

Every system leaves some people behind. But the best systems are those that encourage people to contribute. Society can create a

social safety net while it also encourages people to internalize responsibility and contribute. Mutual aid societies do that. This helps make everyone better off.

Is such a scheme just and fair, if you define justice as people getting their due? Problems start when we try to define exactly what people are due. Justice can include equal shares and equal opportunity, but that is not enough. Those who arrived first established property claims and built the economy. Successful regimes honor the principle of first possession, not equal shares. Under the idea of equal shares, newcomers are a threat. First possession makes communities possible.

“By promising that people who make mistakes will not have to pay for them, externalized responsibility makes a sometimes frightening world feel safe.” - David Schmidtz

Equal opportunity is a limited part of justice. The purpose of an economic system is not to protect the winners or to ensure that everyone has an equal chance to win. It is to make sure that people have a reason to compete. By doing so, they get to participate in broad prosperity.

Social welfare and Social Security reform proposals will affect people in the short run and the long run. Both are important. The status quo is not just. Even if society changes to create greater mutual advantage, those changes do not necessarily make amends for past injustices. What about those who are truly incapacitated? Should they be left behind? No. Increasingly, people can work around their handicaps, so there is less and less reason to waste any person's potential. Encouraging people to be productive helps build their self-esteem. The market society does not guarantee the right to a comfortable life as a non-contributor. The goal is to prepare people for life as responsible adults, not to make responsible adulthood unnecessary.

## **Robert E. Goodin: Social Welfare as a Collective Social Responsibility**

Of course, it is good when people take responsibility for their own well being. But that is not what the argument is about. The question is, "What should society do with people who are unable or unwilling to assume personal responsibility?" Social welfare has long pitted personal responsibility against public dependency. Though notions of personal responsibility have become associated with the extremes of the right wing, they are not new. Historically, they have wide support. What is new is the way they have been used. The right uses "taking charge their own lives" to mean that welfare mothers should take charge their fertility, or that welfare recipients should take "workfare."

“Unquestionably, behaving responsibly is a virtue...The question is merely what to do about people who are unable or unwilling to assume responsibility in this way.” - Robert Goodin

For many reasons, welfare to mothers is controversial when other aid is not. Dependencies associated with "natural and appropriate" aspects of life are ignored, as if they were not dependencies at all. The result of these omissions is a moralized definition of dependency. Contrary to most impressions, most welfare recipients do not stay on welfare very long. They pass through a crisis and get back on their feet. Yet at any given time, most individual welfare recipients are long-term recipients. This is because the long-timers accumulate, while the short timers quickly leave the rolls. Critics focus on those long-timers.

“The question is not whether to praise those individuals who are shouldering responsibility for themselves and their families. The question is instead what we collectively should do, as a matter of public policy, when individuals fail to live up to that ideal.” - Robert Goodin

Why do some people leave welfare quickly and others linger? Clearly, society should look for social welfare solutions that help long-term recipients move toward an independent life. But be careful of policy reforms that might hurt the short-term, majority of welfare recipients. Reforms that merely "crack down" on long-timers are more likely to harm the appropriate, short-term recipients, than to weed out the inappropriate, long-term users. An ironclad rule that cuts off benefits after a time limit is likely to harm many people who do not deserve harm.

“It is the nature of safety nets and last resorts that in order to perform their residual safety net function at all, they simply must be unconditional in nature.” - Robert Goodin

Clearly, some dependencies are considered worse than others. This comes down to a moral judgment that people should not rely on

some things. But the dependent person seems to have no options. Those who control the resources have absolute power over those who need those resources. So dependents become passive. Conservative critics call that a failure of will. Dependents call it a lack of realistic alternatives.

“From the dependent’s point of view, the problem is that they have no option but to rely on assistance from a single source, on whatever terms that assistance is offered.” - Robert Goodin

The demand that people take "personal responsibility" has two parts. First people must plan for their futures. Second, they must plan to rely only on their own resources. In reality, long-term detailed planning is for those who confidently control the resources to make their plans succeed. Poor people do not have that control. When people plan their lives, they must do so loosely. They take many shortcuts, which sometimes turn out badly. Critics often call people "irresponsible" for making decisions that were perfectly reasonable at the time, but had a bad result.

“Scornful though they may be of compulsory state schemes, advocates of 'self-reliance' and 'personal responsibility' often speak powerfully in favor of voluntary private ones.” - Robert Goodin

Critics complain that welfare creates a "dependency culture" and say that "self-reliance" is the cure. But the concept of self-reliance is relative. Advocates of "self-reliance" urge grown children to move in with their parents and tell laid-off workers to borrow until they find work. What do people do when they lack the support of family and friends? Forcing people to rely on reluctant relatives only shifts dependency. Is "self-reliance" the same as "appropriate" reliance? What is "appropriate" depends on a moral judgment. Society cannot condemn policies that "encourage dependence," when dependence has been defined in such a moralized way.

“The attempt to encourage more 'responsible' behavior on an individual basis is almost certainly the less effective way of achieving desirable outcomes overall. We merely have to decide what we want, better people or fewer dead bodies.” - Robert Goodin

The missing premise from the conservative argument has to do with "family values." The dominant western ideology of familism says that you should rely on your family. Many defenders of family values simply ignore the fact that sometimes families fail to live up to that role. The alternative to "personal responsibility for welfare" is "collective responsibility for welfare." Collectivization means sharing responsibility, distributing it to the entire group. The group may decide to give a particular job to a specific person, or to a corporation or a state. In most social welfare discussions, responsibility is defined by looking backwards and assigning praise or blame. It is better to look forward and decide what we should do in the future.

“Family relationships are always enormously complex and invariably represent a delicately negotiated order. Compelling families to support 'their own' in the name of 'family values' will actually undermine those delicate balances.” - Robert Goodin

Separating the "deserving" poor from the "undeserving" poor, according to who is at fault, is an old idea. Abandoning this fault-based approach was a great step forward. No-fault approaches have been very successful, beginning with workers compensation for on-the-job injuries. In moving away from fault-based approaches, society has moved toward attractive insurance-based schemes that pool and collectivize risk.

“History is not always easily reversible. People cannot always get themselves out of the jam as easily as they got themselves into it. Sometimes no one can. But sometimes others are better situated to get them out of a jam that they and they alone got themselves into.” - Robert Goodin

Many arguments about welfare center on incentives and deterrence. Deterrents meant to promote personal responsibility often have unintended consequences. Because they are meant to push people off welfare, deterrents use punitively low benefits. If the deterrents work, fewer and fewer of the "undeserving poor" are among those left on welfare. Yet those who remain are still punished by the deterrents, no matter how helpless or innocent they are.

“Here, then, harming innocents is in no sense an accident. It is not the unintended consequence of a deterrent policy misfiring. Rather it is a direct and utterly foreseeable consequence of the policy’s working precisely according to plan.” - Robert Goodin

Society could take a more positive approach. Perhaps it should be more attractive for people to look for work. Instead of thinking about incentives, society could create more opportunities. By focusing on creating opportunities, we empower the poor to make choices.

Perhaps welfare should be viewed as compensation for long-term "structural unemployment." Many workers are unavoidably unemployed in today's economy. This raises moral concerns. How can society insist that everyone take "personal responsibility" when there are not enough jobs? Through government programs, society can pool the risk of being structurally unemployed. We do that through government programs. Some goals are best achieved through public action, including promoting collective welfare. Personal responsibility is good, but it is not the only good.

## About the Authors

**David Schmidtz** is a professor of Philosophy and joint Professor of Economics at the University of Arizona. He research interests include environmental ethics and moral theory. **Robert Goodin** has a doctorate in politics from Oxford. In 1989, he became professor of philosophy at the Research School of Social Sciences, Australian National University. He has written various books on political theory, public policy and applied ethics.

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