

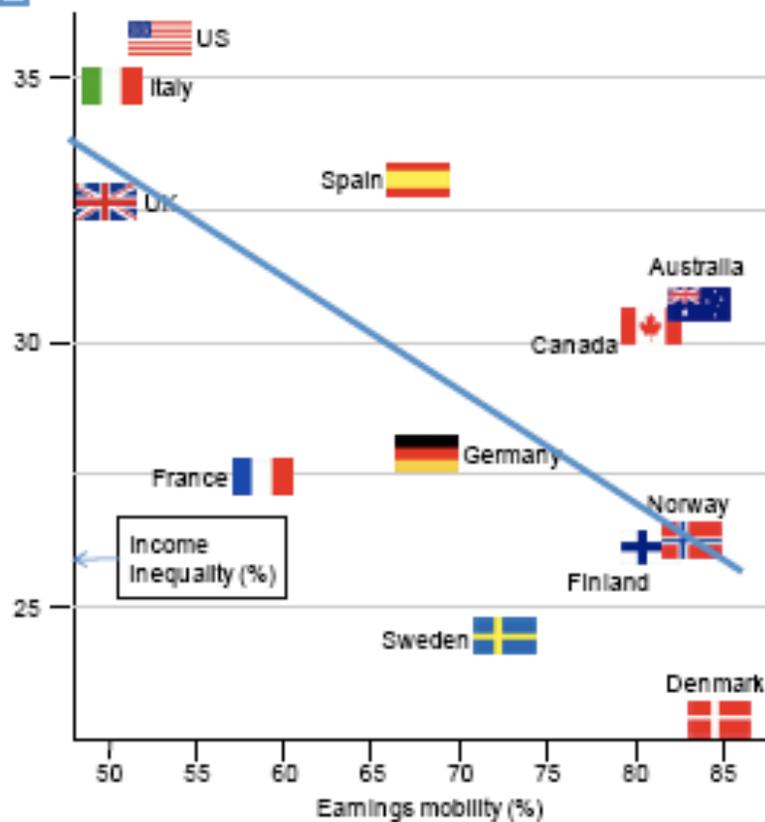
Freedom That Matters

Ideologues of the American Dream doctrine assume that state intervention aimed at providing social safety nets for citizens and reducing economic inequality, restricts freedom and undermines individual opportunity.

This assumption is the result of empirical misinformation and, more fundamentally, a conceptual mistake.

Robust empirical data indicate that economic equality, far from stifling initiative or undermining opportunity, is conducive to social mobility. Among OECD nations, social mobility is highest in Nordic countries, which through income transfers and the provision of social services, have reduced poverty and achieved the highest levels of economic equality. Social mobility is lowest in Turkey, Mexico and the US, which have the highest levels of poverty and social inequality.¹

7 Earnings mobility and income inequality



Note: the inequality measure is the Gini coefficient, expressed as a percentage. The measure of earnings mobility is calculated from the intergenerational elasticity of earnings: see the report for details.

Source: *Growing Unequal?* OECD, 2008.

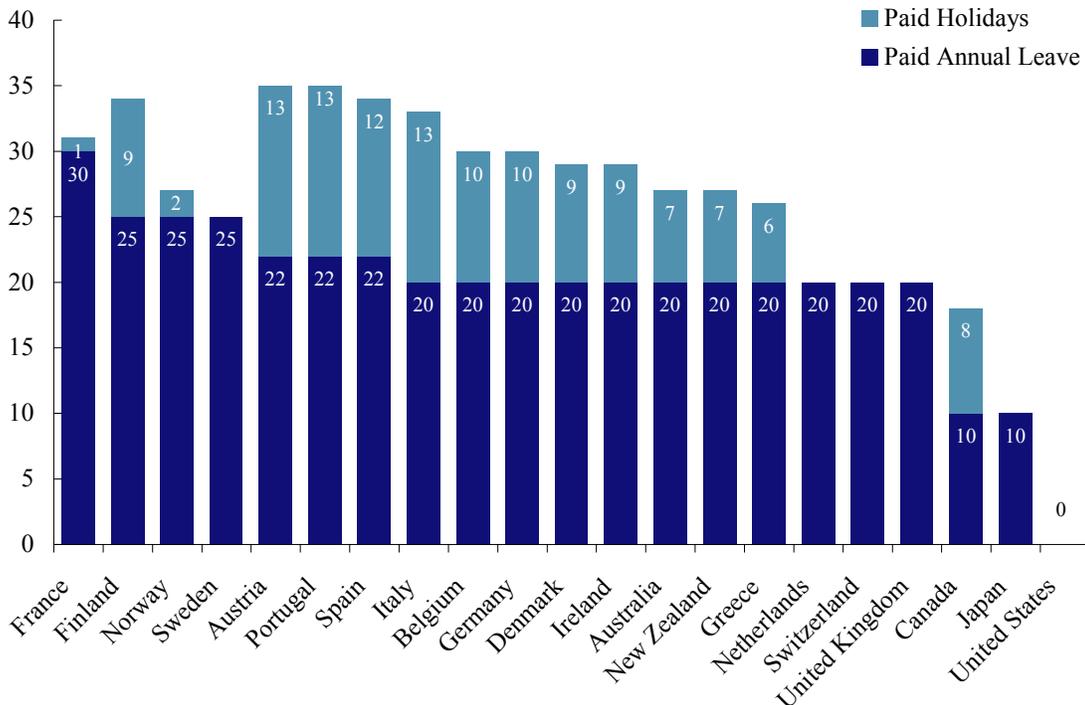
¹ Growing Unequal? Income Distribution and Poverty in OECD Countries, http://www.oecd.org/document/53/0,3343,en_2649_33933_41460917_1_1_1_1,00.html.

[A]ccording to OECD Secretary-General Angel Gurría...the notion that inequality encourages the poor to do better is false.

"Social mobility is low in countries with high inequality like Italy, the UK (United Kingdom), and the United States. And it is much higher in the Nordic countries, where income is distributed more evenly," he told reporters. "This means that, in most high-inequality countries, dishwashers' sons are more likely to be dishwashers and millionaires' kids can assume that they too will be rich," he said, adding that governments could do much to promote mobility, particularly through progressive tax policies, greater social spending, job creation, and increasing investment in education.

Americans are more likely to be poor and have fewer opportunities to better themselves than citizens of most other affluent countries. In addition, the United States is the only advanced economy that does not guarantee its workers any paid vacation or holidays. As a result, 1 in 4 U.S. workers do not receive any paid vacation or paid holidays.²

Paid annual leave and paid public holidays, OECD countries, in working days



Americans have less free time and less opportunity for advancement than their counterparts elsewhere in the Global North. Nevertheless, most are convinced that they enjoy greater freedom than citizens of social democratic welfare states because they are free to retain a larger percentage of their earnings and because they are not subject to the degree of state regulation that, they imagine, hobbles businesses and restricts individual liberty elsewhere.

Given that freedom is conducive to well-being, this poses the question of what sort of freedom matters. Americans are freer from taxation and government regulation than their counterparts in other affluent countries, but spend more of their time at work, have fewer opportunities for

² Rebecca Ray and John Schmitt, No-Vacation Nation (European Trade Union Institute for Research and Health and Safety, 2007), <http://www.cepr.net/index.php/publications/reports/no-vacation-nation/>.

advancement and are more likely to have their options restricted by poverty. Freedom from state intervention makes Americans far more likely to suffer the constraints of poverty and drudgery.

While there is substantial disagreement about what freedom is or what sort of freedom contributes to well-being, most writers understand freedom as a political notion and so overlook what, I suggest, is the freedom that matters and to which political liberty is, at best, a means: the effective freedom to do as we please, moment by moment and hour by hour.

The American Dream persists because we have not yet shaken off the American Nightmare—the vision of a global Stalinist super-state where citizens, warehoused in Soviet-style apartment blocks, toil for most of their waking hours in heavy industry and spend their spare time waiting on endless lines to buy potatoes and soap. Americans, in the grip of this nightmare vision, imagine that government cannot effectively promote well-being and can only restrict individual freedom. Isaiah Berlin, writing at the height of the Cold War, canonized this vision, suggesting that the freedom that mattered was negative liberty—freedom from interference, in particular, from interference by the state. In fact, as I shall argue, negative liberty constricts effective freedom—the freedom that matters.

It is an empirical question how best to secure effective freedom. A comparison of data from a range of nations concerning poverty, work hours and social mobility strongly suggests that proactive government policies, including those cited by OECD Secretary-General Gurría, are the most reliable way to promote the effective freedom of citizens. In the sections that follow I shall argue first, that effective freedom is the freedom that matters, secondly, that poverty and, even more importantly, work are the factors which are most important in undermining individuals' effective freedom and finally, that in light of empirical data, that state redistributive policies and social programs are the most effective means for enabling individuals to escape from poverty and drudgery, and to achieve the freedom that matters.

Effective Freedom

Isaiah Berlin famously distinguished two concepts of liberty. Negative freedom is freedom from interference, in particular, from state interference:

I am normally said to be free to the degree to which no human being interferes with my activity. Political liberty in this sense is simply the area within which a man can do what he wants.³

Liberty in the negative sense is, most fundamentally, freedom from external constraint. Positive freedom, by contrast, comes from within: it is wrapped up with vexed notions of autonomy and self-realization:

The 'positive' sense of the word 'liberty' derives from the wish on the part of the individual to be his own master. I wish my life and decisions to depend on myself, not on external forces of whatever kind. I wish to be the instrument of my own, not of other men's, acts of will. I wish to be a subject, not an object; to be moved by reasons, by conscious purposes which are my own, not by causes which affect me, as it were, from outside. I wish to be somebody, not nobody; a doer -- deciding, not being decided for, self-directed and not acted upon by external nature or by other men as if I were a thing, or an animal, or a slave incapable of playing a human role, that is, of conceiving goals and policies of my own and realizing them. This is at least part of what I mean when I say that I am rational, and that it is my reason that distinguishes me as a human being from the rest of the world. I wish, above all, to be conscious of myself as a thinking, willing, active being,

³ Isaiah Berlin, *Two Concepts of Liberty* (Oxford: Clarendon Press, 1958), p. 6

bearing responsibility for his choices and able to explain them by reference to his own ideas and purposes.⁴

Berlin was, rightly, suspicious of “positive freedom,” noting that “the ‘positive’ and ‘negative’ notions of freedom developed in divergent directions until, in the end, they came into direct conflict with each other.”⁵ Nevertheless, even if we reject “positive freedom” as an aspirational ideal, “negative freedom” is not enough to secure the freedom that, arguably, matters for well-being since non-interference is not enough mark off a reasonably comprehensive “area with which a man can do what he wants.”

The character of many of our actions, including a number of those that are vital to well-being, is extrinsically determined. Some actions require the active cooperation of other agents rather than mere non-interference: I cannot play tennis unless someone will play with me, get a job unless some one will hire me or teach unless some one will listen to me. Others take the “cooperation” of brute, inanimate nature: I cannot ski if there is no snow. Still other actions are conventionally generated and can only occur within a system of rules, regulations or social conventions: I cannot buy, sell or own property apart from a range legal conventions or exercise my rights as a citizen in the absence of a state.

Berlin notes that “Coercion is not...a term that covers every form of inability.”

If I say that I am unable to jump more than 10 feet in the air, or cannot read because I am blind, or cannot understand the darker pages of Hegel, it would be eccentric to say that I am to that degree enslaved or coerced. Coercion implies the deliberate interference of other human beings within the area in which I wish to act. You lack political liberty or freedom only if you are prevented from attaining your goal by human beings.⁶

Talk about wage-slavery and “economic freedom,” as he suggests, is likely metaphorical. As a piece of linguistic analysis this seems correct. However, it leaves over the question of whether negative freedom, understood as freedom from active interference by human beings is the freedom that matters for well-being or whether increasing negative freedom over the population increases the freedom that matters overall.

As an entrepreneur, begging at my local freeway entrance, I have a high degree of negative freedom. No one interferes with me, I do not pay taxes on my take and I am not bound by cumbersome government regulations. But this is not the Good Life: arguably, in the sense that matters, I am not as free as a university professor, who pays taxes and is obliged to comply with a variety of regulations but who, on net, has many more options. Individuating and counting actions and other events, is problematic but intuitively it is clear that as an academic, with a decent salary and the goods and services it buys, I can *do* much more than I could as a beggar. I have the use of a computer and academic library and so can do research effectively. I can read papers at conferences. I can teach. I can walk my dog, play the piano and putter around in my yard because I have a dog to walk, a piano to play and a yard to tend. Arguably, what I have more of is the freedom that counts—the freedom Amartya Sen calls “capability.”

Capability is the effective freedom to achieve what Sen calls “functionings” and, according to Sen, well-being consists in the capability of achieving valued functionings. “Functionings,” writes Ingrid Robyns, “include working, resting, being literate, being healthy, being respected, and so forth.”

⁴ Op. cit, p. 16

⁵ Ibid.

⁶ Ob. Cit, p. 7

The distinction between achieved functionings and capabilities is between the realised and the effectively possible, in other words, between achievements and freedoms. What is ultimately important is that people have the freedoms (capabilities) to lead the kind of lives they want to lead, to do what they want to do and be the person they want to be. Once they effectively have these freedoms, they can choose to act on those freedoms in line with their own ideas of the kind of life they want to live.⁷

Capability is not “positive freedom.” It is not loaded down with provisos about autonomy, self-direction or self-realization. Well-being, on Sen’s account, consists in the capability of achieving valued functionings but Sen, unlike Nussbaum whose version of the Capability Approach includes a list of capabilities which she takes to be vital to human flourishing, he does not provide any account of which functionings are, or should be, valued. Capability, as Sen understands it, is merely the ability or capacity to do, get or be: it is “practical possibility” or feasibility.

Feasibility is a restriction on possibility. It is narrower than logical possibility: it is logically possible for me to fly but that is not something of which I am capable. But it is also narrower than nomological possibility in large part because the functionings—the doings, gettings and beings we value—typically require more than physical capacity. There is a wide range of jobs that I could do, to the extent that I am physically able to do the required tasks, but which I do not have the capability of doing because I could not be hired. A variety of such external conditions constrain our capabilities, including the cooperation of others, our circumstances, and the systems of rules, traditions and conventions within which we operate. Arguably, however, capability is the freedom that matters.

It is useful to understand capability as conditional. My capabilities, understood in this way, depend on life circumstances—some of which are within my control and some of which are not. *Given* the force of gravitation here on earth I cannot lift 500 pounds. I cannot change the law of gravitation and do not have any choice about living on earth. *Given* my professional obligations and teaching schedule I cannot spend Tuesdays and Thursdays at the mall—I have to teach logic. I don’t have to work at this job and I could have organized my teaching schedule differently. But *given* that I have this job and have chosen my teaching schedule I do not have the capability of spending all or most of my Tuesdays and Thursdays at the mall—at least for this semester.

Understanding capability in this conditional sense, we can distinguish questions of whether individuals are free *given* their life circumstances from questions of whether their life circumstances are freely chosen. I achieved a high school GPA of 1.5. Consequently my prospects for college admission were negligible and my professional opportunities few. *Given* my high school performance, my capabilities for achieving valued functionings were minimal even though the conditions that brought about this result were within my control. I could have done better in high school and so, in a global, atemporal sense, my capabilities were extensive but *given* my high school performance I did not have very many options.

For some purposes we may want to understand capabilities in an unconditional, global or atemporal sense. But we also need to consider individuals’ capabilities conditionally, bracketing the question of whether, and to what extent, they have chosen the circumstances of their lives, and asking whether *given* their life-circumstances they are capable of various doings and beings.

Money and Work

One of the most stringent constraints on individuals’ effective freedom, understood conditionally, is work. American workers have a wider range of options than chattel slaves or serfs bound to the

⁷ Ingrid Robyns, “The Capability Approach: An Interdisciplinary Introduction,” <http://www.capabilityapproach.com/Home.php?sid=5f4fda2349d3b7403b4933ed0b3b3dae>.

land when it comes to the jobs they do. Moreover they can, if they choose, avoid conventional work altogether and spend their days begging at freeway entrances. But *given* that they work at the jobs they do, most Americans have very little effective freedom. Individuals in industrial and post-industrial societies typically spend their working days, defined by set starting and ending times, in a confined space, usually with little freedom of movement, without any discretion in organizing their time, doing a narrow range of repetitious tasks which often occupy the mind just enough to prevent them from thinking about anything else.

According to the Bureau of Labor Statistics, 3.5 million Americans were cashiers in 2006.⁸ “Most cashiers,” the BLS website notes, “work indoors, usually standing in booths or behind counters. Often, they are not allowed to leave their workstations without supervisory approval... The work of cashiers can be very repetitious.”⁹ 2.2 million Americans were customer service representatives. Most worked in call or customer contact centers, in cubicles equipped with a telephone, headset and computer and, according to the Bureau of Labor Statistics: “Call centers may be crowded and noisy, and work may be repetitious and stressful.”¹⁰ 492,000 Americans worked as data entry operators.¹¹ They sat at terminals all day inputting data, with each keystroke monitored and counted.

These are typical of the jobs in a post-industrial service economy. The conditions of work in these occupations—regimentation, close supervision, physical constraint and repetition—is characteristic of the jobs most Americans, including the overwhelming majority of women, do. A small minority of highly privileged individuals can avoid this sort of work, but for most of us the conditions of work severely restrict effective freedom. For some, limited trade-offs are possible. Manual labor and delivery jobs provide options for men that are less physically constraining and women can avoid the most severe physical constraints by undertaking jobs in child care and elder care which allow for more physical mobility. Nevertheless, even such jobs, which allow for greater physical mobility are regimented, repetitious, and restrictive.

Eumaeus the Swineherd, Odysseus’ slave, had it better than that. Eumaeus was Odysseus’ property, but in an important sense—arguably the sense that matters—he was more free than most contemporary American workers. His time was his own. He had a job to do and had to produce a result—fat hogs for his master’s table. But he was not closely supervised and it was up to him how he produced that result. Minute by minute and hour by hour, Eumaeus could do as he pleased so long as the swine were fed and tended. He was not confined to a place. He could graze his pigs in this place or that—wherever the acorns and truffles were. His movements were not constrained. He could sit, stand or walk, and move about. He was not, in the course of his work, forced to do repetitious tasks and his mind was his own.

Eumaeus was a slave and so the freedom he enjoyed was favor-dependent.¹² His well-being depended upon the good will of Odysseus who could, if he chose, have liberated him, sent him to work in the salt mines or let him be. The circumstances of Eumaeus life in virtue of which he enjoyed significant capability were not within his control and his political rights were minimal, but *given* these conditions, *given* Odysseus’ good will, he enjoyed the basic capabilities requisite for a decent life: he was not under constant supervision; he was not confined to a place; he could move about freely and organize his time as he chose; he was not burdened with repetitive tasks that occupy the mind. Eumaeus, in short, had a good job even though he was a slave. He enjoyed much more effective freedom than most Americans and was, arguably, better off.

⁸ Bureau of Labor Statistics. <http://www.bls.gov/oco/ocos116.htm>

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² Philip Pettit, “Capability and Freedom: A Defense of Sen,” *Economics and Philosophy* 17 (2001): 1-38.

In industrial and post-industrial societies, drudge work is unavoidable. There are groceries to be scanned, customers to be served and data-entry to be done; there are ditches to be dug, machines to be tended and meat to be packed, and there are babies and the incontinent elderly to be diapered. To the extent that these tasks have to be done some people will have to spend some of their time during some part of their lives engaged in tasks that are tedious, unpleasant and restrictive. Work by its nature limits individuals' effective freedom and undermines well-being: it is an unmitigated, but unavoidable, evil.

Nevertheless, given that work has to be done, there is still room for maneuver. In the US, where minimum wage is truly minimal and the working poor get few additional benefits, the effective freedom of workers who do the most restrictive and unpleasant jobs is further constrained by poverty. Such workers typically have little or no chance for advancement and few opportunities for education or training. Because social mobility in the US is low, dishwashers son's are likely to end up as dishwashers: individuals from poor families have few options when it comes to the jobs, and lives, they can get. Finally, gross, ongoing discrimination in the labor market for non-elite jobs severely restricts the options of women and minorities. Most women are locked into a narrow range of traditional dead-end pink-collar jobs, which are among the most restrictive, immobile, tedious, repetitive and closely supervised, as well as the most poorly paid and insecure.

Arguably, it is freedom from state interference, an essential component of the American Dream that is largely responsible for this state of affairs. Because the US government is averse to imposing burdensome regulations on firms or obligations that might cut into their profits, businesses can pay low wages to employees who have few alternatives and maintain indecent working conditions. The vaunted "end to welfare as we have known it" further restricts individual freedom by forcing women into the labor market, depriving us of the only chance most of us have to avoid soul-sucking, mind-killing drudge work, exacerbating over-crowding in the narrow range of occupations open to most of us, and depressing wages in these pink-collar occupations.¹³ Because the options are limited for individuals who have grown up in poverty, most have no choice but to take insecure, poorly paid, boring, dead-end jobs without any real chance to extricate themselves. Because in the US the state makes no provision for retraining adults whose job skills become obsolete or who become unemployed for any other reason, such workers cycle between poorly paid, dead-end jobs and unemployment.

Privileged individuals may find it difficult to believe most Americans are this badly off. We can imagine any number of ways out if we were in their predicament. We cannot believe that things are that bad because our lives are very different. We enjoy a significant degree of effective freedom and cannot readily imagine how cramped, tedious and hopeless most lives are and how little effective freedom most Americans have. Nevertheless, the American Dream not only traps many Americans in lives of poverty and drudgery: it also locks the privileged few, who enjoy a much greater degree of effective freedom in their lives and work, into a spiraling cycle of overwork and overconsumption and, to that extent, restricts our freedom as well.

Overworked and Overspent Americans

Wealth increases effective freedom; work diminishes it. But work produces wealth so we are in a bind. Cut back on work or, more grandly, reorganize society so that most individuals can avoid the regimented drudge work required to produce the material goods we enjoy, and we will have less effective freedom. Material possessions, luxury items in particular, increase effective freedom because they enable us to do more. With my iPhone I can do things that I couldn't do without it. The simple life is a life of constraint. Greed is good.

¹³ This is economist Barbara Bergmann's "Overcrowding Hypothesis."

But greed comes at a cost—and the cost is work. The effective freedom that possessions confer upon their owners is offset by the constraint they endure to earn the money to buy and maintain them. Moreover, the longer we work to get the material goods which expand our effective freedom and contribute to well-being, the less time we have to enjoy them. Even if the ideal life is a life of complete idleness and unlimited consumption, that it not something most of us can get.

Sen notes however that effective freedom is not in and of itself of valuable: it is worth something only to the extent that it is directed to objects of value. It is controversial what is of value. I have argued elsewhere that Sen's Capability Approach can be reconstructed as a preferentist account of well-being according to which we understand well-being as consisting in actual *and possible* desire-satisfaction.¹⁴ On this account, for any given individual, it is the capability of getting what he wants *for any reason* which is the freedom that matters for him.

Living in Southern California I have a range of capabilities that many Americans would die for but which do not contribute to my well-being. I can go to the beach, or the desert, and enjoy sunshine and moderate temperatures year round. All this is wasted on me because I do not have much interest in the beach, detest the desert, and don't like the climate. As an academic, within limits, I have some choice over the amount of work I do. I could teach in the summer or during winter intersession and make more money, which I could use to buy more stuff. But I hate teaching and have all the stuff I want so I minimize work in order to expand my effective freedom to get what I want: the time to do research and write.

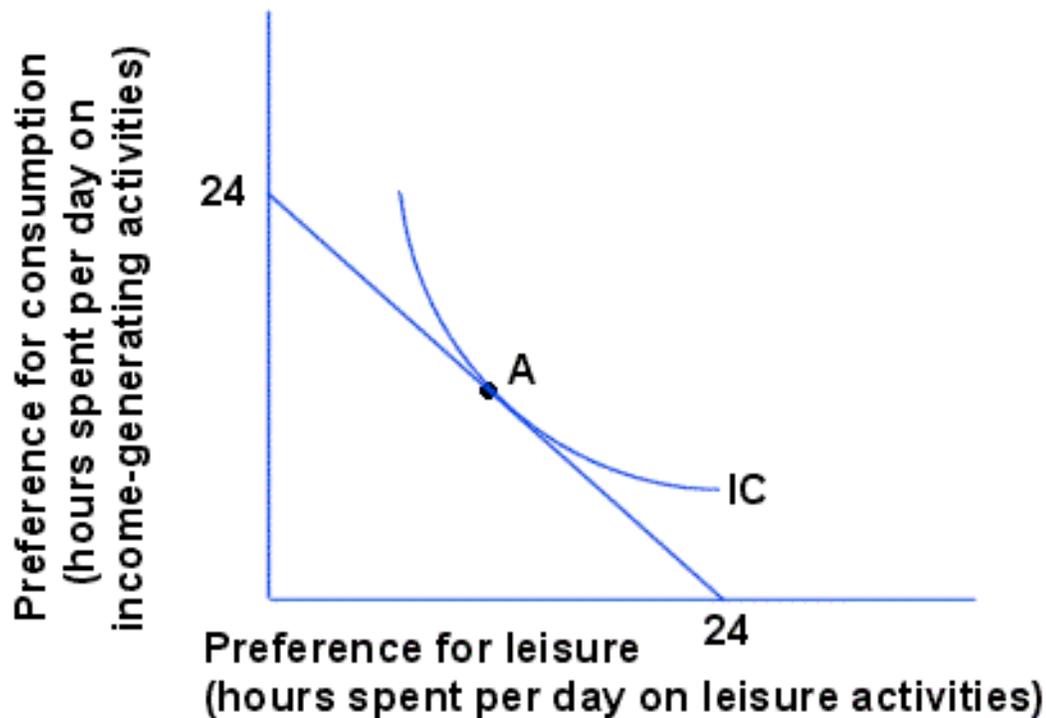
Most American workers do not have this option. Sociologist Juliet Schor, in *The Overworked American* and *The Overspent American*, describes the plight of Americans caught in a cycle of overwork and overconsumption.

Prima facie, it appears that individuals who work longer hours in order to buy more stuff are choosing to make a trade-off to satisfy their personal preferences: I choose to work less and have less stuff because I hate work and don't care about stuff; they choose to work more and have more stuff because they don't dislike work as much as I do and care more about stuff. De gustibus. This however ignores the structural features of the American system that make the trade-offs American workers might prefer unfeasible and impel them work longer and spend more than they would, *ceteris paribus*, prefer.

For most Americans, decreasing work time to less than 35 to 40 hours a week means going part-time and the loss workers incur by going part-time is, most often, not commensurate with the decrease in work hours. Workers who go part-time typically lose benefits. Because health insurance is tied to employment in the US this is a significant loss in income and one that most workers cannot afford: health insurance is expensive in the open market and many Americans, who have pre-existing conditions, cannot get coverage at any cost. In addition, workers who go part time lose out on chances for advancement and opportunities to undertake interesting, challenging projects.

Conventionally, we represent workers trading off wages and non-market time according to their preferences for consumption and leisure, represented by differences in their indifference curves. But the straight line that labor economists use to represent the budget constraint, which determines the trade-offs available to individuals, is misleading.

¹⁴ Reference suppressed for blind review.



The straight line representing the budget constraint obscures the ratchet effect: when workers decrease their hours to below the fulltime threshold, typically they lose benefits, sacrifice job satisfaction and give up any chance of advancement. As academics we are also subject to the ratchet effect even if spaces between the teeth of the gears are wider. But like other workers, if we go part-time we incur significant losses. I would, if I could, sacrifice 1/3 of my current income to cut my teaching load by 1/3 but that is not feasible. If I went part-time to decrease my teaching load I would lose benefits, lose tenure, lose travel money, lose my university supplied computer and lose the privilege of using my office phone to make long distance calls. Moreover, as an adjunct, my wage *rate* would be much lower.

In addition to impelling Americans to work longer hours than they would otherwise choose, the system in which we operate also impels us to spend more. "Would you agree," Schor was asked, "that the Middle Class [sic] has real needs our parents did not have? For example, urban parents must send their kids to private schools, since the public schools are inadequate." In response Schor noted that because in the US we invest relatively little in public services, individuals with means buy substitutes in the market and hence, as a consequence, public services degrade. "The problem I see," Schor responded, "is in the way we and the society are meeting those needs."

Rather than shift to expensive private education, what about a collective response to improve the public schools? The decline of public goods, such as education, recreation, and culture, has led us into a vicious cycle in which we need more money to purchase private alternatives: Discovery Zone rather than the local playground. But that move to private substitutes further weakens support for the public good. What I argue in my book is that the intensification of competition in private status goods is in part creating pressures on income, which undermines support for public goods.¹⁵

¹⁵ <http://www.time.com/time/community/transcripts/chattr052098.html>

In the grip of an ideology, the ideology of the American Dream, we regard public goods and services as benevolences: public schools, public parks and public transportation are for the Other—inferior, barebones facilities for the near-destitute. We don't use them, invest in them or make any significant effort to improve them, so they become exactly what we imagine them to be.

Once public facilities have become decrepit and, in many cases, dangerous, it is difficult to get middle class Americans to use them—or to support them. If middle class Americans were ideally rational it would be impossible because these circumstances constitute a Prisoners' Dilemma, which locks in a suboptimal equilibrium. As a public-spirited middle class liberal I believe that I should send my child to the local public school. It's lousy, but I know that if other public-spirited middle class liberals sent their kids to my local public school too, we could, through a "collective response," improve that school. But I know also that if I send my kid but the other middle class parents don't cooperate, my child will have a miserable time of it and receive an inferior education. I will have endangered my child, sacrificed possibilities for him and undermined his future, for the sake of my silly idealism without, as a lone cooperator, doing anything to improve public education. I don't dare risk that—especially since I know that other middle class people like me are thinking the same thing and so won't risk it—because they know that everyone else is thinking that they don't dare risk it either...

Here we have the consequences of the American Dream of government shrunk and drowned in the bathtub. We cannot choose to work less and earn less because health benefits are of the employer's largesse rather than benefits we enjoy by right as citizens. We cannot quit work to start businesses of our own because we don't dare lose the health insurance. Without social safety nets, we cannot afford to assume risk.¹⁶

We can't depend on public facilities because they have become degraded through lack of support. We can't send our kids to public schools or take them to public parks and can't use public transportation because public schools, parks and bus shelters have become hangouts for criminals and crazies—because middle class people have abandoned them—because they are hangouts for criminals and crazies. Public services are inferior because middle class people shun them because they are inferior...

The American Dream restricts the effective freedom of the privileged few as well as the oppressed multitudes precisely because it undermines opportunity and promotes inequality. Because it supports the persistence of an underclass, large swathes of urban territory are no-go areas. We cannot walk through many urban neighborhoods safely or, even in many "safe" neighborhoods go to local supermarkets without being accosted by beggars at the door. We flee to ever-remoter suburbs and, if we can afford it, to gated communities, which effectively lock us in as they lock others out.

Freedom and Equality

It is controversial whether the economic inequality is intrinsically undesirable. There is however compelling empirical evidence that it limits opportunity, undermines social mobility and, to this extent, restricts freedom. The American Dream doctrine assumes that there is a trade-off between equality and social mobility, but this is simply, as a matter of empirical fact, false.

It is also controversial what kind of freedom matters for well-being. This is not an empirical question but a strictly philosophical one and so a question that is *irremediably* controversial. The American Dream doctrine assumes that the freedom that matters is negative freedom, construed

¹⁶ <http://www.chicagogsb.edu/capideas/sept04/riskpreference.html> According to this study by Christopher K. Hsee for the University of Chicago School of Business

in the narrow sense as freedom from interference and, in particular, freedom from state interference. I have suggested that the freedom that matters is the capability or effective freedom to do what we want, that negative freedom *restricts* capability, and that state redistribution of wealth, support for public services and social engineering, though supported by coercive taxation and government regulation, on balance *increase* the individual freedom that matters.

Fundamental to the American Dream is a false dichotomy that is rarely challenged—between the nanny state and the market, between a communitarian ideal of socially embedded individuals working for the common good identified with the political left and the individualist vision of rational self-interested choosers whose interests are largely in conflict fighting it out to achieve desire-satisfaction suggested by libertarians.

We are, I believe, social atoms with conflicting interests, competing for scarce goods, competing with our fellows to expand our spheres of effective freedom at their expense as they fight to expand their freedom at our expense. I have argued however that the State is the great liberator, that wealth transfers, regulation, social engineering and other progressive programs are good not because they promote equality which, arguably, is of no intrinsic value, but because they increase effective freedom, and that the most effective way to expand *overall* freedom on balance and most importantly to loosen the constraints of poverty and drudgery, is by repudiating the American Dream.