Journal of Markets & Morality 1, no. 2(October 1998), 169-191

The Economics of Bertrand de Jouvenel

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The Death of Socialism?

In recent years, the world has witnessed the most surprising events since World War II. Almost overnight, the Berlin wall came down, Communist control of the Soviet Union and all of eastern Europe virtually disappeared, and a very determined man, friendly to the West, religion, and the free market, was elected president of the newly reconstituted Russia, resisted two *coups d'etat*, and instituted free-market reforms. Even in mainland China, still officially Communist, economic reforms have been tolerated, moving at least certain segments of the nation toward freedom. It is a sign of the times that the two largest fast-food chains in the world now maintain franchises in Beijing and Moscow. Certainly, to any person who has seen how the varieties of socialism have ravaged the economies and freedoms of millions of people, and have produced the nuclear-shrouded nightmare of the Cold War, these events come as a great blessing and relief.

The West was on the march to greater economic freedom even before these momentous events took place. The reforms in England under Prime Minister Margaret Thatcher, and in the United States under the presidency of Ronald Reagan, have brought about the most prosperous times in recent memory to both nations.

One might be led to think, as many have, that the time of statism is over; that the economic and political liberties that make the West, and especially the United States, so prosperous would be accepted by everyone as the standard with, of course, whichever modifications have to be made to adapt them to the local conditions and traditions of each nation.

While this seemed to be true in the beginning of this period of great ferment, burgeoning freedom, and prosperity, the trend would not last. Difficulties in reforming the economy in Russia and Yeltsin's wavering on the progress of the reform agenda caused his reform-minded cabinet to resign, and anti-reform challengers have since plagued his efforts. In the United States, in the wake of an economic downturn during the years 1989-1991, the push to the old, more statist ways of the interventionist, redistributionist economy again surfaced with the election of Bill Clinton. This was probably nowhere more evident than in the ill-fated Clinton health care plan.

Concern over the rebirth of socialism is expressed by Professor Thomas Molnar. He writes: "One of our conclusions must be that with the collapse of Soviet communism, the socialist idea has not disappeared, and perhaps has not even been weakened."[1] The reason that socialism has not vanished is that it is not really an economic theory but a kind of gnostic ideology with economic overtones:[2]

> It [socialism] has become a kind of millenarian belief that beyond the misery, the abuses, the routine of the world as it is organized, there is a "socialism with a human face" which will somehow gather people under one canopy, enabling them to work and play, cry and laugh, become open to each other. This has become a modern myth, impermeable, like all myths, to rational arguments and tangible experience to the built-in shortcomings or the terrible abuses of certain forms of socialism.[3]

Molnar lists the qualities that socialists hope to obtain from the acceptance or the imposition of some form of socialism:

a.) a return to simplicity, as seen in the thought of Jean-Jacques Rousseau and Claude Levi-Strauss;

b.) the humanization of technology, as seen in the thought of Jacques Ellul and A. Gahlen;

c.) an anarchic, tribal contentment, as seen in the writings of Marshall Salins and Michael Serres; and

d.) third-world intellectuals, even the non-Marxist types, see in socialism equilibrating factors to Western influence, the guarantee against neocolonialism, and a return to the "old ways" such as the village-community, ancestral religion, and the art of the millenaries. Hence, "Socialism is not dead, nor is it defeated by the spectacular and truly historic events in Eastern Europe (1989-1990)."[4]

Years ago, in his candid and prophetic address at Harvard University, exiled Soviet dissident Aleksandr I. Solzhenitzyn said that even though the whole world knows that things are better in every way in the West, "many people living in the West are dissatisfied with their own society. They despise it or accuse it of no longer being up to the level of maturity attained by mankind. And this causes many to sway toward socialism, which is a false and dangerous current."[5]

If there is still lingering doubt regarding the move toward socialism in the United States, it would be instructive to listen to the socialists themselves. One of the most well-known socialists, Professor Robert Heilbroner, recently retired from the New School for Social Research in New York City, said of Clinton and his policies: "The vision is that something like a New Deal offers a chance to open a better chapter in our history. There is no telling whether William Jefferson Clinton will be another Franklin Roosevelt, but I think there is a case for hope."[6]

Surely, it is apparent by now that the idea of redistributing wealth by taxation is far from dead. The purpose of this study is to examine the nature of modern politics and provide a critique of the redistributionist impulse as seen by one of the premier political and economic thinkers of the twentieth century, Bertrand de Jouvenel. His *Ethics of Redistribution,* the book with which this study culminates, was a publication by Cambridge University Press of two lectures given by Jouvenel at the University in 1951, and reprinted by Liberty Press in 1990.

Ignoring Jouvenel's Economic Thought: A Review of the Literature

While a number of writers in the past have analyzed or commented upon Jouvenel's work, none has devoted any serious space to a discussion of *The Ethics of Redistribution*. Roy Pierce has written that Jouvenel's writings "are inspired by one overriding consideration: that politics is dangerous, because if it is not rightly conducted it can produce disastrous consequences for the citizens."[7] Nevertheless, Pierce's work has no real discussion of Jouvenel's economic thought, and does not even mention the *Ethics.* There is even no mention of Jouvenel's economic thought in Germino.[8] Carl Slevin's chapter on Jouvenel in Crespigny and Minogue's book discussed Jouvenel's early economic orientation but does not mention the *Ethics*.[9] Slevin also briefly discussed Jouvenel's early economic thought in another work showing that, prior to the Great Depression, Jouvenel and his political allies had attempted to persuade the government and businesses in France to apply up-to-date economic techniques

to production. Their pleas fell on deaf ears for the most part, and were drowned out by the coming of both the Great Depression and World War II.[10] Michael Dillon mentions the *Ethics* twice but only very briefly in his dissertation. Dillon's dissertation, written to satisfy the requirements for the Ph.D. degree in political philosophy, exhibits a tendency to be interested in the *Ethics* not only for its political teaching but to misread the book due to that predisposition. For example, Dillon tries to answer the question: "What does Jouvenel feel is the proper function of the state as seen in the *Ethics*?" This question goes beyond the scope of Jouvenel's treatment there, so to pose the question is to give birth to an unwarranted criticism.[11] Later on, Dillon concentrates on the briefly considered idea of community brought up in the *Ethics.* But Dillon's short discussion has no relation to Jouvenel's economic argument except as Jouvenel criticizes what he thinks is the socialists' false idea of community.[12]

This author's doctoral dissertation examines the *Ethics* to a greater degree than any other secondary source has, to date. Four pages are spent summarizing some of the major themes of the book. First, socialism is based on a false interpretation of Christ's command to give to the poor; second, redistributionism, pushed to a condition of "Pareto optimality" where there is such equilibrium that no benefit could occur to one person or segment of society without injuring another, means that all non-mediocre goods would go out of existence, thus leading to economic stagnation and the enormous growth of government power if any extraordinary projects are to be undertaken.[13] Many other works take appropriate quotes from Jouvenel's books to illustrate points the particular author is trying to make, but there has been no systematic analysis of his economic theory.

The Genesis of Jouvenel's Economic Thought

Two of the most important themes in Jouvenel's writing are his focus on the person and the role of cause and effect. He sums up the nature of both political and economic activity by saying: "In all human relations, what occurs is the result of an initiative by a certain party."[14] To put it another way, he writes: "One of our earliest steps in our exploration of the universe is to discover, behind an occupance, a person."[15] In order to reach a full understanding of these statements, an analysis of mankind—as Jouvenel sees it—is necessary.

While, of course, admitting that man is capable of reason, Jouvenel asserts that men are prone to act according to their affections and passions, and are primarily social and dependent creatures, unlikely to oper-

ate within the realm of pure logic. Man's dependence on others is illustrated especially in the first chapter of *The Pure Theory of Politics* as follows: "[M]an appears, a screaming bundle of flesh, the outcome of mating. He is utterly helpless, his existence hangs upon the nursing he receives."[16] From the birth of the person onward, Jouvenel emphasizes this dependency on others, and he sharply criticizes the formulators of the "State of Nature" theories, which view man in some pristine form, living almost completely independent of others.[17] He says that man is to be seen as arising out of "group protection and group tuition" from which he acquires both his survival and traits of humanity. The notion of a fully grown man striding about in nature and deciding in a vacuum, as it were, to come to terms with others is pure fantasy. This assumes away the conditions of his own production.[18]

So, the individual cannot exist without the group and the support of others, and yet the groups are formed of individuals who needed the same protection and nurturing as the newer members. In fact, there seem to be no actual examples to which the State of Nature theories can point. Even our feeling bound by the mere exchange of promises, something that is the very foundation of any "social contract," would have had to be learned in a prior group existence.[19] Without this prior learned experience, our lives would be, indeed, to use Hobbes' expression, "solitary, poor, nasty, brutish, and short." But all of us, from the tiniest tot to the oldest of all, learn to depend upon the activity and behavior of others to the extent that, if the expected conduct is not forthcoming, we are usually shocked or upset to varying degrees, thus demonstrating that what we expect from others is the rule and not the exception. This is so much the case, Jouvenel argues, that even the ideas of serious thinkers are formulated with their own society as a backdrop: "Thought is less independent than is supposed, and philosophers are more indebted than they admit to fashionable idols and popular parlance."[20]

Man is so dependent on others, according to Jouvenel, that all men are "susceptible to the promptings" of others; that is to say, wherever a person looks he will see one person attempting, and very frequently succeeding, to persuade others to do something.[21] Not only are men constantly prompting other men, but they tend toward cooperation naturally: "Ready to obey an imperative signal, he [man] is willing to bear out what is demanded of him, and he is inclined to do it rather than not to do it."[22] Of course, man's willingness to comply will depend upon the varying circumstances presenting themselves, "but by itself the request exercises some pressure, which

bids fair to be operative in the absence of strong motives to the contrary."[23] This is nowhere more clearly illustrated than in the life of the Greek Alcibiades, who could be said to be single-handedly responsible for the downfall of Athens in 410 B.C. [24]

In its pure state, this tendency to prompt others to cooperate with our wishes and their tendency to comply is not a simple matter. Assume two people, A and B. A wishes B to perform action H, say, to purchase something. While the idea of H is presented by A, the whole performance of H relies on the willingness of B to do it, such that A is now completely dependent on B.[25]

Among the factors influencing B are, according to Jouvenel, a certain general disposition to respond; B's subjective impression of the action H; and the person of the instigator, namely, A. In any particular person's case, these impressions are, in turn, subject to one's personality, shaped by our past, our convictions, and external restraints placed upon the response that one might make, such as prior commitments, finances, and so forth.[26]

The implication of all this for economic activity is illustrated by Jouvenel as he delves further into the nature of man. Man, he says, is a "forward-looking creature, and frequently looks ahead to the successful accomplishment of some goal." It is here that Jouvenel's notion of a "project" enters the analysis. He writes:

> I project, that is to say, I cast something forward into time. What do I cast? My imagination, which jumps to a time not yet accomplished and builds something there … and this construct beckons and exercises a present attraction on me. Thus actions coming before this imagined future are determined by it and prepare it rationally.[27]

Therefore, he concludes, "It is fundamental that Ego [some individual] know himself as a cause.… Ego knows that he has forces at his disposal, forces he can mobilize by conscious effort in order to carry out a project."[28] At this point, the point at which the individual is prepared to begin the accomplishment of the project, he "sets in motion a technique for rallying assents," the assents of those who will assist him in fulfilling his goal.[29]

It should be noted that the promoter *rallies* his support, which seems to imply an emotional appeal as opposed to a calm, rational approach to such actions. The rallying of wills seems to imply the raising of a certain *esprit de corps* among those who give the rallier their assents. The source of this method is a psychological need in man: ralliers

> know the real man, who needs warmth, comradeship, the team spirit, and can make noble sacrifices for his side. The machine [i.e., organization] whose foundations are laid in empirical psychology [i.e., the warmth, comradeship, and so forth] can make the pretensions of political philosophy look meaningless and ridiculous. Stupid slogans, which come trippingly to the tongue and are a pleasure to repeat, songs which exalt the "comrades" and ridicule the "enemy,"…[30]

Such an *esprit* among the members of a group becomes a kind of loyalty that transcends the merely contractual relationships of self-interested and calculating individuals.

Freedom, Progress, and the Formation of Aggregates

It remains to be shown what value these social groups or aggregates have for society, the economy, and the relationship of freedom and progress. According to Jouvenel, "The essential freedom, as I see it, is the freedom to create a gathering, to generate a group, and thereby to introduce in society a *new power*, a source of movement and change."[31] To more clearly understand this, it is important to review a few concepts. First of all, it was said that people act for a certain goal. The vision of this goal and the rational construction of a means to accomplish it together constitute a "project." In order to accomplish these projects, men attempt to rally others to their sides, thus forming groups called aggregates to increase the energies at their disposal. Furthermore, these aggregates are natural to man since he could not live or be human without constant access to them.

From this it can be inferred that the ability and desire of man to accomplish his goals and the necessity of freedom to obtain them are closely intertwined. But related to these is the notion of progress. Jouvenel associates progress with the number of successful projects carried out in society. He writes: "It is unquestionably true that we are able to make safe predictions [regarding the future success of our activities], and everything we call 'progress' rests on successive extensions of the field they embrace.… Nowadays, a society possessing and utilizing a large and growing number of recipes is said to be advanced."[32] In other words, if the process used by a leader to attain his goals usually results in reaching these goals, or, at least if any failure is not based on external social, political, or economic circumstances, and if this success is generally widespread, progress is being made.

Too much cannot be made of this insight in Jouvenel's thought and how it relates to the subject of redistributionism. As will be demonstrated

more clearly below, one major criterion for Jouvenel in judging the ethical propriety of a public policy such as a redistributionist system is its effect on this "progress." In other words, it must be decided whether, the good will of many redistributionists aside, the redistribution of income by taxation will enhance the number of projects successfully accomplished in society, or whether it will stifle them, and thus stifle progress.

Jouvenel's thought has been criticized regarding the notion of progress. The criticism has to do with what it is that prevents men, in Jouvenel's eyes, from abusing their freedom and using their freedom to create projects that will be destructive to society. To some thinkers, the idea that freedom will automatically lead to progress seems a bit naive. Michael Dillon quotes Willmoore Kendall on the subject:

> In Jouvenel's theory human co-operation, any old human co-operation, becomes a good which it is a task of political science to forward.... [H]e proposes a "good" for his science, and in so doing, takes for his "good" one (any old human cooperation) which is a patently false one.... because in due course he picks up a second good—that darling of the Liberals known as "progress."[33]

In Jouvenel's defense, when he began to develop his notions of progress and freedom, he may have been thinking of examples and experiences from the scientific and industrial communities. First, his explanation of the idea of progress in *The Art of Conjecture* is based mostly on scientific examples. So, in science, progress is made by building verifiable theories upon previously unverified theories, or, "building up our corpus of predictions."[34] Second, he defends the free market by reference to the success, financially speaking, of elites who take economic initiatives: "Sociologists will readily grant that, in a society where free competition obtains, the more active and more successful are those with the more uncommon personalities."[35] Conversely, the suppression of the free competition of economic forces will lead to the suppression of these risk takers and to stagnation, thereby halting progress.[36]

With these two things in mind, Kendall's criticism may not be to the point. As will be shown below, Jouvenel is concerned with avoiding one of the serious problems of our time, namely, totalitarian government. One of the reasons that he opposes an authoritarian system is the stagnation such systems foster by the elimination of private initiative. Therefore, Jouvenel does wish to see cooperation for the sake of progress, but it is the progress that comes not from an evolutionary view of an essentially plastic human nature, a position contemporary liberals might take,[37] but a progress

that comes when men are free enough to use their natural powers for their own good as they see fit.

The Problem of Political Power

The problem of political power looms large in Jouvenel's thought and, unfortunately, space permits only a brief exposition of his ideas. Jouvenel characterizes political power as a Minotaur.[38] It is a dangerous being having an existence separate from the particular political arrangements of a nation, of a particular type of regime, and, as in the case of the Minotaur of old, is not easily discernible. The essence of Power is command. Whether the command is exercised through an elected legislature or by a dictator—or perceived as legitimate or illegitimate—is an accidental consideration. Power, then, according to Jouvenel, commands both for its own sake and for its fruits.[39] It commands for its own sake because it does all it can to survive. It commands for its fruits because in the process of commanding, Power finds that it must give certain things to society. All of this will become clearer as the analysis proceeds.

In order to form a clear picture of Jouvenel's idea of Power, the relation of Power to authority must be considered. For the purpose of comparison, let us examine the nature of authority as presented by Yves Simon. According to Simon, some thinkers hold that authority is possessed by government merely to coerce the wicked or to make adjustments to society when things go wrong. In this concept, authority is foreign to man, and exists only because of the fallen nature of man. Simon calls this the "deficiency theory of government" because it is founded on people's deficiencies. But Simon holds that this is a dangerous notion because, by stating that it protects freedom by limiting government, it can use the perceived evil in the society as an excuse to expand government power.[40]

The reason that this confusion exists, according to Simon, is that people fail to distinguish the *functions* that authority itself performs. True, some of these functions remedy deficiencies, but some are natural and essential to authority. He lists these functions as follows:

1. "The substitution function exercised by authority in the order of theoretical truth." This is the *magisterium* or teaching authority, and it makes up for the deficiency in our reasoning.

2. "The substitutional function exercised by authority in guidance of immature and deficient *persons or societies* toward their proper good." This is paternal authority; it makes up for the inability of a child to act properly, or a society to govern itself adequately.

3. "The substitutional function exercised by authority in the unification of action for the common good when the means to the common good is uniquely determined (so that there should be unanimity)." Here any failure to go along with the uniquely determined means is a deficiency, i.e., a failure to see what *must* be done or a failure of the will to act on the matter.[41]

4. "The *essential function* exercised by authority in the unification for the common good when the means to the common good is not uniquely determined (so there is no ground for unanimity)." As is usually the case in any society, the ends chosen and the means to those ends cannot be demonstrated with certitude and hence, even in the most enlightened society, disagreement over means and ends will abound such that if no public decision is made, no means or ends will be selected.

5. "The *most essential function* exercised by authority in the volition of the common good, and of the whole of the common good materially considered." In other words, the content of the common good is decided by the public authority.

6. "The perfective function exercised by authority for the improvement of people who are already good."[42]

While Jouvenel may disagree with some of these functions to varying extents, Simon attempts to explain that paternal authority or coercion or, for that matter, the use of authority for the private end of a ruler,[43] is not part of the *essence* of authority. Therefore, any argument that considers authority as essentially contrary to liberty misses the point by taking either the substitutional functions of authority or the abuse of authority as the essence of authority.

Jouvenel, whose analysis of authority is not as rigorous as Simon's, speaks of authority in different terms. For him, the essence of authority is persuasion; it is the quality that tends to the unity of man to accomplish some good. An aggregate, for example, comes into existence by the persuasion (authority) of an *auctor* (the species of authority of the founder of an aggregate)[44] and continues to accomplish its goals through the persuasion (authority) of a *dux* (the species of authority of a leader).[45]

The authority of a ruling body is also, for Jouvenel, rooted in persuasion. For Simon, authority, no matter by whom it is possessed, is the right to do something to another person or social entity, governed by the categories previously discussed. In the state, for instance, the ruling body has the "authority" to decide on the content of the common good. The parent has the "authority" to tell the five-year-old child to go to bed at a certain

time. Jouvenel calls this conception of authority "juristic Authority."[46] In juristic Authority, if the position of a certain official is known, then it can immediately be known if another person or event is within the jurisdiction of the official's authority.[47] For example, the commander of Company C has juristic Authority over all the members of Company C but not over those in Companies A or B. For Jouvenel, what the official may deem "with authority" and what he may not are not part of the nature of authority, as they are in Simon's thought. This is a matter for the jurist.[48]

For Jouvenel, authority is definitely a matter of prestige.[49] He speaks of authority, not as something that a legitimate government possesses and must possess due to the nature of the institution but as a social fact—if the ruler can get the consent of the generality of the nation without coercion, he has Authority (just as in the aggregate). If he must resort to extensive coercion to obtain compliance, he does not have Authority but Power. While Simon sees both coercion and persuasion as tools used by authority and not as part of the essence of authority, Jouvenel rejects coercion because he sees it as incompatible with authority. Hence, "authority ends where voluntary consent ends."[50]

Jouvenel explains his approach to authority this way. The rulers of a state function in a manner partially the same and partially different regarding the usage of authority, as do the *auctor* and *dux* in aggregates. For Jouvenel, the state, as opposed to the aggregate, does not arise out of the natural needs of man.[51] Another way of expressing this would be to say: "Conquest, and nothing but conquest, gives birth to large formations.… It follows that the state is in essence the result of the successes achieved by a band of brigands who superimpose themselves on small distinct societies."[52]

Since the state is created by conquests, the essence of state power, especially in the early stages of the formation of that state, is command. The conquerors of the small societies rely on force to get complicity from the conquered. After a while, though, habitual compliance with these commands develops a certain attachment of the ruled for the rulers; a certain aura about the successors of the original rulers that by itself secures compliance with the directives of the rulers.[53] According to Jouvenel, "Authority is the faculty of inducing assent. To follow an authority is a voluntary act."[54]

But, for Jouvenel, political Power is different from Authority. Authority "is exercised over those who voluntarily accept it."[55] However, Power is command, and command implies the use of force upon those who no longer

obey out of habit or veneration of the rulers. Jouvenel writes: "Authority ends where voluntary assent ends. There is in every state a margin of obedience which is won only by the use of force or the threat of force: it is this margin which breaches liberty and demonstrates the failure of authority."[56] Besides having the characteristic of command and being different from authority, Power possesses two basic elements that Jouvenel sees as being intertwined, and relate surprisingly well to the redistributionist problem. The first is egotistical and can be called the main aspect of Power. Jouvenel describes this aspect in the following vivid passage:

> If, for instance, we base our idea of Power's egoism on the picture supplied to us by the king of the Bantus, for whom ruling is, in essence, nothing more than swimming in wealth and eating enormous meals … if, under the influence of this picture of an obese chieftain swollen with fat, we start looking for his exact equivalent in the modern world, we shall not find it.… Is that to say that a careful scrutiny will disclose nothing in common between the Bantus' way of living and our own? They heap up tribute in the form of food, we pile on taxes. The king eats his revenues, but he is joined in this by his dependents and those who help him in governing—the equivalent of our administrative corps and our police forces.[57]

Concomitant with this egoistic dimension of Power is the second characteristic that Jouvenel calls the "social principle," which—unlike the egoist aspect of Power—is perceived by him as somewhat beneficial.

In order to consolidate the gains resulting from its egotistical aspect, Power finds it necessary to utilize social demands as a condition for its survival. In other words, in order to continue in existence, Power must turn to the satisfaction of certain basic needs. The problem is that those needs are satisfied, not because those holding Power really care about those needs, but because they see such satisfaction as a means for the further consolidation of Power. Jouvenel describes it as follows:

> The Bantu king employs a considerable part of his tribute in grants of largess, bestowed by way of banquets or presents, to those whose support consolidates his authority, whereas defection would endanger it. Do we not see modern governments as well using the public funds to endow social groups or classes whose votes they are anxious to secure? Today the name is different, and it is called *the redistribution of incomes by taxation*.[58]

Thus it is not true, Jouvenel tells us, that taxes expand merely to keep pace with the growth of social needs. It is not true that the growth of public

offices has as its *raison d'etre* the extension of public services. On the contrary, the growth of public services is an excuse for the multiplication of government posts and the extension of Power. The cause of this dual nature of Power lies in the nature of man, Jouvenel says, because "Power is neither angel nor brute, but like man himself, a composite creature, uniting in itself two contradictory natures," egoistic and beneficent.[59]

It is instructive to ask if Jouvenel thinks that all social needs may be satisfied by Power. It must be remembered that the *basic satisfier of social needs is the aggregate*, which is the basic social unit. Furthermore, Jouvenel holds that the existence of the state today is not based on social needs, as an Aristotelian might argue, but comes into existence through the conquest by the rulers of smaller social units. On this basis, the "needs of the state" do not really come into existence until the state is formed. Once the state is formed, albeit by conquest and command, the egoism of Power, which desires to stay in existence, requires that it satisfy the demands of the state or the commonality over which Power is exercised. However, as will be shown below, frequently the attempt of Power to satisfy those social needs is not really an attempt to satisfy those needs because it is a sham—a pretense of satisfying the social needs in a way that will expand Power even though the real needs will go unmet.[60] According to Jouvenel, rulers themselves do not even have to be consciously power-hungry in order to be convinced that their one ambition is to serve the whole, all the while forgetting that their real motive is the employment of action and expansion. "I have no doubt that Napoleon was sincere when he said to Caulaincourt, 'People are wrong in thinking me ambitious—I am touched by the misfortunes of peoples; I want them to be happy.'"[61]

Jouvenel's Economic Argument Against Socialism

It may seem odd that in a book titled *The Ethics of Redistribution*, the writer would deal with the economics of redistribution. In a classical, say, Aristotelian discussion of an ethical consideration, one would examine whether the act itself is moral or immoral *in se*, that is, does it contradict the internal reasons and/or principles of being and thus be intrinsically immoral, or is the action immoral *per accidens*, that is, are the circumstances such that an otherwise moral or neutral act becomes immoral? So, for example, to kill an innocent person is always wrong but to kill a person trying to kill you *can* be moral, only if that is the minimal amount of force necessary to repel the attack.[62]

But Jouvenel has taken a different approach, one resembling that of phenomenology.[63] Essentially, his approach consists in examining the actual activities involved in redistributionism and judging a) the motives behind them as to their link with reality, and b) whether or not redistributionist activities truly produce the effects they purport, or, perhaps, other side effects that were unintended or detrimental. If redistributionist activities have as their source an ideology (in the proper understanding of that term) removed from reality, and/or if the redistributionist activities do not produce the effects intended, whether there are other detrimental side effects or not, they are unethical. The existence of other undesirable side effects only increases the unethical nature of the redistributionist policies.[64]

"Redistributionism" Does Not Apply to Property

Jouvenel argues that redistributionism does not apply to an equalization of land distribution but only to the redistribution of incomes.[65] The reason for this is that land redistribution merely equalizes a natural resource, not incomes.[66] The difference between the equality of a natural resource and equality of income is seen as a question of justice by Jouvenel because "inequality of rewards between units equally provided with natural resources will reflect inequality of toil. In other words, the role played by inequality of 'capital' in bringing about unequal rewards is nullified. What is equalized is the supply of capital."[67] What Jouvenel is referring to here is the idea of rewards based on one's contribution to the common good, rather than rewards that are greater because someone has had the good fortune to inherit wealth, which they can make larger very easily by expending a little clever effort. This, Jouvenel says, is what Marx was hinting at by adopting the widely held "labor theory of value," i.e., that workers should be paid the full price of an item because it is their labor that gave the item the value in the first place. Translated into Jouvenel's terms, the labor theory of value would say that a person should be paid according to the amount of work he puts into a project. This would certainly preserve the incentive to work harder, while the redistribution of incomes would reimburse people for little or no work and encourage this state due to the lack of negative feedback.

Certainly, modern-day business cannot reproduce this immediate incentive effect exactly as Marx or Jouvenel would want it to be done but does try to model aspects of it. Companies give bonuses for good performance, promotions, raises, or have piece-work arrangements, and with profit-sharing plans and stock options, companies attempt to reward the workers'

increased productivity, as well as provide an incentive for further progress.[68] Nevertheless, these financial incentives are not as perfect a reward for diligence or a punishment for sloth as the agrarian equality of land would be: "Thus, the agrarian principle is fair reward and not equality of incomes."[69]

The Utopian Core in Socialism

According to Jouvenel, socialism is not satisfied with "fair rewards." Socialism seeks to establish "mere" justice, or more appropriately, "pure" justice. It seeks to establish a "city of brotherly love." In this sense, redistributionist schemes do not merely wish to remedy poverty, or to establish some proportionality in income and effort. Socialism is "an emotional revolt against the antagonisms within society, against the ugliness of man's behavior to each other."[70] The foundation of socialism is readily apparent to the serious student of political philosophy. Rousseau and Marx both believed that the cause of strife in society was the unequal distribution of property. In Rousseau's case it was land,[71] whereas in Marx's it had to do with factory ownership.[72]

Under what could be called classical socialist doctrine, Jouvenel tells us, once the elimination of private property has been accomplished, the state, the existence of which was brought about by the antagonisms caused by the existence of private property, will wither away. But socialists are on the defensive now because their opponents have used the withering away of the state as a criterion for the success of socialism. But, the critics of socialism point out, in every instance where socialism has been tried, the state has failed to wither away. In fact, the opposite has been the case: Where private property has been most under attack, the police powers of the state have been most apparent.[73]

The result of this deterioration of socialism has been a change in socialist thinking. Socialism, then, pushed a deformed version of the Christian message.[74] Socialists played on the Christian sense of duty to the poor by transforming the idea of charity as in the case of the Good Samaritan, to one of legal and moral obligation of equality of incomes. Hence, riches became a scandal in the face of poverty.[75] Then, as time went by, the situation became somewhat reversed. In the face of modern society, the poor have become a scandal, and poverty has had to be eliminated like some blot on the parchment of progress.[76] Hence, on account of the reasons above, it is incumbent on the state to equalize incomes.

Jouvenel's Analysis of Redistributionism: His Figures

The method of redistributionism now in vogue is based on the above-mentioned scandal of the rich and poor. Jouvenel tells us that this results in the setting of an income floor, below which no one should be allowed to live; and an income ceiling, above which no one should be allowed to live.

But Jouvenel sees a logical difficulty in this floor-ceiling concept even before presenting any data for examination: "We call floor and ceiling 'intellectually harmonious' insofar as there is sufficient surplus to be taken from 'above the ceiling' incomes to make up the deficiency in 'beneath the floor' incomes."[77] But something that is intellectually harmonious may not be financially harmonious. If, Jouvenel speculates, the money available above the ceiling is not sufficient to bring the incomes below the floor above the floor, the plan fails, and it can be concluded that the intellectually harmonious is not financially harmonious.[78]

It is at this point that the specific data used by Jouvenel to illustrate his point must be examined. Table I depicts the exact figures for the income ranges, population in the ranges, and the net income of the British population for 1947-1948 as given by Jouvenel. The mean for each category has been determined by the author from the data given. As Table 2 shows, to raise the income of the first and second income categories (the income of ten million people) to the mean of £250, £630 million must be found from the rest of the income categories.

TABLE I
BRITISH INCOME AND POPULATION FIGURES

RANGE (£)	JOUVENEL'S MEAN	POPULATION (MILLIONS)	TOTAL NET INCOME (MILLIONS OF £'S)
£120-150	£135.46	2.03	£275
150-250	203.07	8.47	1,720
250-500	337.53	8.74	2,950
500-1,000	630.62	1.378	896
1,000-2,000	1,334.38	.320	427
2,000-4,000	2,666.67	. 0585	156
4,000-6,000	4,256. 56	.00343	14.6
6,000+		.00070	.4
TOTALS	————	21	£6, 439

TABLE 2
DATA FOR INCOMES BELOW FLOOR OF £250

RANGE IN £'S	POPULATION (MILLIONS)	TOTAL NET INCOME (MILLIONS)
£120-250	10.5	£1,995

TABLE 3
CORRECT INCOMES FOR THE ABOVE TO BE AT £250 LEVEL

RANGE IN £'S	MEAN IN £'S	POPULATION (MILLIONS)	TOTAL INCOME (MILLIONS)	DEFICIT (MILLIONS) (£1,995 - £2,625)
250	250	10.5	£2,625	£630

TABLE 4
REDUCING EVERYONE ABOVE £1000 TO £1000

OLD RANGE	MEAN (NEW)	POPULATION (MILLIONS)	NET INCOME (NEW)	REDISTRIBUTED DIFFERENCE (MILLIONS)	DEFICIT (MILLIONS) (STILL NEEDED)
£6,000 +	£1,000	.00070	£.07	£.33	£629.67
4,000-6,000	1,000	.00343	3.43	11.17	618.50
2,000-4,000	1,000	.0585	58.50	97.50	521.00
1,000-2,000	1,000	.320	320.00	107.00	414.00
500-1,000*	500	1.378	689.00	207.00	207.00
250-500*	314	8.74	2,744.36	205.64	1.36
TOTALS				£628.64	

*Further income reductions are necessary due to insufficient funds available after reducing everyone above £1,000 to £1,000.

Jouvenel admits, quite rightly, that this is a large amount of money, but he does not know just how economically devastating such a project would be since he did not probe the numbers further. If we try to get that £630 million by taxing the population, beginning with the richest, we end up reducing *everyone* whose income is above the £1000 level to £1000, as Table 4 shows.[79] But that will still leave a deficit of £414 million. It then becomes necessary, as Jouvenel predicted,[80] to dip below this income level for the rest of the funds. So, reducing those in the £500-1000 level to a mean of £500 rather than the earlier mean of £630.62, produces £207 million, still requiring the authorities to dip further into the incomes of the lower classes. Then, reducing the persons in the £250-500 category from their original

mean of £337.53 to a mean of £314, additional funds amounting to £205.64 million are derived, leaving an additional, and by these standards, paltry, amount of £1.36 million to be raised from other sources.

What results from all this is the economic destruction of the country. Those in the £6,000 income level would be clearly paying a confiscatory tax of 83% in addition to what they already pay. In the £4,000-£6,000 bracket, the tax would be 76.5%. For those in the £2,000-£4,000 range, the tax would be 62.5%. In the £1,000-£2,000 category, the tax would be 25% (more like an American middle-class tax bracket). In the £500-£1,000 income level, the tax would be 21%, which would be quite high at this income. In the £250-£500 range, the level that borders the poverty floor, the tax would be 7.1%. It should be recalled that these redistributionary taxes would be imposed in addition those necessary to run the basic governmental functions such as defense, trash collection, and so forth, and it does not take into account the new levels of bureaucracy necessary to administer the redistributionist program.

Conclusion

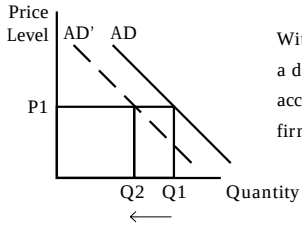
Jouvenel's economic argument against redistributionism was easily verified by reference to the economy of England at the time. Space does not permit further applications of his insights, but it should be clear that such a redistributionist program would ruin an economy in a most ruthless way. But even in countries where the income levels are skewed more to the higher levels, the result would be detrimental. This is because, as Spencer and Amos point out, high taxes undercut aggregate demand:

> When the economy's income rises, aggregate demand increases—the AD curve shifts to the right. However, the tax rate that individuals pay on the rising incomes is progressive, so the income available for spending—disposable income—is restrained. This reduces the rightward shift of aggregate demand, and thereby curbs an economic boom.[81]

This is readily visible in Chart 1 below. Line AD is the aggregate demand for goods and services in an economy at a certain price level. So that at a certain price, a certain amount of goods is able to be purchased. But with a high tax rate, the same price is not able to call into existence as many goods and services, because line AD shifts to the left and becomes AD'. The further effects of high taxation are shown in this remark by David Hume, quoted by Spencer and Amos: "Exorbitant taxes destroy industry by

producing despair. An attentive legislature will observe the point when the revenue decreases and the prejudice begins."[82] In other words, when taxes get too high, regardless of their purpose, people are discouraged from working, spending, or becoming entrepreneurs—exactly Jouvenel's point mentioned above concerning the need for a large number of individuals in society to form aggregates to accomplish a large number of projects for the sake of the health of that society. According to economic theory, high taxes stifle that initiative and are disincentives to a healthy society:

Chart 1



With a decline in aggregate demand comes a decline in the quantity produced with the accompanying economic slowdown, layoffs, firm closings, bankruptcies, and so forth.

But high taxes have another detrimental effect. Some argue that since the poor spend more of their money than the wealthy, the effect on aggregate demand will not be that bad. According to economists, however, "fluctuation in private investment [done by the more affluent] is the most important cause of fluctuation in income and employment. And income and employment fluctuations are the major reasons for periods of prosperity and recession."[83] But savings by both families and businesses are the only real sources of funds for investment for economic growth. But, also, the propensity to save is related to the amount of disposable income, that is, income after taxes. Therefore, the more disposable income a person has, the more likely that person is to save, all things being equal, and the more money there is available for investment. Hence, the lower the tax rate, within reasonable limits necessary for government to perform its proper functions, the more investment occurs.

Ultimately, then, Bertrand de Jouvenel has given us a full-blown picture of the ravishes of the modern state. While it is in man's nature to be creative and productive, qualities which, when used properly, result in the progress of mankind, the temptation to give in to the Minotaur of government results in the stifling of the desire and the ability of man to be creative and productive. The victim is human progress.

Notes

[1] Thomas Molnar, "Is Socialism Dead?" *Modern Age* 34 (Fall 1991): 41.

[2] See Thomas Molnar, *Utopia: The Perennial Heresy* (New York: Sheed and Ward, 1967).

[3] Molnar, "Is Socialism Dead?," 42. Cf., Paul Hollander, *Political Pilgrims: Travels of Western Intellectuals to the Soviet Union, China, and Cuba, 1928–1978* (New York: Harper and Row, 1981).

[4] Ibid.

[5] Aleksandr I. Solzhenitzyn, "A World Split Apart," in *Solzhenitzyn at Harvard: The Address, Twelve Early Responses, and Six Later Reflections*, ed. Ronald Berman (Washington, D.C.: Ethics and Public Policy Center, 1980), 21.

[6] Robert L. Heilbroner, "Clinton's 100 Days—and Beyond: The Case for Hope," *The Nation*, 10 May 1993, 622. Also cf., Mark Skousen, "'Just Because Socialism Has Lost Does Not Mean That Capitalism Has Won': An Interview With Robert L. Heilbroner," *Forbes*, 27 May 1991, 130–35; and Richard D. Bartel, "Where is Capitalism Going: An Interview With Robert L. Heilbroner," *Challenge*, Nov./Dec. 1992, 45–51.

[7] Roy Pierce, *Contemporary French Political Thought* (Oxford: Oxford University Press, 1966), 186.

[8] See Dante Germino's otherwise excellent introduction to contemporary political thought in his *Beyond Ideology: The Revival of Political Theory* (New York: Harper and Row, 1967), 144–49.

[9] Carl Slevin, "Bertrand de Jouvenel: Efficiency and Amenity," in *Contemporary Political Philosophers*, eds. Anthony de Crespigny and Kenneth Minogue (New York: Dodd-Mead, 1975), 168–90.

[10] Carl Slevin, "Social Change and Human Values: A Study of the Political Thought of Bertrand de Jouvenel," *Political Studies* 19 (March 1971): 49–62.

[11] Michael Dillon, "A Study of Authority: The Political Thought of Bertrand de Jouvenel" (Ph.D. diss., University of Notre Dame, 1970), 41–42.

[12] Ibid., 98-99.

[13] William R. Luckey, "Intermediate Institutions in the Political Thought of Bertrand de Jouvenel" (Ph.D. diss., Fordham University, 1979), 95–98.

[14] Bertrand de Jouvenel, *The Pure Theory of Politics* (New Haven: Yale University Press, 1963), 72.

[15] Ibid., 46.

[16] Ibid., 43.

[17] Arguably, the most famous state of nature theories appear in Thomas Hobbes, *Leviathan*, chap., XIII; John Locke, *Second Treatise of Civil Government*, chap., II; and Jean-Jacques Rousseau, *The Social Contract*, chaps., II, V, and VI.

[18] Jouvenel, *Pure Theory*, 45.

[19] Ibid.

[20] Jouvenel, *On Power: Its Nature and the History of Its Growth*, trans. J. F. Huntington (New York: Viking Press, 1940), 47.

[21] Jouvenel, *Pure Theory*, 47.

[22] Ibid., 74.

[23] Ibid.

[24] Ibid., 16, 28, 47.

[25] Ibid., 83.

[26] Ibid., 78.

[27] Jouvenel, *The Art of Conjecture*, trans. Nikita Lary (New York: Basic Books, 1967). The similarity of many of Jouvenel's economic concepts, such as this one, with those of the Austrian School is illustrated in detail in William R. Luckey, "Bertrand de Jouvenel and the Austrian Tradition," a paper delivered at the Austrian Scholars Conference, Auburn University, April 4-5, 1997.

[28] Ibid., 29.

[29] Jouvenel, *Sovereignty: An Inquiry Into the Political Good* (Chicago: University of Chicago Press, 1957), 19.

[30] Jouvenel, *Power*, 271.

[31] Jouvenel, *Sovereignty*, 299 (emphasis mine).

[32] Jouvenel, *The Art of Conjecture*, 83.

[33] Willmoore Kendall, *The Conservative Affirmation* (Chicago: Regnery, 1964), quoted by Dillon, "A Study of Authority," 93.

[34] Jouvenel, *The Art of Conjecture*, 83–96.

[35] Jouvenel, *The Ethics of Redistribution* (Indianapolis: Liberty Press, 1990), 39.

[36] Ibid.

[37] See James Burnham, *The Suicide of the West* (Chicago: Gateway, 1986), 125.

[38] It should be noted that Jouvenel always spells political "power" with an upper case "P," reflecting an attitude that is typically French.

[39] Jouvenel, *Power*, 96–97.

[40] The current rage against cigarettes is a case in point. Government officials insist that illness from smoking "costs" us (as if no one has a health plan) X dollars per year, so that the government now must protect us from smoking so that we can retain that X dollars ourselves to continue to pursue our lifestyles.

[41] See Vakon Knic, "The Contribution of Yves Simon to Political Science," *The Political Science Reviewer* 4 (Fall 1974): 72.

[42] Yves Simon, *The Nature and Functions of Authority* (Milwaukee: Marquette University Press, 1940), 41 (emphasis mine).

[43] Ibid., 41.

[44] "The *auctor* is the man whose advice is followed, to whom the actions of others must in reality be traced back.… He inspires others with the breath of his own purpose, which now becomes that of those others as well—the very principle of the actions they freely do.… The *auctor* is the guarantor, the man who vouches for the success of an enterprise.… who increases the confidence of whoever [sic] embarks on action on his instigation or backed by his security, and the action taken thanks to this increased confidence will prove in the end a means of advancement for the man who does it." Jouvenel, *Sovereignty*, 30.

[45] "Future authorities, however, depend upon the structure established by the *auctor*, their promptings often refer back to the original foundation for their legitimacy. Thus, the *auctor* continues to prompt through the medium of memory. In the present promptings of the *dux* the *auctor* lives as creator of the tradition that is being enlarged and developed." Dillon, "A Study of Authority," (85). Moreover, on page 86, Dillon states: "The function of an *auctor* is not simply to form an aggregate, but an enduring aggregate."

[46] Jouvenel, *Pure Theory*, 100. Jouvenel uses an upper case "A" when referring to governmental authority, and a lower case "a" when referring to private authority, like that of a parent.

[47] Ibid.

[48] Ibid.

[49] Jouvenel, *Sovereignty*, 33.

[50] Ibid.

[51] In the *Republic*, on the contrary, Socrates observes: "The origin of the city … is to be found in the fact that we do not severally suffice for our needs, but each of us lacks many things.… [W]e, being in need of many things, gather many into one place of abode as associates and helpers, and to this dwelling together we give the name city or state." Plato, *The Republic*, 369-c.

[52] Jouvenel, *Power*, 100. Saint Augustine takes a similar position. After providing many examples of how the famous kingdoms of the world are founded on the basis of sheer power, and Rome herself on a fratricide, he quotes the following story approvingly:

> Indeed, that was an apt and true reply which was given to Alexander the Great by a pirate who had been seized. For when that king had asked that man what he meant by keeping hostile possession of the sea, he answered

> with bold pride: "What thou meanest by seizing the whole earth; but because I do it with a petty ship, I am called robber, whilst thou who does it with a great fleet art styled emperor."

Saint Augustine, *The City of God*, IV, 4, in *The Political Writings of St. Augustine*, ed. Henry Paolucci (Chicago: Gateway, n.d.), 32–33.

[53] Jouvenel, *Sovereignty*, 32–33.

[54] Ibid., 33.

[55] Ibid., 32.

[56] Ibid., 33.

[57] Jouvenel, *On Power*, 115.

[58] Ibid (emphasis mine).

[59] Ibid (emphasis mine).

[60] The recently debated welfare policy in the United States is one of the best examples of the non-solution of a social need accompanied by an immense growth of government Power. See, for example, Charles Murray, *Losing Ground: American Social Policy, 1950–1980* (New York: Basic Books, 1984), and Robert B. Ekelund and Robert D. Tollison, *Economics*: *Private Markets and Public Choice* (Reading, Mass.: Addison-Wesley, 1997), 384–86. Jouvenel seems to reflect the view of the Public Choice School of economics here. Dennis C. Mueller writes:

> Government, like the market in a pure exchange economy, is viewed simply as an institution for aggregating or balancing individual demands for public policies. Those in government … have been depicted as single-mindedly seeking to be re-elected. To do so, they must please voters and interest group members, so that those in government are merely pawns outside in a competitive political system. Only in the rent-seeking literature just reviewed does one begin to obtain a glimpse of another side of government. Politicians may not live by votes alone. They, too, may seek wealth and leisure. Their preferences may impinge on the outcomes of the public sector.

[61] Jouvenel, *On Power*, 117. Jouvenel cites this admission of Bolingbroke:

> I am afraid that we came to court in the same dispositions that all parties have done; that the principle spring of our actions was to have the government of the State in our hands; that our principle views were the conservation of this power, great employments to ourselves, and great opportunities of rewarding those who had helped to raise us, and of hurting those who stood in opposition to us.

Bolingbroke, Letter to Sir William Windham, quoted in *On Power*, 113.

[62] See Austin Fagothey, S.J., *Right and Reason: Ethics in Theory and Practice* (St. Louis: C. V. Mosby, 1967), esp. chap. 9.

[63] See Edmund Husserl, *Ideas: General Introduction to Pure Phenomenology*, trans. W. R. Boyce Gibson (New York: Collier, 1962), esp. chap. 11.

[64] While it is not the purpose of this study to examine the intentions of redistributionists other than to explain Jouvenel's analysis of them, Jouvenel's form of analysis in "b" above makes it absolutely necessary for some form of verification to be applied. As it stands, the *Ethics* is more of a hypothesis, which, if verified, would spell the end of any sustained argument in favor of redistributionism.

[65] Jouvenel, *Ethics*, 7–11.

[66] Ibid., 8–9.

[67] Ibid., 9.

[68] In economic terms, these are attempts to remedy the common problem of "shirking" that is part of the larger "principal-agent"problem, which, in turn, is caused by asymmetries in information between managers and employees. See, for example, Jean Tirole, *The Theory of Industrial Organization* (Cambridge: MIT Press, 1997), 51–55. For a full discussion of these methods of compensation and of what each intends to accomplish, see Robert L. Mathis and John H. Jackson, *Personnel/Human Resource Management*, 6th ed. (St. Paul: West, 1991), chap.

14.

[69] Jouvenel, *Ethics*, 9.

[70] Ibid., 11.

[71] See Jean-Jacques Rousseau, *Discourse on the Origin of Inequality*, and Rousseau's essay, *Political Economy* in *Denis Diderot's Encyclopedia*.

[72] See Engel's *Anti-Duhring*.

[73] Jouvenel, *Ethics*, 12–13.

[74] This has been a major theme in the work of Eric Voegelin. For example, see his *The New Science of Politics* (Chicago: University of Chicago Press, 1952), 120.

[75] Jouvenel, *Ethics*, 17–19. A thorough analysis of this tactic is made by Marvin Olasky in *The Tragedy of American Compassion* (Washington, D.C.: Regnery, 1992).

[76] Jouvenel, *Ethics*, 19.

[77] Ibid., 25.

[78] Jouvenel expresses the relationships here in the following formula:

> Thus, if *a* is the floor and there are *A* incomes beneath it which fall short of *Aa* by the sum *L*, the ceiling *h* is financially harmonious with the floor *a* if the income of class *H* (the people who have incomes greater than *h*) are equal or superior to $hH + L$. If, on the other hand, *a* and *h* are an intellectually harmonious set of floor-and-ceiling and and the incomes of the *H* people who enjoy more than *h* are $Hh + S$ and *S* falls short of *L*, then *a* and *h* are not financially harmonious.

Ibid.

[79] The figures given by Jouvenel are net income, so the taxation necessary to raise the poor to the floor income is in addition to that which has already been paid.

[80] Jouvenel, *Ethics*, 26–27.

[81] Milton H. Spencer and Orley M. Amos, *Contemporary Economics* (New York: Worth Publishers, 1993), 337.

[82] Ibid., 346.

[83] Ibid., 303. Some famous economists hold that the ultimate cause of fluctuations in economic activity is the change in the amounts of money injected into the monetary system by the Federal Reserve. See, for example, Milton Friedman, *Money Mischief: Episodes in Monetary History* (San Diego: Harcourt-Brace, 1994), and Murray Rothbard, *What Has Government Done to Our Money?* (Auburn, Ala.: The Ludwig von Mises Institute, 1990). For a discussion of the role of investment in economic growth, see Robert M. Solow, "A Contribution to the Theory of Economic Growth," *Quarterly Journal of Economics* (February 1956): 65–94