

# Societal Debt

“Indebted to the society that enabled their high incomes and wealth, the rich have societal obligations that exceed those of people with lower incomes.”  
- Ezra Rosser

This notion that the rich in a society must owe more than the poor to that society, given that the rich have gained more and that the society has enabled this must be based on one of two assumptions.

The first possibility is that society has differentially treated those persons who have become rich. For example, nobility in some societies have received differential treatment based solely on their birth. In those societies laws governing nobility were actually different than those governing other people and so society did enable those lucky few to maintain their riches at the expense of the poor in the society. Certainly a case can be made that nobility in such a society “owes” more to that society. The least the nobility could do in this unjust situation would be to cover the cost of defense of the country, one might argue. Or, of course in a society that allowed slavery or serfdom where one group has differential rights even over the other group. But this is not the case in the United States today where laws apply equally to all persons. We will leave aside differential tax rates and welfare payments and other redistribution, and assuming that the author of the quote would make the claim for a society where there was a flat tax rate and government solely protected rights and performed no redistribution.

The second possibility is that the society has treated the two segments of society equally at least *nominally*, but in fact only certain people are able to take advantage of the society’s functions. For example if the government were to send every house a lawnmower which was theirs to keep provided that they used it within one week to tend their lawn. Those houses without a lawn would certainly be unable to take advantage of this generosity and could be said to owe less to the society. So, nominally the society has treated everyone equally but in truth some people were left out of the equation and arguably should not be forced to pay into such a system. If some gained disproportionately - if households received one lawnmower per 10 acres for example - then they might arguably owe society disproportionately as well. However, this is also not the case in the United States.

The only two ways to argue that this is the case in the United States are the following and they are both contingent upon another assumption - an economic one. 1) to argue that some people are innately unable to prosper (or innately unable to prosper equally) in a society that simply protects inalienable rights and does nothing else for them or 2) that everyone is innately able to prosper but some are born at such a disadvantage that they are never practically able to catch up and do well. If, in fact, it is mostly by choice that some do not become rich - i.e. they prefer leisure to work even if it means remaining poor - then it cannot be blamed on society at all. But, even if it isn’t all by choice, one must also ask about the alternative; what if the poor of numbers

1 & 2 above owe something to society by giving them greater freedom to *become* rich?

In number one, the argument rests on either a biological or psychological defect or exceptional characteristic that allows some persons to exceed others in such a way that the society has given them an advantage by setting up the rules as it did. It is true that some people will always be more gifted than others, however society did not provide them these gifts. All that society can do is to help out those who are not gifted at the expense of the gifted in order to right this perceived wrong. So, is a society which does not do that enabling those who are gifted to become rich such that they owe more to the society? Well, this depends at least in part on whether the other option would enable the rich less and able the poor more.

If in fact a redistribution scheme would be a drag on the economy overall and leave both rich and poor worse off by dampening economic growth, reducing the overall number of jobs and depressing wages, then one cannot argue that a society without such a scheme has unduly hurt the poor. Nor can it be said that it has actively *helped* the rich, since it has only refrained from hurting them. Could it still be said that this society has enabled the rich to become so? Perhaps, but it has equally enabled the poor to become rich, since it has allowed the economy to flourish in such a way as to allow the poor to do better for themselves. So, arguably the rich owe no more to this society than the poor, even if they are biologically or psychologically disadvantaged, so long as there is evidence that redistribution is enough of a drag on the economy as to hurt the poor by as large a percent in income as it hurts the rich over the course of each of their lifetimes.

What society has done is it has *allowed* the rich to become rich. But it also *allowed* the poor to become rich too. The *outcome* was different but not society's role.

The second criteria is more straightforward. Are the poor at a disadvantage because they were born into a disadvantaged situation and unable to overcome the hurdles necessary to gain from the what the society offers. In order to test whether it is the fault of the individual or the cause is the disadvantaged situation, one can investigate whether any born into such a situation have been able to overcome it. Of course many have. And many of the rich that the quote above suggest owe more to the society were not born into advantage. Still, one might suppose that if it is more difficult to take advantage of society's offerings when born into desperation, then it would mean that the society provides its blessings unevenly. Yet, because society is not perfectly limited to protecting rights and there is some redistribution, one must also question whether the difficulty in overcoming disadvantaged situations is due to the *lack* of help from the society or in fact is due to the help that *is* provided. Some evidence points to the latter.

If in fact a society that attempts to help those born into a disadvantaged situation actually hurt those people more, then clearly that is an argument more that the *poor* owe something to this society. It also argues against an idea that the rich in this society owe more to it than the poor simply because they were born with an advantage, because the poor have also gained from the lack of redistribution. One must compare the gains that each have due to living in this society compared to another society, not just the gains that each has compared to the other group.

If economically both groups - the rich (who may have worked very hard or may have been advantaged by biology or luck) and the poor (who may have chosen leisure or may have been

born into a bad situation) have both gained by this society more than they would have gained by another society, then neither has been given more than the other by society. So long as the society itself has not, through law or discrimination treated one group differently, then there is no moral ground for charging that the rich group *owes more to* society. It has simply gained more given the same societal structure. The same societal structure and treatment deserves the same thanks - even though one group managed to do better than another. If I give two men stranded on deserted islands a pile of logs and one builds a raft and the other burns it for firewood and the one that builds a raft manages to make it back to the mainland, he does not *owe me more*, nor should I demand greater gratitude for my gift. He may offer me more gratitude, he may be willing to pay more for this product, but morally he does not owe me more as I offered the same gift to both men. It was up to them what to do with it. So long as society cannot be held responsible for the initial difference between the rich and poor - their biology, their birth - then it cannot be held responsible for what they do with it given equality before society's rules. And given that both gain equally by having this set of rules and not an economically faulty redistribution system, neither one can be said to owe society *more* for what it offers and refrains from offering.