

Egalitarian Georgism

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How would such a guarantee be delivered? Obviously by taking from those who produce more than average and giving to those who produce less. So there would be no material incentive to produce. So the average would plummet. Thus, in practice, an equal distribution of wealth reduces to an equal distribution of poverty. You can call such a society "egalitarian" if you wish; but you'd rather be born into something better.

Would you choose to be born into a society characterized by extreme contrasts of wealth and poverty? If you knew you would be one of the wealthy, that might seem a good deal

But what if you didn't know? What if you had to choose your society without knowing what your place in that society would be? This is the so-called "veil of ignorance" popularized by John Rawls in 1971, as a means of eliciting honesty in deciding what is fair.

A society in which extreme wealth or extreme poverty were simply an accident of birth might be "egalitarian" in the sense that everyone has an equal chance in the lottery of birth. But for fear of being born poor, you'd rather buy your ticket in some other society's lottery.

Even so, it is not clear whether you would regard a rigidly unequal society as worse than one that guaranteed an equal distribution of poverty. If you were risk-averse, you might decide that the certainty of being poor

is better than the risk of being poorer. If you were more tolerant of risk, you might decide that a slim chance of being rich is better than the certainty of being poor. If you were sensitive to social status, perhaps you would rather be absolutely poor than relatively poor and would take that preference into account. But neither option is attractive.

What about a society in which your wealth or lack thereof depends solely on your own efforts? Such a society, unlike one that guarantees an equal distribution, has ample incentives to be productive and therefore produces ample wealth. And unlike a rigidly unequal society, it gives you a share of that wealth if you simply respond to the incentives. Such a society is "egalitarian" in the sense that everyone has an equal OPPORTUNITY to succeed. That's more inviting.



Pic: Highlighting the need for equality of access to land

“The Georgist system is characterized by equality of access to land”

There are many loose ends. We haven't specified whether the "veil of ignorance" extends to ignorance of your personal likes and dislikes, hopes and fears, or (perish the thought) moral strengths and weaknesses. More importantly, we haven't specified whether it includes ignorance of your inherited talents. Hence we haven't specified whether an equal-opportunity society should attempt to compensate for the effect of talent on opportunity and, if so, how it would distinguish between lack of talent and lack of diligence. But we have said enough to establish that equality of opportunity is a more desirable form of "egalitarianism" than equality of outcomes or equality of odds in a lottery.

It is also clear that the "opportunities" that need to be "equal" are those which people cannot make for themselves, and which we might therefore call "natural" opportunities. Given

sufficient natural opportunities, people will make such other opportunities as they need.

The Georgist system, of course, is characterized by equality of access to land, achieved not by dividing the land itself, but by dividing its value under the [dis]guise of taxation. Hence we must ask: To what extent is "land" synonymous with "natural opportunities".

In *Progress & Poverty* (book 1, chapter 2, par.21), Henry George wrote: "The term LAND necessarily includes, not merely the surface of the earth as distinguished from the water and the air, but the whole material universe outside of man himself... The term LAND embraces, in short, all natural materials, forces, and opportunities, and, therefore, nothing that is freely supplied by nature can be properly classed as capital."

The words "outside of man himself" exclude inherited talents. The same paragraph goes on to say: "In common parlance we often speak of a man's knowledge, skill, or industry as constituting his capital; but this is evidently a metaphorical use of language... Superiority in such qualities may augment the income of an individual just as capital would...; but this effect is due to the increased power of labor and not to capital."

Likewise, inherited talents are a quality of labour and are therefore not among those "natural opportunities" classified as land.

In the next three paragraphs, George further developed the distinction between land and capital and then returned to the word "opportunities" in a more inclusive sense: "Nothing... can be capital that is not wealth. But it is from ambiguities in the use of this inclusive term WEALTH that many of the ambiguities which beset the term CAPITAL are derived... [M]any things are commonly spoken of as wealth which in taking account of collective or general wealth cannot be considered as wealth at all. Such things have an exchange value...; but they are not truly wealth, inasmuch as their increase or decrease does not affect the sum of wealth... Such are lands, or other natural opportunities, the value of which is but the result of the acknowledgment in favor of certain persons of an exclusive right to their use, and which represents merely the power thus given to the owners to demand a share of the wealth produced by those who use them."

Note the implication that "lands" are included in "natural opportunities". So, provided that all qualities of labour, including inherited talents, are EXCLUDED, it would seem that equality of "natural opportunities" is the essence of Georgism. Apart from a possible quibble over differences in talents, it is also the essence of egalitarianism.

