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THE MODERN STATE AS AN OCCASION OF SIN: A PUBLIC CHOICE ANALYSIS OF THE WELFARE STATE

Jennifer Roback Morse*

Let me begin by delineating the boundaries of what I intend to discuss in this provocatively titled article. I shall assume, with Aristotle and Aquinas, that the state is a natural and necessary institution, one that is not evil in itself. I realize that this proposition is debatable, but I shall take it as given for the present discussion.

Still, things that are not evil in themselves may nonetheless lead us into evil so frequently, and so consistently, that we have a positive moral duty to avoid them. This is what is meant by the Catholic concept of an occasion of sin: something not evil in itself, but which leads a person into sin so often that the person is morally required to avoid it. I shall argue that there are some activities of the modern state that can properly be called occasions of sin in this sense.

Specifically, I shall focus on the redistributive activities of the modern, democratic state. I will speak mainly about the activity usually called the welfare state, that is, redistribution towards the poor. But the argument is perfectly general, and can be applied to many other forms of governmental redistribution. The key facts about these programs are that they are chosen through democratic political processes, financed through tax dollars, and administered through civil service bureaucracies.

Finally, my discussion will be somewhat different from the usual conservative critiques of the welfare state. In particular, I shall not focus on the harm done to the intended recipients of these transfer programs. Rather, I shall focus on the problems created for people on the periphery of these programs, as well as for the donors. Or perhaps I should say, the so-called donors.

I begin by making the most altruistic assumption about the motives of those in the political process. Let us suppose that vot-

* Associate Professor of Economics, George Mason University. The original talk upon which this article is based was published in the Fall 1996 Bulletin of the Association of Christian Economists. The Heartland Institute published an abridged version of the talk, as Heartland Policy Study No. 71, February 1996. I received helpful comments from Mark Broski, O.S.B., Greg Gronbacher, and P. J. Hill.
ers and other political decision-makers are motivated by a genuine desire to help those who are in distress through no fault of their own. Such people would include those unable to work, and who were also unable to accumulate assets on which to live during periods without work. The elderly poor, the disabled, the temporarily unemployed and children without families might fall into this category.

I assume away any demand for social assistance that might arise for selfish motives. Ignore the possibility that people who expect to administrate the programs form a political constituency for the creation and continued existence of the programs. Assume that voters do not conceptualize the system as an extension of private insurance programs. That is, people do not offer their political support for these programs because they have calculated that there is some probability that they will one day be in need of the program, and that at the implicit tax price, such a program offers them a good insurance deal. Finally, assume that people do not support the programs because they are afraid of civil unrest that might be created by the indigent.

In effect, then, I shall assume away the whole range of sordid and semi-sordid motives that are the stock-in-trade of public choice analysis, and for which we economists have acquired the reputation of being unduly cynical. The voters, the politicians, the administrators, all support social assistance programs because they feel compassion for the unfortunate, and are genuinely willing to spend their own resources to assist them. The thrust of my argument shall be that even with the best of motives, there is something about the modern social assistance state that will corrupt these good motives, and these good people.

1. Public finance economists have long analyzed social security as social insurance, both from an economic and political point of view. The classic economic reference is Paul A. Samuelson, The Pure Theory of Public Expenditure, 36 Rev. Econ. & Stat. 387 (1954). A standard political analysis of social security as an insurance program can be found in Edgar K. Browning, Why the Social Insurance Budget is Too Large in a Democracy, 13 Econ. Inquiry 373 (1975). John Rawls implicitly treats an equal distribution of income as the result of a variety of insurance calculation, in his A Theory of Justice (1971).

2. To my knowledge, the term social assistance state originated with Pope John Paul II in Centemus Annus (1991). Readers of that document will recognize the influence of the Holy Father's teaching in my critique of the modern state's activities.
I. Harms to Potential Recipients: Moral Hazard, Rent-Seeking and the Tragedy of the Commons

We begin by assuming that the transfer program has some well-defined criteria for eligibility. We assume this because the program is to be administered bureaucratically, not personally. The administrators of the program must be limited in the amount of discretion they can use in distributing the transfers.

Indeed, the whole point of a civil service bureaucracy is to limit the amount of discretion that government employees have. This limit serves two purposes. It protects the employees from political pressure that would necessarily hound them if they possessed significant discretion. And it protects the public from abuse by either unscrupulous or politicized bureaucrats. The legislature creates bureaucracies, and requires them to follow specified procedures ensuring the mission of the institution is carried out. The primary accountability of the bureaucracy is to these procedures. Of course, formally, the bureaucracy is accountable to the institution that created it. But in practice, this usually means that they are held accountable to a set of procedures, forms and guidelines. For all these reasons, we can safely assume that the income transfer program we are considering has specific eligibility requirements, with a minimum of discretion in its administration.

It is easy to see that this would not necessarily be true of non-governmental transfer programs. We can readily imagine an appeal for funds being made for the support of a specific family in particular distress. We can readily imagine the administrators of private charities scrutinizing the recipients on a variety of subjective, unmeasurable criteria. But what is acceptable, or even desirable for a local privately funded charitable organization, would be out of the question for a tax-supported, governmentally

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4. The economic theory of bureaucracy is an underdeveloped field. The field has scarcely advanced since the classic works by William Niskanen, Bureaucracy and Representative Government (1971) and Gordon Tullock, The Politics of Bureaucracy (1965). Most empirical work in the study of bureaucracy utilizes these works, either implicitly or explicitly.
administered transfer program. People can withhold their contributions from private charities that exercise discretion in ways they find distasteful. The need for continual appeal for funds provides a check on the use and abuse of discretion that is simply absent from a tax-supported program.

The governmentally operated program must have well-defined eligibility criteria, benefit formulae and the like. The program must be administered by a bureaucracy with a minimum of discretion in the application of these rules. However, it is not possible to create a set of rules that will fully cover every case. Some discretion is necessary in practice. So let us consider the most common case at the margin.

We know that when people have insurance, they often take less care to avoid the event insured against. In extreme cases, they may even create the event that would make themselves eligible for the insurance payout. This phenomenon is known as moral hazard. Moral hazard is, of course, a significant problem in income support programs. For a person can make himself eligible for the insurance benefit by reducing his work effort. Since the transfer program in question is not supposed to be an insurance program from the point of view of the voters, we might wonder whether it is fully legitimate to refer to this as moral hazard. If this troubles us, we might call it by another name: rent-seeking.

Economists define "rent" as an economic return in excess of the normal market rate. Economists use the term "rent-seeking" to refer to the expenditure of time, effort and money that people make to qualify themselves for these higher than ordinary returns on investment. In ordinary economic markets, excess returns are usually bid down to normal market levels through the competitive process, and through new participants entering the market. But when rents are created through the political process, they can be stable. The excess returns can persist over a


long period of time, even if large numbers of people are attracted to the activity or market paying the excess return.⁷

The transfer payment, or welfare payment, is a higher than normal return, created through political means. And, the existence of these rents creates an incentive for rent-seeking. The potential recipient expends some resources, perhaps simply in the form of forgoing earning power, in order to qualify for the transfer.

Let us assume that this person makes himself eligible for the transfer, so that there is no question of explicit fraud. Nonetheless, this person does not meet the implicit eligibility criteria, namely, being without funds through no fault of his own. The existence of the transfer has tempted him, yes, let us use the theological term, tempted him, to commit an act that is both deceitful and slothful.

When this person presents himself to the welfare system, the person he encounters may know perfectly well that he does not meet the implicit contractual standard of the program. But, because the person meets the explicit, readily measurable eligibility criteria, the bureaucrat has little choice but to approve the transfer. The person is added to the welfare rolls, even though he knows, and the bureaucrat knows, that he is in violation of the plain intention of the program’s founders and funders. But nothing really can be done about it.

The social worker might feel quite confident that an applicant for aid is a shirker, but she could not prove it. She might not be able to quantify or even articulate her reasons. In a bureaucratically administered program, all of the tacit information about whether a person is simply shirking, or really in need, is lost.

Friedrich A. Hayek’s fundamental critique of centrally planned economies was that such a system squanders a vast amount of implicit, personal, local information about scarcity, production and preferences.⁸ Something comparable takes place in bureaucratically administered social assistance programs. All the tacit knowledge about a person’s specific situation and character is lost to the system.

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We could allow the bureaucrats to exercise some discretion, but we can immediately see that this opens them to equally grave temptations for abuse of the public trust. For even a marginally unscrupulous social worker would be tempted to make capricious decisions in the allocation of tax dollars that have been entrusted to her for a specific purpose. Indeed, I have no doubt that there is some element of caprice in the administration of existing programs, even with all of their rules, guidelines, and formulae.

So, we are caught in a dilemma. If we give the social worker the authority to use enough discretion to eliminate moral hazard, we create a temptation for the social worker. If we eliminate all discretion on the part of the social worker, we create a temptation for shirking and deception on the part of potential recipients.

The dilemma arises because of the way the modern state must structure its transfer activity. The program is funded by tax dollars. Therefore, no matter how the money is allocated, it remains "other people's money," a common pool resource from the viewpoint of the persons allocating it.

A "common pool resource" is one which belongs to a group. The "Tragedy of the Commons" is a particular problem for common pool resources. Everyone in the group has a right to use the resource freely, with little or no accountability to the rest of the group. The universal example of a common pool resource is common grazing lands. Everyone in the community is entitled to graze on that land. Everyone has a tendency to view his own use of the land as his primary interest, and the long-term health of the land as somebody else's problem. No one in the community has a personal stake in the long-term good of the land. The tragedy arises because the land is systematically over-grazed, sometimes to the point of destruction. The situation is doubly tragic, because the destruction of the resource could have been avoided by a different set of rules regarding the ownership and use of the land.

Similarly, tax-funded charity programs have a common pool resource quality to them, and so are susceptible to the tragedy of the commons. The person who spends the money is not the person who earned it, or who raised it. The money flows to the welfare bureaucracy, independently of the actions of any particular social worker. Even a large amount of discretion poorly used would probably not cut the flow of funds to any particular social worker. The social workers do not have, and cannot have, a personal stake in how the money is spent. The programs are bureaucratically administered, by people who are accountable
neither to the recipients of the transfers nor to the donors. The agency is accountable only to the procedures that have been created for it by the legislature. The personal aspects of the transfers have all been stripped away by the political process surrounding them.

Consider an alternative arrangement for organizing charity. Suppose we want to give money to an unfortunate person. We see the person to whom we are giving. We make the judgement. We decide whether to give or not give, whether to scold or not scold, whether to offer material help such as a room in our home, or whether to simply give money and be on our way. At the same time, the person asking for help sees us. He makes the judgment whether it is worth his while to ask, whether he is willing to put up with a lecture, whether he wants to be personally indebted to another person, whether he can defend his status as truly unfortunate. This kind of encounter is personal. It has the potential to capture all of the implicit, tacit knowledge that the bureaucratically administered system cannot.9

Even if we do not make the transfer directly, and personally, we might, in effect, hire an agent. We donate our money to persons and organizations whose missions and methods we approve. We trust them to monitor the moral hazard problem for us. We trust them to offer the other non-monetary forms of assistance that might be needed. If we believe they have failed in their mission, we withdraw our support. There is but a single agent between us and our recipients. And there is almost no common pool problem, either on the funding side, or on the monitoring side. This short chain of personal relationships cuts the temptation for shirking on the side of the recipient, and for capriciousness on the side of the administrator.

II. LEGISLATING MORALITY

Now, some might object that the distinction between the deserving and undeserving poor is an archaic and inhumane one. The social assistance state was established precisely to eliminate the judgements made by private charities. The social assistance state creates a systematic method for dealing with the problem of poverty. The whole point of the welfare state was to establish a routine that applies to all cases in which people lack material resources, regardless of the reason. The creation of an entitlement, which does not have to be justified on a case-by-case

9. The argument by Reid & Kurth, supra note 3, is, in effect, that patronage workers in political machines provided many relief services in this direct way that allowed them to monitor the behavior of the recipients.
basis is defended as being a more efficient method of dealing with poverty.

Now if poverty were an exogenous event, something that simply happened to a person, the case for a systematic, routine, no-questions-asked approach would be much stronger. But the fact is, that although some poverty has this exogenous quality, there remains a large realm in which personal choices are the predominant factor leading to poverty. Single mothers and their children are the largest category of people living in poverty. Many people in poverty have drug and alcohol dependencies. Single motherhood is not a random event. Drug addiction does not "just happen" to someone. And where choice is involved, we have to face the fact that some choices are objectively better than others. And this leads us into morality.

Morality presents an additional problem for the social assistance state. Actually, it is a variant of the earlier problem of how much discretion to give the administrators. For if we insist that the program pay attention to the lifestyle choices of welfare recipients, either we have to legislate the moral code we want into the program, or we have to grant the administrator discretion in applying more general rules.

We can readily see the dangers of a moral code created by the political process. The politically determined choices required of welfare recipients could range from "You must get married to the father of this child," to "You must abort this child," and anything in between.

Indeed, we know from voting theory that decisions made by majority rule often have some undesirable properties. It is quite often the case that no one policy can beat every other policy in pairwise, competition voting. For instance, policy A might beat policy B, while policy B might beat policy C. But instead of A beating C as one might expect, policy C can actually beat policy A. When this happens, the results of the election will be arbitrary, because the outcome will depend on procedural rules rather than on the preferences of the people. The results can be incoherent, because mutually contradictory policies can emerge from a logroll. And the policy outcomes can be unstable, as the voters rotate through the set of possible majority coalitions.10

10. The references on this point are legion. The vote cycle was evidently first discovered in the eighteenth century by the Marquis de Condorcet. The first modern expositions of the problem were Duncan Black, The Theory of Committees and Elections (1958) and Kenneth Arrow, Social Choice and Individual Values (2d ed. 1963). When the problem emerged in the modern literature, the reaction of both the economics and political science professions was to attempt to prove the proposition false. However, the voluminous
Those who would like the state to enforce a moral code deceive themselves if they believe they will be able to control the content of that code. Traditionalists view the state as being hopelessly controlled by the well-entrenched liberal establishment, with any victories being hard-won exceptions or aberrations. At the same time, progressives view those very same victories as evidence of a well-funded juggernaut of the Religious Right. What the traditionalists see as the steady wearing down of traditional morality, with all trends pushing in the same direction, the progressives view as incremental and hard-fought gains against a formidable foe. There is an element of truth to both of these apparently conflicting perceptions. The reason for the divergent perceptions is that the political system cannot produce stable outcomes, at least not at the level of detail required by some of its programs. No one, not even any one coalition, can control the modern democratic state for long.

In spite of this inherent instability, we can make some predictions about the general direction of the cycling process. Suppose we began from a position in which the vast majority of people agreed to a substantive moral code. It would not be too far-fetched, for instance, to assert that most people in America in 1787 agreed to the moral code embodied in the Ten Commandments. We can readily predict what would happen if we allowed people to vote on a moral code. The competitive process would begin to unravel the sanctions surrounding violations of the moral law.

literature seems to show that the problem is real, and pervasive. Richard McKelvey, Intransitivities in Multidimensional Voting Models and Some Implications for Agenda Control, 12 J. ECON. THEORY 472 (1976) is the standard reference.

For experimental demonstration of sensitivity of voting outcomes to various details of institutional design, see Morris P. Fiorina & Charles R. Plott, Committee Decisions under Majority Rule: An Experimental Study, 72 AM. POL. SCI. REV. 575 (1978). In this study, students were induced to have preferences over the positions of dots on the blackboard. Charles R. Plott & Michael E. Levine, A Model of Agenda Influence on Committee Decisions, 68 AM. ECON. REV. 146 (1978) is an experimental study of an airplane club’s decisions about which planes to purchase. The chairman of the meeting used agenda control to induce the club to vote for his most preferred alternative.

For those who would like to convince themselves that the instability alluded to in the text is real, I offer the following standard example. Suppose there are three voters, X, Y and Z, and three possible policies A, B and C, among which they must choose. Suppose further that voter X ranks the policies from most preferred to least preferred as follows: A, B, C. Voter Y ranks the policies: B, C, A. Finally, voter Z ranks the policies: C, A, B. None of the three policies can beat each of the other two if they are voted upon in pairs. In this situation, the voters can rotate among the policies with no clear resolution.
For even people who know right from wrong sometimes do wrong. And when they do wrong, most people find it much easier to be absolved at minimal cost, than to admit fully that they were wrong and do appropriate penance. Even people who believe an act is wrong will have a tendency to vote for the politicians who give them the most minimal penalties. And sooner or later, some politician will seize upon the arguments that claim the act wasn’t really wrong in the first place. People with a bad conscience find it convenient to believe that their actions were not really wrong. The competitive process will have a tendency to drive the moral code toward the most minimal possible.

So, a reasonable system of distributing relief to the poor requires some attention to the choices made by the recipients of relief. Once we begin to pay attention to the choices made by recipients, we will need to offer some justifications for the policy decisions about which choices to endorse and which behaviors to forbid. And we are then inevitably drawn into questions of ethics. But the democratic process is not suitable for either discovering morality or choosing among competing moralities. How, then, shall we approach the problem of poor relief?

One approach to this problem is to insist upon the separation of the state from the entire endeavor of transferring income among citizens. In defense of this approach we might argue that political rulers do not have the right to embrace every aspect of human existence under their authority. Not all of the social order properly proceeds from politics. The family, for instance, is a social institution that arises naturally without the assistance of the state, and has needs that exist independently of any political or legal order. Likewise, we might argue, the provision of poor relief is an activity that properly belongs to the sphere of society not governed by the political process, and not dominated by government.

This position has a long and respectable Catholic pedigree. For over a millennium, the Church in the west has insisted both upon the freedom to operate within its proper realm, and that the proper scope of the state is limited. Indeed, some scholars attribute the free political institutions of the west to the Church’s

11. For an argument showing the appeal of moral relativism for good people with guilty consciences, see Jennifer Roback Morse, Moral Agnosticism as a Human Rights Problem: the Problem of Self-Deception, in NEITHER VICTIM NOR ENEMY: WOMEN’S FREEDOM NETWORK LOOKS AT GENDER IN AMERICA (Rita J. Simon ed., 1995).

12. This is perhaps what Senator Daniel Patrick Moynihan (D-NY) meant when he described America as having “Defined Deviancy Down.”
jealous defense of her prerogatives within her sphere. The Church insisted on full authority to select bishops and abbots, sometimes at great risk to herself. The Church insisted on full authority to discipline the clergy. And finally, the Church insisted that her rules regarding marriage stood as valid, independently of civil laws. To argue that charity should be dispensed by religious institutions, and that such institutions have the authority to regulate the conduct of recipients of their aid, is consistent with a long line of Catholic thinking.

And so, there are some powerful reasons why the agents of the state should be required to remain morally neutral in the distribution of tax dollars to the indigent. The state is not competent to create morality, or even to discover what it is. In other words, the state is not really competent to do the one thing that desperately needs to be done if the problem of poverty is to be addressed. Namely, the state cannot supervise the personal choices of thousands of people that qualify or might qualify for income support.

III. THE ENTITLEMENT MENTALITY AND THE PRISONERS’ DILEMMA

There is one further problem to the creation of an entitlement that depends only on a few, readily measurable criteria. We might call this problem, “the entitlement mentality.” That is, people come to take seriously the claim that all that matters is whether they meet the legally stated, explicit criteria of the program. If they are entitled to the benefit, why not claim it? Indeed, as more and more people take part in the program, the person on the margin of participating might argue to himself: “Everyone else is doing it. If I do not take the opportunity to use this program, I will feel like a sucker.”

This phenomenon has been captured in a parable known as the Prisoners’ Dilemma. Many social scientists and philosophers use this parable as a model for problematic cooperation. The Prisoners’ Dilemma analyzes situations in which it is collectively beneficial for people to cooperate with each other, even while it is in their individual and private interest to be uncooperative.

The Prisoners’ Dilemma takes its name from the following situation. Two people have jointly committed a crime and have

both been arrested. The authorities do not have sufficient evidence to convict either prisoner. So they offer the following deal to each prisoner separately.

If neither you nor your accomplice confess, you will both go free, for we have insufficient evidence to convict you. If you confess, however, your accomplice will receive the full sentence, but we will give you a reduced sentence. If he confesses and you do not, you will receive the full sentence, while he gets the lighter sentence. And when a prisoner poses the question, "what if we both confess?" the reply is, "you both get the full sentence allowed by law, for we will have all the evidence we could possibly need."

Both prisoners will confess under this scenario, as long as there are no possibilities for them communicating with each other, or offering each other bribes or side payments. This is a dilemma for the prisoners, because both would be better off if neither confesses. But since neither can be sure the other will cooperate with him, neither is willing to take the chance of being the only one to remain silent. They would be better off if they could cooperate with each other. But the prison guards do everything possible to prevent cooperation, both by preventing communication and by the structure of the deal they offer the prisoners. So both prisoners confess and receive the heaviest sentence.

Many social interactions have a structure of payoffs similar to that described by the Prisoners' Dilemma. I would be better off if no one littered in the park. But I cannot stop others from littering. So why pay the cost of cleaning up after myself, if no one else has done so, or is likely to do so? I would be better off if no one ever made a frivolous liability lawsuit. But since I am already bearing the social cost of many such frivolous lawsuits, why shouldn't I "dial for dollars" with a liability suit of my own if a plausible occasion presents itself to me?

In the entitlement mentality, the Prisoners' Dilemma problem emerges dramatically. Why should I restrain myself from opportunistic behavior, when I know that other people are not restraining themselves? The momentum of the decision can build to such a point that people stop resisting the temptation to take advantage of the program. Instead, they resist being stuck with the "sucker's payoff."

This point is especially evident as we generalize the analysis from poverty programs and toward the middle class entitlements. We believe ourselves to be entitled to Social Security, student loans, mortgage interest tax deductions, NSF Grants, and all the
rest. After all, we have paid for these benefits already, haven't we? Everybody else is getting his share, why should we restrain ourselves? The aversion to being a sucker crosses economic class lines, and is familiar to everyone. And so, we have the spectacle of Ross Perot receiving Social Security payments, with no hint of scandal.

We know that rents induce rent-seeking. We know that the Prisoners' Dilemma will induce people to behave in opportunistic ways. But let us, for a moment, not hide behind this technical language, this sterile terminology from scientific economic analysis. Let us call the behavior sinful. People do through the public sector things they would know to be wrong if done in the private sector to people they knew. People take advantage of the system, knowing full well that if everyone did what they are doing, the system would collapse.

This is the sense in which the redistributive activities of the modern state may be called an occasion of sin. There is nothing intrinsically wrong with transfers of money to the unfortunate, or indeed to anyone for a great many reasons. But the existence of the taxing power of the state to collect monies means that the entire wealth of the nation, or at least a significant fraction of it, becomes a common pool resource for the distribution through the political process. And this pool creates temptations for marginally unscrupulous behavior. And this marginally unscrupulous behavior can only escalate as the process progresses, as people come to justify their actions, both to themselves and to others.

IV. HARMS TO THE SO-CALLED DONORS

When the Catholic novelist Flannery O'Connor was once asked how one might come to know God, her response was, "Give alms." Of course, this is quite a different response from, "Fill out your tax forms," or "vote for the candidate who sounds compassionate." To consider the impact of the social assistance state on the donors, or net taxpayers, we must begin by discussing the benefits one receives from the act of giving. We must then consider whether those benefits really are obtained by the taxpayers in a bureaucratic welfare state. Only then, will we be in a position to evaluate the opportunity cost, broadly defined, of the social assistance state.

Perhaps the simplest way to understand O'Connor's remark is to consider these famous words attributed to Jesus: "Truly I say to you, as you did it to one of the least of these my brethren, you
did it to me."\textsuperscript{15} In this passage, Our Lord does more than instruct us to practice the corporal works of mercy. For He promises to be present in the transaction, as the recipient. In this way, we might see the face of God in the face of the poor.

This is at the heart of the Christian perspective on giving. The donor has the experience of participating, in some small way, in the endless mercy of God, from whom our very existence is a gift we can never repay or hope to deserve. The immediate recipient is only part of the point of the transaction. An equally important point is the impact of the act of unrequited generosity on the donor.

One of the more interesting contrasts between economic thinking and theological thinking has to do with their respective views of the human person. Economists tend to see the person as static. This is true especially of the person's interior life. Economists act as if the person's preferences, desires and goals are unchanging. The problem for the person is to satisfy these static desires at least cost.

Catholic moral theology pays particular attention to the dynamics of the person's interior life. Some moral theologians actually define a moral act (or an act with moral consequences) as one that creates a disposition for future acts. If a person acts in an immoral fashion, he will be more disposed to further similar immoral acts in the future. Similarly, if a person acts in a morally good way, he will find it easier to perform those moral acts in the future. An economist would say that there is a feedback loop from behavior to preferences. The person's preferences are changed by his actions. A person becomes a different kind of person as a result of the decisions he makes and the actions he performs.\textsuperscript{16}

This view of the person is at the heart of Vatican II's call for the renewal of moral theology. The Council Fathers called upon moral theology to become more than conformity to a set of rules.\textsuperscript{17} Catholic moral teaching seemed to many people to have deteriorated into two ever more detailed lists. On one list were things that must be done. On the other list were things that must not be done. Keep the two lists, with or without charity, with or without good will, and one was assured of heaven. Vatican II's

\textsuperscript{15} Matthew 25:40.

\textsuperscript{16} \textsc{Germain Grisez} \& \textsc{Russell Shaw}, \textsc{Fulfillment in Christ: A Summary of Christian Moral Principles} 12-25 (1991).

\textsuperscript{17} This renewal is implied in many of the Council Documents. \textit{See Decree on Priestly Formation}, in \textsc{Documents of Vatican II} (Walter M. Abbott, S.J., ed. \& Joseph Gallagher trans., 1966). \textit{See also Grisez \& Shaw, supra note 16, at 1-12.}
renewal of moral theology was supposed to make “Two List Catholicism” a thing of the past.

Following the Lord Jesus is the key in Catholic moral theology, both to living a moral life, and to everlasting life. The legalism inherent in the “two lists” approach can sometimes divert people from that truth. A legalistic mentality tends to suggest that people can and should look for the minimum that they need to do for salvation. People can, if they choose, avoid the radical transformation required by the Gospel, by contenting themselves with the bare minimums required by the lists. The rules are intended to be the minimum, not the maximum; the starting point for the unreserved giving of the self to the Lord.

Of course, some of the reaction to Vatican II has been to act as if there are no rules, to move from “Two List Catholicism” to “No List Catholicism,” or “Cafeteria Catholicism.” But there can be little doubt that the Council Fathers hoped for a genuine renewal. The Catechism makes this point very clearly. 18

So, what is the impact of the act of giving upon the donor? This, of course, depends at least as much on how the gift is made as upon the amount of the gift. The admonition to “give to the least of my brethren” appears to be independent of how the gift is given. But surely the promise of Matthew 25 flows more directly and more powerfully the more personal the encounter between donor and recipient.

As we look at the person we are giving to, no matter how unworthy he may seem, we are invited to see the face of God. This equation of God with the lowly is a part of the Divine Humility that is so much a part of the Gospel. But at the same time, His humility humbles us as well. For it reminds us that we really do not know what is going on with that other person. He may appear for all the world to be nothing but a bum. But somehow, when we give to this person, we are giving to God Himself. We are not supposed to worry about being a sucker. We are supposed to give, as God gives to us. And in the process, we soften ourselves, as we open our hearts to others. We allow ourselves to be changed. 19

19. Of course, the exchange might have a permanent, positive impact on the recipient as well. One famous fictional account of such a change is the story of Jean Valjean, as told in Les Miserables. The escaped convict, Jean Valjean steals silver plate from the bishop who has offered him shelter for the night. Upon his arrest, Valjean claims the bishop gave it to him. When the constable takes him to the bishop with this lie, the bishop covers for him, and says that he forgot to take the candlesticks he meant for him to have. And the bishop whispers to Valjean, “use these things to live an honest life.” The entire rest of
Does our participation in the welfare state effect this kind of transformation in those of us who are net payers? Are our hearts softened toward the poor by our contributions to the welfare state? Who can deny that the exact opposite is the case? We avoid seeing the reality of the persons who receive the benefits. And when we do see them, we feel a kind of bitterness toward them. After all, we have already done our share, and that, largely against our will. Who is this person, accosting me on the subway, or on the street? We have hardened our hearts against them.

Vatican II's call for the renewal of moral theology occurred at roughly the same time as the establishment of the Great Society programs in America. Are the two compatible? Superficially, it might seem so, because the Great Society appears to be an increased social commitment to the care of the poor. But at a deeper level, the Great Society substitutes a legalistic, minimalist approach to the Christian precept of charity. For what could be a more minimalistic contribution to the poor than pulling the voting lever for a candidate whose speechwriter sounds compassionate? What could be more legalistic than filling out a tax return, and believing we have satisfied the biblical injunction to charity?

So now, we might want to look more closely at our opening assumption about the motives of the taxpayer/donors. We assumed that people voluntarily assumed the tax burden of supporting the poor because they were genuinely concerned for them. But, by choosing an indirect method of helping them, we cut ourselves off from the spiritual benefits of almsgiving. Perhaps this is what we, as voters, wanted.

We want the poor to be taken care of, without inconveniencing ourselves. We want to believe that we satisfy the biblical requirements of charity, without ever leaving the comfort of our living rooms. We do not want to see the face of the poor. We resist being transformed.

V. MATERIAL INCENTIVE AND SPIRITUAL INCENTIVES

In this somewhat roundabout way, we can perhaps see a way out of our public choice dilemma. Public choice problems arise when the private, individual incentives are not in harmony with the public interest. Let us consider the spiritual incentives.

Why does Mother Theresa give to the poor? We might say that she has a private motive, or that she receives a personal ben-

the story is about how Valjean lived up to this admonition from the bishop; how his life was completely transformed by this act of kindness.
efit from providing this public service. She is doing it for the love of God and to save her own soul. But her private, spiritual incentives lead to doing a public service, rather than to lining her own pocket at public expense.

And so as we consider the question of whether non-governmental charity is really a practical option, we might keep this in mind. There is, in the spiritual incentives, less moral hazard, less conflict of public and private interests, than there is in any governmental program we could devise. And so we might become more appreciative of the Little Sisters of the Poor, the Teaching Sisters of Notre Dame, the Sisters of Charity of St. Vincent de Paul, the Benedictines, the Franciscans, and all the rest. Far from being impractical dreamers, these are the most practical people around. They have a better chance of providing for others without corrupting themselves. Their personal interest in saving their own souls through a lifetime of charity gives them a better chance of being of genuine service to others, than any employee of Health and Human Services will ever have.

VI. CONCLUSION: CONFESSION

My readers might wonder at this point, how I can speak about such matters with any authority. And particularly, those of you who know me, know full well that I am not any kind of a saint. Some of you may be wondering, "Has Jenny flipped?" So let me close by telling you what happened to me.

I have had the opportunity to participate in an ongoing, personal act of charity. Mind you, I did not intend to do any such thing. As a matter of fact, I entered into it with not very good motives. I was a barren yuppie, fast approaching middle age, and desperate for motherhood.

And so my husband and I adopted a two and a half year old Romanian boy from an orphanage. He was described as healthy, but truly, the adoption agency had to admit they did not know anything about him besides his name and his birth date. And so we plunged in.

If we had known what we were getting into, we would have been afraid to try it. For as it turned out, he was developmentally delayed and emotionally disturbed. But there was no turning back. And I can honestly say, that in spite of all the difficulties he causes, that our son and the experience of parenting him, has changed us for the better.

It occurred to me, very early in parenting him, that there really was no social program that could be any substitute for what we were doing for him. Children have to be raised one at a time.
There are no shortcuts that can be mass-produced by the state. He went from being a statistic, and a social problem, to being our son.

And it also became clear to me, that being a mother was the most important thing I would ever do. I once had great fantasies of doing important work, of changing the world through my own brilliance. But Our Lord had other plans for me.

I found out, much against my own wishes, that I had to abandon that perspective of myself as the center of the universe. It is true that I am at the center of my children’s universe. But messy pants and temper tantrums are not the sort of glory and fame I had envisioned for myself.

And as I continued this process of doing whatever was necessary, even what would have seemed impossible, another quotation came to mind. “Sell all your possessions, and come follow me.” Oh. He is talking to me. I did not mean to follow Christ in the radical way that He demanded of the rich young man. I did not think that message was meant for me. But this message has been for me all along. Why wasn’t I listening earlier? I didn’t mean to let this religion thing get out of hand like this. But He seduced me. And I have been the unwitting and reluctant beneficiary of His grace.

This is why I have come to believe that bureaucratized social programs are no substitute for the giving from one person to another that is the true meaning of *caritas.* And the modern state which leads us to believe that there are shortcuts, that we can have the results of charity without the personal reality of charity, this modern state deceives us. Or perhaps I should say, we use the instruments of the modern state to deceive ourselves on these vital matters. For these reasons among others, I believe it is fair to describe the modern state as an occasion of sin.