

PART 3

THE COVENANT ON AFFORDABILITY

Introduction: Labor-Based Entitlements

Imagine a society in which individuals carry deep social obligations to work: to make daily, positive contributions toward the satisfaction of existing and anticipated communal needs upon threat of moral exile, but with no assurances or guarantees from government that doing so will curry favor, protection, or insurance when factors beyond individual control result in unaffordability of the basic goods all of us are working for. The slacker and the hard worker receive equal treatment, although one works little or not at all and the other works consistently for an entire lifetime. And although the costs of living undercut the decent purposes for which the society claims to exist, government finds no injustice or necessity for reform, nor a sense of duty toward laborers. Government continues to demand they satisfy the Golden Rule at any cost, even though unaffordability with labor is the predictable outcome.

Unilateral obligations to work are inconsistent with the idea of political community. Moral servitude of this kind is inconsistent with the idea of democratic government. The last three chapters reviewed

in great detail the austere labor obligations that every American carries. Meeting those duties is neither unconditional nor a purely private undertaking. Rather, citizens accept the duties to full-time work *in exchange* for government's assurance that full-time work and wages will enable them to afford items of decency. That is, Americans willingly accept the duties of full-time work from the recognition that such labors are necessary to the creation of an affordable nation—not so that they can be crushed under the weight of their own productivity.

The right to an affordable nation and the duties under the Golden Rule constitute a covenant—a Covenant on Affordability—between the American government and its people. That covenant provides that the reward for meeting established labor expectations is wages or equivalent resources that are sufficient to afford items of decency, whatever the going rate for such items is at the time. The Covenant on Affordability explains and validates Americans' outrage at the unaffordable nation. The reality is a breach of social contract.

Chapter 8 provides alternative bases for grounding the Covenant on Affordability, both of which are rooted in the Christian-American value of industriousness. The social contract theory of John Locke has particular relevance here, because his reliance upon the value of industriousness as a basis of both divine and political entitlement is the key innovation needed to explain the American Covenant on Affordability. The theory accounts for the existence, in liberal democracies of a religious cultural bent, of parallel divine and political orders in which God and government are the guardians of their respective realms. Within these parallel orders, the deities issue commands that, if adhered to, give rise to guarantees of security against the dangers of wilderness, both political and divine.

The Covenant on Affordability presumes the political duty to work to (more or less) the end of satisfying socially accepted labor standards. Therefore, the Covenant on Affordability directly conflicts with the libertarian self-image that Americans romantically endorse. Within the libertarian ideal there is no mechanism for shifting the burdens of labor obligations between individuals and the institutions regulating

them. Where markets fail in the libertarian state, leaving satisficing individuals unable to afford items of decency, it is an unfortunate but politically unfixable occurrence. That political arrangement translates into a duty of satisficing that expands and contracts with an individual's circumstances. At times the duty of satisficing may be exceptionally light, and at other times, crushingly oppressive.

The libertarian view of labor obligations is at times physical reality, as evidenced by the fact that many Americans must work more than one full-time job to afford items of decency. The emotional attraction to simple libertarianism is nowhere to be found, however, when hardworking Americans fail even though they are doing their economic best. Rather, Americans believe that one function of just political institutions is to protect them against this possibility. Explaining how, in American society, personal industry can create obligations on the part of government gives legs to this American conviction.

I do not rely upon Locke's views to defend the American Covenant on Affordability, however. I allege it to exist in the hearts and minds of contemporary Americans. This route to the Covenant on Affordability begins with the observation that nearly every American sets the minimum value of his or her own full-time labor at the going rate of items of decency.

Chapter 9 expands on the Covenant on Affordability by applying the doctrine to the issues of corporate responsibility, trade, and immigration. These issues have special importance because they concern how the Covenant on Affordability resolves questions about the economic rights of people in the United States other than typical American employees.

Large corporations are fundamental to the Covenant on Affordability for three reasons. First, large corporations are the major employers in the United States. Second, based on their real or perceived earnings, large corporations (and their owners) are expected to underwrite the Covenant on Affordability. Third, globalization has enabled many large corporations to avoid some of the labor costs asso-

ciated with American economic justice by relocating these costs to less democratic, but still capitalist nations elsewhere.

Trade and immigration are fundamental because they raise the issue of how the Covenant on Affordability applies to foreign individuals and those employed by overseas corporations, many of whom wish to become American citizens or somehow take advantage of economic opportunities in the United States. The status of legal and illegal immigrants before the Covenant on Affordability, and whether such persons have a basis for alleging rights under it, speaks to how open the American Covenant on Affordability is. At the same time, asking whether resident immigrants should receive equal consideration under the Covenant on Affordability will be one factor in establishing economic feasibility determinations. This will force Americans to make judgments about how, for example, the facts of oppression in Cuba or Iran should influence American immigration policy.

CHAPTER 8

The Covenant on Affordability

Once abolish the God, and the government becomes the God.

—G. K. Chesterton, *Christendom in Dublin*

Where is this Covenant on Affordability? At what convention was it ratified, and who were its signatories? Americans think formalistically about their rights. When confronted with a proposed new right or privilege, Americans' knee-jerk reaction is to consult the Constitution and search for the express language. When no such language exists, these good Constitutionals will politely inform suffragists of the error and be on their way, convinced that they have taken rights seriously.

Americans' legal positivism—the view that the only law there is, is law as it is written down—is short lived, however. Each new generation of Americans is surprised to learn that many of their most cherished freedoms lack reference in the Constitution and, rather, are products, not uncommonly fiats, of statutory law. Furthermore, when Americans are confronted with the fact that some right that they consider to be fundamental is not expressed in state or federal law, rather than renounce the right in accordance with their doctrine, they renounce their doctrine in order to preserve the right. This is true, for example, of the American right to education, which has no reference in the Constitution and which the US Supreme Court had held is not a fundamental right. Americans continue to believe that a quality basic education is a birthright.

The experience of feeling deeply that certain things should be rights and are worth fighting for as rights, even when government says

that they are not, introduces Americans to the possibility of uncodified political commitments, commitments that are entrenched in American culture even though they are not fully spelled out or explained in law. The Covenant on Affordability is this kind of political commitment. Its roots are decidedly Christian-American, a political outgrowth of the biblical teaching that “one reaps as one sows.”¹ Under the teaching, among other things, the diligent and industrious will be rewarded with good lives, while the inattentive and slothful will suffer:

I passed by the field of one who was lazy, by the vineyard of a stupid person; and see, it was all overgrown with thorns; the ground was covered with nettles, and its stone wall was broken down. Then I saw and considered it; I looked and received instruction. A little sleep, a little slumber, a little folding of the hands to rest, and poverty will come upon you like a robber, and want, like an armed warrior.²

“Reap what you sow” has secular and divine interpretations. The secular reading merely proclaims that hard work pays off. That reading takes no positive view of how the hardworking are to secure items of decency in the face of poor luck and poor justice, but only warns that poor choice results in hardship. The secular reading of “reap what you sow” captures much of Americans’ thinking about economic responsibility, poor choice, and paupers. However, it does not explain how Americans moved from the biblical exhortation of industriousness to the expectation that their industriousness will earn them God’s assurance of affordability.

To most Americans, “reap what you sow” is a divine proclamation. This reading warns followers that, in the physical world, slothfulness and poverty go hand in hand. But the divine reading of “reap what you sow” also highlights the metaphysical rewards of living according to God’s will. On this view, the person who works hard will be provided for: industriousness is a virtue that God rewards with bounty. In this world, the good person does not have to worry about poor luck or poor justice. Whenever those vagrants prevent indus-

trious people from earning items of decency, God’s part of the bargain kicks in and provides as needed.

The divine version of “reap what you sow” is a bargain. Followers commit themselves to industry in order to please God, who, in exchange, assures them against the harsh realities of the physical world.



How did government become liable for the Covenant on Affordability? A political account of the Covenant on Affordability can be extrapolated from John Locke’s *Second Treatise of Civil Government*, whose account of property rights identifies the Christian value of industriousness as a source of political entitlement:

God gave the world to men in common; but since he gave it to them for their benefit, and the greatest conveniences of life they were capable to draw from it, it cannot be supposed he meant it should always remain common and uncultivated. He gave it to the use of the industrious and rational, (and labour was to be his title to it); not to the fancy or covetousness of the quarrelsome and contentious.³

Locke believed that there are natural limitations on people’s rights to exclude others from their property. Among those limitations was that enough other property and property that is as good as what others already hold be left for other industrious people to enjoy. Locke’s limitations on property were intended to ensure that every industrious person had access to resources of the quality and the quantity necessary to meet his or her basic needs. According to Locke, every industrious person has such natural rights because God gave the world to them—the industrious—in common. So, for Locke, the industrious were entitled to the resources sufficient to meet their basic needs, and it was their labor that created the entitlement.

Locke began with the assumption of bountifulness in nature. He assumed that enough quality resources existed in nature to meet the

needs of all the industrious, provided each respected the natural limits on property that he proposed. With the introduction of money, however, Locke was confident that the prohibitions on hoarding property could be done away with. Then, industrious people could work for wages and buy the things they needed with the money they earned through their labor. Locke predicted that this new arrangement would result in huge inequalities between people, but he assumed that was all right because everyone had agreed to use money in the first place.

As others have observed, this argument assumes that by consenting to a transaction, one thereby consents to any and every consequence that could possibly follow, which is false. But I am more interested in the effect of this turn of events on the right of industrious people to have enough and as good of resources. In order to preserve those rights in a market economy, the industrious must be able to afford the price of basic goods with the wages they earn through their labor. A nation in which the industrious are not able afford the price of basic goods with the money they earn from working would arguably violate its citizens' natural property rights.

So, it is possible to locate in Locke's theory of property a requirement of affordability—for the industrious, at least. In order for government to protect citizens' natural rights to property, then, it is obligated to keep life affordable for the industrious. This interpretation of Locke supposes that he requires the redistribution of wealth when doing so is necessary to ensure that all of a society's industrious members can afford items of decency through their labor.

This is all that the average American needs to know about Locke: as I read him, he means to say that industrious Americans are entitled to an affordable nation, and, where necessary, government is required to act to make an affordable nation possible. In order to properly close this discussion of Locke, however, for students of philosophy, it is necessary to say a little more about his theory.

Locke had an interesting view of how individuals come to own "things." In short, he believed that a person gains a property interest in a thing by mixing his or her labor with it. A house is yours because

you build it; an apple that falls from a tree belongs to you at the point you pick it up, and so on. For Locke, the reason that such actions gave rise to ownership interests is because the investment of labor is what gives things value in the first place. Locke's view of how people come to own things must be found awkward today, where most people receive only wages in return for their labor and rarely gain ownership interests in the things that they help to produce. Nonetheless, additional support for my reading of Locke is that it fits neatly with his labor-mixing theory of creating value.

Mixing one's labor with things in Locke's state of nature creates ownership interests that are carefully tailored both to the human need for which labor is undertaken and to the amounts of labor expended. By contrast, labor in a market economy yields only what the market determines the labor to be worth. For the most part, market economies do not consider the human needs that motivate people to work or the significance of the amounts of labor that people devote to working. Thus, in moving from Locke's state of nature to civil society, a natural proportionality is lost between the labor people undertake to meet their basic needs and the guaranteed returns on labor investments.

In Locke's natural world, basic goods are so plentiful that people can simply leave their homes and immediately dig into earth to satisfy their needs. In such circumstances, the duty of each person to leave enough good property for others is satisfied mainly by the fact that they are all in the Garden of Eden—a place of virtually unlimited resources—than the fact that people consciously limit their property accumulation to fulfilling basic needs. Put another way, in Locke's state of nature, guaranteeing industrious people basic goods in exchange for work should be understood as a unilateral contract, because God has already discharged his obligation to create bountiful nature. In civil society, on the other hand, where resources are often scarce and subject to market conditions, the duty to ensure that the industrious have enough good property falls to government. This is the Lockean route to the Covenant on Affordability.

We do not need Locke to prove the existence of the Covenant on

Affordability in the United States. If Americans were asked to place a value on their full-time labor, nearly everyone would respond that his or her labor is at least worth the wages necessary to afford items of decency. Indeed, Americans reject the possibility that the value of their full-time work could ever fall below the going rate of decent lives.

This observation is important because it reveals a kind of consensus among Americans in support of the Covenant on Affordability. Each citizen believes that government is obliged to create an affordable nation *for him or her* in virtue of the full-time work that they contribute. No one disputes that some full-time work is *worth more* than the going rate of items of decency, especially when divisions of labor are factored in. But Americans' belief that full-time labor is minimally worth decent lives seems occupation-independent. That is, for the most part, Americans believe in decent wages for full-time work, regardless of the type of work that an individual performs.



POOR MAN'S HEAVEN OR RICH MAN'S HELL

Begin with a poor but industrious person. In virtue of her poverty, something like a Covenant on Affordability is always at the front of her thoughts. For her, the sting of unaffordability is, too, the sting of an unjust political order. "What more can I do?" is her constant plea to God and government. However she means it, the content of the plea cannot be exclusive or privileged, but it is applicable to all. That is, the logic of her complaint is not simply that it is unjust for only her, to be unable to afford items of decency through her labor, but that it is unjust for *any person*, herself included, to be unable to afford items of decency through labor. Thus, whatever this woman's account of justice, it would be underserved by creating affordability only in her case. Justice would require making life affordable for every person who labors as she does.

Then she receives an economic turn of fortune, moving her up to the middle class: a promotion, a winning lottery ticket, an inheritance, a lawsuit, a crime. The stability of her new economic circumstances leaves her less attuned to any covenant, less zealous about its enforcement, more insensitive to people still in financial straights. Thoughts of the industrious poor may briefly cause her to reminisce, only to be extinguished by a sumptuous meal, the many distractions of disposable income, or the pride (and exhaustion) of maintaining a home. After some time, she is little more than an armchair advocate—a person willing to support the cause of affordability, provided she is asked for only her blessing and never her feet.

Some years later, the woman has a bright idea and strikes it rich. What of any Covenant on Affordability now? *Things have changed*. Our rags-to-riches woman has had time to do some mythmaking. Her memory of herself in times of unaffordability with labor has been romanticized. Now it is a grand saga of bootstrapping—of how people can overcome unaffordability through effort if only they are dedicated, meaning that truly there is no such thing as unaffordability with labor. She has also glorified the chain of events leading to her prosperity. In such events, there was no luck, only wise choice. Now talk of a Covenant on Affordability makes her suspicious—and resentful, because now she is among the class expected to underwrite the Covenant with her capital.

Turn now to a person born into wealth. From his perch, the belief in the Covenant on Affordability is heresy. Even before having the chance to prove his mettle in the marketplace, he knows this much: his inheritance and the luxuries he is accustomed to must be protected. Discontent to live in the shadows of his ancestors, he sets out to make his own way. "Making his own way," of course, includes making the most of his inheritance, exemplary education, political connections, and so forth, all of which gives him a better starting position than other men to start empire-building. This man leaves his home each morning fully convinced that only the cream rises, and also that if he becomes independently wealthy, the only possible cause is his own industry. He

probably even fantasizes that, if not careful, he could be bested by some poor genius.

Then he receives an economic turn of misfortune and descends to the middle class. Suddenly, there is a direct connection between the things he owns and the wages he earns for the amount of labor he gives. He is forced to trade downward: the mansion for a more modest home; the Rolls-Royce for a Subaru; for his children, an Ivy League school for a state university. For the first time, he notices the exorbitant costs of basic things like health insurance and daycare, which causes in him an entirely new feeling—sticker shock. He presses on, though. His pedigree has granted him an indelible confidence about his ability in the marketplace. But even so, his labor has a new character. In richer times, the failure to get up and go to work was merely a personal failing that could be cured the next day. Now it means risking items of decency. This man cannot help but feel some depression due to these new burdens. Having not been raised under them, he lacks the subtle immunities that poorer men have built up.

Then an event happens: a car is lost, a relative is hospitalized, or maybe a spouse is downsized. Over the next few months, creditors for basic things go unpaid and some of those basic things move into the category of “unaffordable.” Still gallant about his market value, his own experience of unaffordability with labor must mean that many others are in his same position. He thinks to himself that he is—no, *we are*—doing what is expected of us in terms of labor, but the returns are not enough to live on decently. What does he do next? The only thing he can do. He complains to God and government, “What more can I do?” He is using all his powers to make his way in the nation. His last, best hope is clemency from those gods powerful enough to intervene on his behalf—gods authorized to manipulate the oppressive factors of the economy that are beyond his purview. He has laid the philosophical foundations of the Covenant on Affordability.

Our rags-to-riches woman and riches-to-rags man each value the Covenant on Affordability according to their economic circumstances. The richer they are, the less valid the Covenant on Affordability is to

them. The poorer they are, the more valid the Covenant on Affordability is to them. This raises the concern, discussed in the introduction to the book, that the working person’s demand for better wages and benefits really has no foundation, but that it is merely a product of hardship. That is, that the moral valuation of labor, which supposes that people who work full-time are entitled to the going rate of decent lives, is less about justice than about the willingness of the economically disadvantaged to say whatever is necessary to get ahead. If poor people reject the Covenant on Affordability as soon as they become economically successful, the doctrine itself appears to be a political ploy.

But things may also be viewed from the other side. Perhaps the problem is not with poor people trying to enforce, but is rather with rich people trying to avoid the enforcement of, the Covenant on Affordability. That is, in the hands of rich people, perhaps the economic valuation of labor is being overstated and being used as a excuse not to support decent lives in exchange for hard work even though that is what rich people want for themselves. If, as suggested above, rich people are quick to embrace the Covenant on Affordability as soon as they fall upon hard times, then maybe the doctrine is valid after all, and the political campaign of some rich people to disclaim it is less about justice than about shirking their own civic responsibilities.

In any case, what I have tried to show above is that the Covenant on Affordability is the *Poor Man’s Heaven and the Rich Man’s Hell*. The question for Americans is, which view is the better one for the United States? If we side with the Poor Man, we will embrace the Covenant on Affordability for all and try to explain to rich people who disclaim it that the policy is also there for them should they meet with hard times, provided that they are hardworking. If we side with the Rich Man, we will reject the Covenant on Affordability for any and try to explain to poor people that it is unfair to expect society to share responsibility for them, even if they are hardworking.

One way of summarizing the argument of *The Unaffordable Nation* is that this America should be the Poor Man’s Heaven. As argued throughout, America should not be heaven for just any poor

person, but only for poor men and women who are failing even though they are doing their economic best. An inevitable consequence of making America this kind of Poor Man's Heaven, however, is that it will seem to some wealthy Americans to also be the Rich Man's Hell. But again, America should not be hell for just any rich person, but only for rich men and women who refuse to accept any share of responsibility for ensuring that every American is able to obtain items of decency through his or her labor. Even in the Rich Man's Hell, rich men and women get to keep a great deal of their property and will receive exceptional wages and benefits for their exceptional skills and industry (or inheritance).



This is the sum of American laborer's position: American workers claim both political and divine rights to an affordable nation. Through their full-time labor, they satisfy their economic obligations to government and God, shifting the burden to each to protect them from the wilderness, that is, to ensure that the rewards of their labor enable them to afford decent lives. To be clear, government and God are jointly and separately liable for keeping America an affordable nation. An unaffordable nation is a breach of contract.

NOTES

1. See Galatians 6: 4–10: "All must test their own work; then that work, rather than their neighbor's work, will become a cause for pride. For all must carry their own loads. . . . Do not be deceived; God is not mocked, for you reap whatever you sow."

2. Proverbs 24: 30–34.

3. John Locke, *Second Treatise of Government* (Indianapolis: Hackett Publishing, 1980), pp. 21–22.

CHAPTER 9

Some Applications: Corporations, Immigration, and Trade

Is the improvement in the circumstances of the lower ranks of the people to be regarded as an advantage or as an inconveniency to the society? The answer seems at first sight abundantly plain. Servants, labourers, and workmen of different kinds, make of the far greater part of every great political society. But what improves the circumstances of the greater part can never be regarded as an inconveniency to the whole. No society can be flourishing and happy, of which the far greater part of the members are poor and miserable. It is but equity besides, that they who feed, clothe, and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well-fed, clothed, and lodged.

—Adam Smith, *The Wealth of Nations*

OF FALSE GODS: PAGANS AND IDOLATERS OF COMMERCE

The Covenant on Affordability is a contract between government and citizens regarding one political constraint on free markets. In prosperous times, the prerogatives of the Covenant on Affordability lie dormant mostly; then, the claim of corporations to operate unencumbered is the most legitimate. In difficult times, however, the corporation, like other economic institutions, is legitimately called upon to participate in satisfaction of the Covenant.