

# **Libertarianism, Slavery, and Just Taxation**

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Most of the present day discussions on social justice adopt as their consensual starting point the presupposition that the state fulfils (and should fulfil) indispensable social functions and, since it would not be able to fulfil them without the possibility of having certain financial means, it has to gain these means through the taxation of its citizens. There is, however, no consensus as to which system of taxation is preferable - which is just and rational and which is to be deemed as indefensible.

The choice and parameters of the taxation system are, naturally, among the most hot-button of political issues and, especially before elections, it is possible to encounter related discussions in every corner of the political sphere. Public debates on these matters are, however, seldom based on general philosophical considerations; they instead concentrate on economic rationality and the practical effectiveness of a particular tax rate or a particular method of tax collection. Practically the only topic which is a common subject of related philosophical discussions is the question of progressive taxation. In their context we can distinguish, very schematically, two basic contradicting positions – the libertarian position, whose advocates definitely refuse the progressive taxation as unjust and the position shared by socialists, welfare liberalists and others, who see progressive taxation as one of the basic tools of asserting social justice.<sup>1</sup>

This article does not aspire to a complex assessment of the debates – even a rough presentation of all the relevant positions and arguments would require too much space – it is devoted only to a critical evaluation of one of the cornerstones of the libertarian approach to this issue. We will try to show that the argumentation which proponents of the libertarian-conservative conception of social justice use to rationalize the

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<sup>1</sup> Let us for simplicity label the second position as “socialist”, though many of its adherents would surely not like to be associated with socialism.

unacceptability of progressive taxation is built on questionable bases.<sup>2</sup> It overlooks some substantial features regarding the socio-economic reality of Western-style modern societies. If the principles on which this argumentation is based were to be applied systematically, its proponents would be forced to promote a radical reform of the socio-economic arrangement that would hardly be acceptable to them.

First, let us sum up the basic framework of the whole discussion. Arguments for and against progressive taxation can be divided into two categories – arguments of an ethical-philosophical character and economic-pragmatic arguments. Economic-pragmatic arguments *for* progressive taxation show, for example, that progressive taxes enable a maximizing of tax income with a very low degree of social conflicts since the rich will not be so affected by higher taxes due to a decreasing marginal utility. They also suggest that this kind of redistribution enables an increase of social cohesion in the society. Further, they point to the fact that the rich have a disproportionately higher benefit from the services provided by the state like safety, legal security, or defence because they have more to lose than the poor. An example of economic-pragmatic arguments *against* progressivity is a reference to the fact that it increases the tendency toward tax “optimizations” and flight to tax havens; therefore, the progressive tax does not have the expected effect. Another line of argumentation points to the fact that redistribution of wealth through progressive taxation limits sources of economically productive capital investments in favour of current goods consumption; as a result, both economic growth and the standard of living of all social strata are likely to be reduced in a long-term horizon.

We are not going to assess the significance of such arguments here; we will instead concentrate on a common type of philosophical-moral argumentation which is rooted in the deliberations of John Locke (see especially Locke 1965). Locke held the opinion that all people have an indisputable entitlement to the fruit of their labour; therefore, a social system is not just if members of the society are not guaranteed the

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<sup>2</sup> It should be noted that not all libertarians are really concerned with *social* justice - they may insist that the only justice worth considering is the one that can be conceived in terms of individual actions and natural rights.

fruits of their own labour, inventiveness and abstinence. Today's libertarian social theory stresses the responsibility of an individual for his or her – in this case economic – behaviour on the one hand and unquestionable right to freely dispose of oneself on the other hand.

The most influential present-day argumentation against progressive taxation is probably the one presented by Robert Nozick in his famous book *Anarchy, State, and Utopia*. Nozick likens the imposition of redistributive taxes (typically progressively designed) on people who are working to earn money to partial enslavement. Taking away a part of the fruit of one's work through progressive taxes actually means that, during the time the person was working to earn that part, he or she was performing enforced work without a proper reward – a kind of slavery. To allow such work means to be diverted from the classical liberal conception based on the idea that each individual is a self-owner to the conception that tolerates a partial ownership of an individual by other members of the society (cf. Nozick 1974, 149-182).

We can say that the key point of the libertarian attitude is the idea that all human beings are fully responsible for themselves and at the same time they are sovereigns who, as free beings, have the right to decide about themselves. As a result they have a full right to the results of their efforts. The project of the welfare state is thus immoral not only because its practical realization usually suffers from inefficiency and other faults but especially because it demands a kind of slavery from a part of its citizens.

Of course, Nozick's argumentation was criticised from different viewpoints.<sup>3</sup> Nevertheless, it is possible to say that the recognition of a key role of responsibility and sovereignty of an individual and a fundamental right to a reward for an invested effort are bases of general consensus. As general principles, they are accepted even by supporters of the paternalistic state. Is it, however, possible in a society based on ideas of respect of certain inalienable rights of human beings to assert the principle of full responsibility for one's own economic activities and the full right to their results without substantial restrictions? We are going to show that this is not the case, and that, as a matter of fact, a strict application of this principle might well lead to the disintegration of modern democratic societies.

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<sup>3</sup> Cf. e.g. Wolff (1991), Cohen (1995), Rothbard (1998).

Such a claim sounds, at the very least, exaggerated. Let us try, however, to consider why slavery is for us -- citizens of Western-style democratic regimes -- unacceptable. It seems natural to say that it is unacceptable, especially because the position of a slave is incompatible with our idea of what the position of man should be.<sup>4</sup> We start from the idea that adult persons should be the responsible creators of their own fates – to use Locke’s phrase, they should be “owners of themselves” and it is unacceptable that someone might own them. With more assiduous deliberations, however, we come to the conclusion that this idea is in a certain, at least partial, contradiction with the idea that people should be fully responsible for their deeds. And if we admit that the responsibility of an individual for its deeds is (to be) limited then there doesn’t seem to be a good reason to insist on the unlimited right to the fruits of its efforts.

Before we engage in discussion of the problems let us show Nozick’s argumentation in a somewhat wider context. It is important to note that the argumentation takes place within quite specific ‘minimalistic’ account of distributive justice. Nozick’s entitlement theory concentrates nearly exclusively on justice in holdings - a distribution within a society is considered as just if everyone is entitled to the holdings they possess, which means that the holdings have been acquired by just acquisition or just transfer (see Nozick 1974, 149–182). Whether a distribution is just or not thus depends solely on how it came about. Thus no particular economic system - e.g. liberal market economics - is seen as a key to just organization of society. The market based economical system is just insofar as the exchanges permitted in the system satisfy the conditions of just acquisition and exchange. Just outcomes are simply those arrived at by the separate just actions of individuals; we shouldn’t search for a particular distributive pattern.

This is in stark contrast to other influential theories of distributive justice. For example John Rawls’ influential theory views society as a complex system which should assure cooperation between equals for mutual advantage. Principles of justice are needed to “define the appropriate distribution of the benefits and burdens of social co-operation”. (Rawls 1971, p. 4) Thus justice consideration apply both to the political constitution of

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<sup>4</sup> In a Kantian spirit, we can here talk about the normative status of human beings which reflects respect to our own humanity. See Kant (1991).

the society and to the institutions that regulate the market, property, institutions and so on. As the members of the society are equals, inequalities in social positions are not seen as something natural but as something that must be justified. Fair distribution must concern not only 'goods' like income and wealth but also rights, liberties, powers, opportunities and selfrespect. The central principle that should, in Rawls' view, govern distribution of the economic goods is known as *the difference principle*: social and economic inequalities are to be arranged so that they are to the greatest benefit of the least advantaged. If we adopt this principle then it is quite clear that redistribution including the one which takes form of progressive taxation is justified. The redistribution is a natural means for reducing inequalities stemming from the fact that people inevitably take part in a natural lottery.<sup>5</sup>

Nozick's entitlement theory, on the contrary, is not concerned with economic and other inequalities stemming from the 'lottery' - if a given distribution of goods is just (and saying that it is not requires a proof) then if people voluntarily move to a different distribution observing justice in transfer, the new distribution will be just as well. The problem then is that progressive taxation is a redistributive pattern that doesn't presuppose consent on the side of the individuals whose income is taken away. As for libertarians the perspective of individual rights is privileged and they insist that just outcomes are those arrived at by the separate just actions of individuals, they deny that justice has an ineliminable social aspect and they tend to reject the discourse that stresses this aspect.

Let us now return to the considerations which are meant to subvert the Nozick style argument against progressive taxation. But let us begin not *in medias res* but somewhat lengthily - with an example. Imagine that an individual living in a modern Western-type society, let us call him Bob, acts irresponsibly and his action causes harm to others. That, for example, through the incautious use of matches he causes a fire which burns down several houses. If he is shown to have done this deed he will surely be punished according to the law. But this punishment might not solve the problem of 'economic' responsibility for the harm that was caused. It is not important here if we adhere to a

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<sup>5</sup> A detailed discussion of different aspects of inequality can be found in Fishkin (1984).

retributivist, utilitarian or some other conception of punishment, the important thing is that harm was caused and Bob's responsibility has a clear 'financial' aspect. Let us schematically assume that ten houses owned by ten different owners were burnt down and to each of them one million euros of damages was caused. Bob is thus responsible for damages of ten million euros. This damage can be seen as a case of injustice which needs to be rectified.<sup>6</sup> We may then say that Bob is in a position where he 'owes' each of the owners one million euros.

How will modern society in this case implement justice? If Bob were a wealthy person who owns a yacht worth 50 million euros, the vast majority of people would consider it just if he paid for the damages to each of the owners of the burnt down houses. He should simply give each of them one million euros<sup>7</sup> and, if he did not have the cash, he should sell a part or all of his property, for example the yacht.

There is, however, an obvious problem when applying such a straightforward conception of justice. Suppose that Bob is not so wealthy. His property will likely only cover a part of the damages and so he will be still be in the position of debtor. If he were forced to sell all his property and yet only be able to cover a part of the debts from the proceeds of the sale, he apparently would not have a place to live and most probably would find himself in an unendurable situation. Moreover, if he were really forced to gradually pay for the damages he would find himself in a situation – unless he were exceptionally capable - of having to pay, until the end of his life, all the money except the amount necessary for a basic livelihood so as to amortize his 'debts'. At the risk of overstating the matter we might say that Bob would become an economic slave of the 'creditors' because of his having behaved irresponsibly at one point.<sup>8</sup>

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<sup>6</sup> Let us, for simplicity, assume that the owners acquired their property in ways satisfying the conditions of just acquisition and exchange (c.f. Nozick 1974).

<sup>7</sup> This is, of course, the case only if we disregard all other kinds of harm. In reality we would expect that he should pay more so as to compensate the owners (and other people living in the houses) for their non-material losses, e.g. emotional suffering. Let us, for the sake of simplicity, put these complications aside.

<sup>8</sup> Some might (rightly) suggest that the creditors also behaved irresponsibly too - they could have bought some homeowner's insurance and the material damage they suffered would be compensated, but for simplicity's sake let us leave such considerations aside here.

It is easy to imagine that views of individual people regarding the most just solution to the unfortunate situation would diverge. Some people would surely be ready to insist that the scenario in which Bob spends the rest of his lifetime by paying his ‘debts’ is the most just one. The principle behind their view is simple and understandable: adult sane people are (and should be) taken as responsible for their deeds, and it is a part of this responsibility that they would bear the consequences no matter how unpleasant they may be. From this perspective the arrangement that leads to the maximal extent of paying off the damages – let us call it an arrangement enforcing the *principle of full responsibility* – seems to be the most just.<sup>9</sup>

Other people would surely have problem with this kind of principled solution to the situation. They would find it difficult to become reconciled to the fact that one mistake, even one with huge consequences, can irreparably ruin the life of the person who made the mistake. We can conjecture that in present day democratic societies this would be the dominant view while in ancient times the number of people promoting the full responsibility would be much higher. But why should present day people be less inclined to hold people fully accountable for material consequences of their deeds?

We may look at the situation from a psychological point of view and suppose that most of us are able to imagine ourselves or those close to us being in the culprit’s shoes. But what reason do we have to suppose that ancient people were less emphatic. The explanation must be different. We suggest that the key difference consists in the fact that citizens of modern democracies have been taught to put much more stress on individuality and personal freedom. Thus majority of us tends to think that the opportunity to live a fully-fledged life in which we are our own masters should not be so substantially endangered -- even in the case that this endangerment might result from our own deeds. Therefore, we are not inclined to strictly insist on the principle of full responsibility if it contradicts our idea that human beings should have a right to a certain measure of security unless it directly endangers the rights of others. Implementing justice, even when it is connected to a person’s responsibility for a mistake or a failure, should not substantially ruin his or her life.

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<sup>9</sup> In this article we concentrate on ‘material’ responsibility and disregard other kinds of responsibility such as moral responsibility or responsibility in the criminal and civil law.

If this kind of view is, as we suppose, common among average people it is hardly surprising that it is widely adopted by political philosophers. It seems only natural that also philosophers of libertarian should prefer “mechanisms of justice” which are tolerant of human failures; instead of the consequences of such a failure having a fatal effect on the life of an individual (and eventually on the lives of his or her close ones). Thus they often prefer - we dare to claim - solutions that are not strictly ‘economically just’. After all, the presupposition that each person is (and should be) the owner of him- or herself and that slavery of any kind is unacceptable has a key role in the libertarian conception.

If we put the human right for the self-governance of a person over their own life above the principle of full material responsibility in the indicated way, we incline to *the principle of limited (material) responsibility*. According to this principle, responsibility for the material consequences one’s own actions is justly enforceable only to that measure to which enforcing it does not include danger of devastating the basic qualities of the culprits’ live or the lives of those who are dependent on him.<sup>10</sup> Due to the fact that this attitude has prevailed in the development of Western society, it is inconceivable that a person might thereby fall into slavery, much less that he or she might fall into slavery along with their families. However, it is necessary to realize that these seemingly natural and at first sight not quite substantial facts have far reaching consequences as far as justice is concerned. Before dealing with them let us mention another aspect of exercising justice in modern society.

In spite of the fact that, in the scope of the libertarian conception of the world, the general principle that everybody is responsible for themselves and that everybody should be adequately rewarded for their efforts is generally accepted, it is obvious that this principle would not be asserted in a straightforward fashion, even in a society that was, from libertarian perspective, functioning perfectly i.e. such which guarantees justice in holdings. Not all of the people by far have the same opportunities to “deserve” this or that reward, lead this or that way of life, as a result of their own efforts. Although we view each individual as competent and independent because of natural idealization, in reality

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<sup>10</sup> We are here omitting deliberations about the protection of society and other aspects which play a substantial role in decision-making about the seriousness of an offence and what constitutes adequate punishment in the case of a felony.



everybody is a part of many social relations. The most important ones are of course given by the family, which profoundly influences the formation of the individuals considered as subjects who “own” themselves and who are responsible for their deeds.

To illustrate this by way of a rather banal example, one person is born into affluence and into conditions suitable for the development of their personality, while another person is born into a community of social outcasts and the poor life conditions, therefore, in many respects limit the development of his or her personality. If we stress that the lives of all people should be responsive to their merits, it is necessary to admit that this principle has, besides a strictly individual aspect, a rather wider context which could be called ancestral.

Some can – and it can hardly be called unjust – benefit from the merits of their ancestors either due to the fact that they have a better social position and thus, for example, better access to education, or because they inherit property from their ancestors. As a result, it is quite common that a person who is not really able, efficient, and diligent can live on a higher material level than an equally able, efficient, and diligent person coming from a more problematic background.<sup>11</sup>

It is possible to see this inequality (and many people do) as a part of the unfairness of fate, but even among present day socialists we would find few indeed who would like to fight these unequal starting lines by abolishing traditional norms concerning family upbringing and inheritance. Individual rights and responsibilities are intertwined with those of one’s relatives and so we can speak about a kind of shared “family rights and responsibilities”. (A different matter is that in modern Western society there are certain - more or less efficient - mechanisms aimed at giving a better chance to people who are disadvantaged at the very “start” of their lives.) But what should not be overlooked is the fact that, even in the context of family relationships, principles of responsibility and justice are not implemented absolutely consistently. An asymmetry, which seems to be in contradiction with a straightforward idea of justice, is commonly accepted. The case is that “by the law of nature” to use Locke’s formulation “a man has right to inherit the property of another because he is a kin to him” (Locke 1988, § 102) but they do not have

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<sup>11</sup> An illuminating discussion of the inequalities between people’s starting points - the ‘social lottery’ and ‘natural lottery’ can be found in Rawls (1971) or Fishkin (1984).

an obligation to inherit any and all kinds of their heritage. As a result, possessions are normally inherited while debts typically are not.<sup>12</sup> This asymmetry seriously disturbs the considered principals of shared family rights and responsibilities. It seems obvious that in a straightforwardly just society the claim to inherit possessions from ones parents should have its counterpart in the duty of children to take responsibility for the debts of their parents.

It is easy to answer the question as to the origin of this asymmetry: we can hardly adopt the idea that children should be forced to assume responsibility for their ancestors' debts (if they exceed the assets). If the principal of *full* family responsibility were strictly used, in some cases descendants (without it being their fault) might find themselves in a situation when their lives would be determined by having to repay debts of their ancestors and thus be half enslaved in the same way as Bob, the arsonist.

For similar reasons as those mentioned in the first example, the attitude to inheritance which is applied in contemporary Western societies seems to be reasonable and almost natural. However, it is worth realizing that its use is actually connected to the refusal of a familial version of *full* responsibility. The refusal is not too controversial as it is justified by our adherence to values that are closely associated with the concept of justice which has become widely adopted in the present day society.

It might seem that our above considerations are not directly connected to the promised topic, namely, the philosophically relevant controversies about the choice of a tax system in which two extremes – libertarian and socialist conceptions - are confronted. Nevertheless, we want to argue that this is not the case; our point is that functioning of modern market-based democratic societies of a Western type depends to a large extent on the wide implementation of the principle of *limited* responsibility.

As we have shown in the schematic example involving Bob, in certain cases in modern democratic societies the principle of limited responsibility for material (economic, financial) damages is preferred when it concerns some cases of responsibility

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<sup>12</sup> Of course, debts incurred during the ancestors' lifetimes certainly can be claimed against the estate left to heirs, but the heirs have the right to refuse the inheritance and thus avoid inheriting debts.

for individual damages caused by ill-considered deeds. This principle is, however, also applied in connection with the ordinary economic activities of individual persons. If Bob's huge debts had not come from the damage brought about by the disaster but instead would have been the result of unsuccessful business activities, he would have been provided with the same protection. The present-day socio-economic system doesn't assume that a bankruptcy resulting in unpayable debts should place the unsuccessful entrepreneur in a slavery or half-slavery position, let alone that their progeny would fall into the debt trap. A business failure often means a very substantial upheaval in their lives but it typically does not have permanent and fatal consequences. Institutional arrangements common in Western democratic societies such as the possibility of debt relief through personal bankruptcy help to eliminate situations which would be humiliating or even hopeless for members of the society and which might put them in a position close to slavery.<sup>13</sup>

From the viewpoint of the whole society, it is very important to notice that using the principle of limited responsibility is a key factor; we can even say that it is a constitutive feature of modern market based economies. A predominant part of all the economic activities that produce the wealth of a society occur under the regime of institutionally limited responsibility.<sup>14</sup> Subjects like public limited companies and limited liability companies are the prevalent forms of business in every modern economy. How is it that the society allows such types of economic activities. The answer is not at all complex – the economic regime which suppresses the principle of full responsibility and prefers limited responsibility opens the way to the unprecedented economic prosperity of the whole society.

Let us imagine what the impact on the economic life of a society would be if a change of regime led to a strict implementation of the principle of full responsibility of the agents of economic life. The entrepreneurs and share-holders, in the case of a

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<sup>13</sup> They are, for sure, too weak to save all those who are disadvantaged or unsuccessful from humiliation and helplessness.

<sup>14</sup> Naturally, not all the ways of gaining a yield from economic activities are of this type. One of Nozick's quintessential examples - the case of a basketball player, Wilt Chamberlain, who became rich due to people paying to watch him play - presents (probably not by chance) a case of such an untypical economic activity. (Cf. Nozick 1974, 160-161).

bankruptcy, would not merely be partly liable but would pledge their whole property as collateral. Moreover, if their property had not been sufficient for paying off the debts and losses, they would have to redeem the debts even if they had to perform forced labour which would only secure their basic livelihood for the rest of their lives. If brought to an extreme, the implementation of the principle that the claim to inherit would be ‘justly’ balanced by the obligation to inherit the debts and results of failed economic activities might throw even the children of unsuccessful entrepreneurs (share-holders) into the trap of forced labour.

It is not difficult to imagine the influence that the shift outlined above towards what we have called the regime of full responsibility<sup>15</sup> would have on economic activities in the whole of society. Namely, it would undoubtedly result in their substantial reduction.<sup>16</sup> Each enterprise is necessarily connected with some risk, very often numerous risks, which entrepreneurs cannot avoid; and if a potential failure in the enterprise would be connected with the threat of a total breakdown of an entrepreneur’s life (and secondarily it would also ruin the people dependent on him), only a few members of the society would be willing to take the risk. There would no doubt be some people ready to launch businesses even under these circumstances but the scope of business activities would be incomparably smaller than in market economies functioning in the regime of today’s ‘economic justice’.

From a purely theoretical view, the debate as to whether we should give preference to the principle of full responsibility or whether the principle of limited responsibility is preferable is perhaps still open. However, from the pragmatic point of view it is clear that the socio-economic system which allows for limited responsibility of subjects who are its agents is much more advantageous. This system, indeed, encourages economic activity. On the one hand, it gives space to those who are active, ambitious, inventive and hard-working so they can make use of these qualities without fear that a possible failure would have fatal consequences; on the other hand, it motivates those who

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<sup>15</sup> A number of varieties of such regimes can, of course, be conceived of.

<sup>16</sup> Joseph Heath shows, with many illustrative examples, the key role of different kinds of limitations of risks which a burden of responsibility brings for the functioning of economic systems of modern Western societies (see Heath 2010).

are not able or willing to actively participate in the business to participate in it by way of financial investment without bearing the full risk of a potential failure.

We are now approaching the core of our objections against argumentation of the type offered by Nozick. It seems that the claim to an unlimited profit (undivided through redistributive mechanisms) arising from one's own economic activities by the arguments of slavery labour and the like can only be successfully defended if these activities took place in the regime (the social system) of full responsibility. It does not make much sense to apply this kind of argumentation to the economic conditions for which implementation of limited responsibility for potential losses from economic activities is constitutive.<sup>17</sup>

At first sight, there are two candidates for 'straightforwardly just' systems of distributing profit from economic activities: a) unlimited responsibility for loss and unlimited right for profit, b) restricted liability for loss and limited right for profit. Just parameters of those limitations mentioned in the second case are difficult to set and they will always be discussed and raise controversies. Nevertheless, if we consider the fact that economic activities are nearly always connected with risks and, generally, it is possible to expect that where there is a chance of an enormous profit there is a threat of a great loss as well, a certain measure of progression in the taxation of yields of economic activities seems defensible and compatible with the just functioning of an economic system.

We will take the liberty of claiming that those who criticise, from libertarian positions, the progressive rate of taxation as something which is in contradiction with an individual's right for full yields from his or her own economic activities usually do not realize that they implicitly defend an asymmetric relation between rights and responsibilities. To give one's silent approval to the fact that responsibility for a potential failure does not have fatal consequences (it is limited) for those who are active in socio-

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<sup>17</sup> It is naturally also possible to discuss whether people or economic subjects operating in the system of "full responsibility" should have an indisputable right to the full yields of their economic activities. Discussions about these issues probably wouldn't have quite clear consensual outcome. It is, however, obvious that critics of progressive taxation who claim that such taxation means the state stealing from the most capable persons would be in a much stronger position.

economic system and at the same time defend the right to the full “fruit” of success is to take an incoherent view.

Of course, a straightforward interpretation of progressive taxation as a key part of a certain ‘insurance system’ based on the fact that higher taxes are directly connected with security against the results of a possible failure is in many respects arguable and it would need a more detailed explanation, but it is not our task to do it here. We do not intend to defend any particular conception of tax justice, we primarily want to point out the gap in the argumentation of those who defend a particular conception – conception of flat or digressive taxation – using a particular kind of philosophical argumentation.

In this context, a separate question arises as to whether it is acceptable to apply progressive tax rates on those people whose income does not come from business but from employment. Here the situation is naturally more difficult. It is connected with the issue of just remuneration of hired labour under free market conditions, which is rather complicated. In general, it makes sense to conclude that the principle of limited responsibility also applies to employees and a certain relation between the level of remuneration and a rate of potential results of failed work performance can be expected. Oversimplifying a bit, we can say that the consequences of a cleaner’s failure to do his or her job properly typically are incomparably smaller than those of a top manager’s failure. Moreover, remuneration of hired labour also occurs in the context where a dominant part of economic activities is performed in a systematically created regime of limited responsibility, which undoubtedly influences how the remuneration is adjusted.

A specific objection against the outlined argumentation might point to the fact that the advantages stemming from limited responsibility for risks arising from lucrative economic activities are irrelevant - after all, everybody has in principle an opportunity to use the advantages which such a limitation of responsibility brings and there is no sense punishing those who use them more by forcing them to pay to society a bigger share from the fruits of their effort than those who tried less or were less successful. However, this argument can easily be inverted. In the system of progressive taxation nobody is forced to earn so much that he will be affected by progression – forced into “slavery labour”. In this sense, an equality of opportunities cannot be used as an argument against progressive

taxation. In this respect, systems of progressive and non-progressive taxation seem to be equally just.<sup>18</sup>

Naturally, the issue of the choice of a taxation system has many aspects and it is necessary to view it in various connections; both philosophical arguments and socio-economic pragmatic arguments are relevant. This article has only tried to show that philosophically-motivated libertarian economic conceptions of justice (and especially conceptions of the Nozick type) neglect facts that play a key role in the socio-economic reality of modern Western societies. Those who simultaneously (tacitly) approve of the regime of limited responsibility for the consequences of economic failure and yet make a claim for the unlimited fruit of one's economic success are simply adopting an incoherent position.

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<sup>18</sup> It is, however, worth noting that programs aimed at establishing equality of opportunities require funding that might only be available through progressive taxation.

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