Trustees and Stewards: Sustained Endowments of Common Goods as the Key to Justice

by John J. Davenport
Associate Professor, Department of Philosophy,
Fordham University; Davenport@fordham.edu

March 15, 2013

I: Introduction: Familiar Debates and a Third Way

We all know the famous biblical parable (in Luke) about the faithful steward, who keeps the house justly run at all times, while the wicked servant lets the house decay and mistreats the servants because he thinks his lord will not return soon. The narrow implication is that we all have a duty to keep our own character in order, but arguably there is also a wider implication: because much of great value has been entrusted to us, we have a duty to keep its value intact over time for future generations, so that it can ultimately be returned intact to the ultimate Owner of all things. We might usefully envision this ideal as the opposite of a Pyramid scheme, in which the founders invest nothing and draw from the second round of enrollees the pseudo-investment on which the first round lives, encouraging them to do the same to the third round in turn -- and so on until it collapses.

Although everyone recognizes such pyramid schemes as a paradigm of injustice, the full implications of its opposite -- which I will call an Endowment scheme -- has not been fully understood, though the idea of common goods in the natural law tradition connects with it, as we'll see. In less than an hour, I will outline this concept for you and try to illustrate its usefulness for grappling with some fundamental issues bearing on social justice.

Now I would not blame you for being a little skeptical at the outset, for clearly our society today is very deeply divided over how to determine the proper roles of government; as the contrast between the arguments of our President and more libertarian thinkers like Senator Rand Paul and Rep. Paul Ryan suggest, this is not simply a disagreement about economic strategies but rather about fundamental principles. And it might seem that professional philosophers have been little help; they write dense analyses of concepts like liberty and basic rights but hardly ever appear in public fora to help broad audiences think through our dilemmas (this is a problem in my profession today). And the few who do appear on tv or internet videos and blogs may often appear to be radical ideologues for one side or the other, rather than offering level-headed insight. Yet while our nation seems to suffer from a gaping philosophical disunion that philosophers are not helping to heal, work by many scholars in recent years has provided all the ingredients for a solution that could bridge much of our current divisions if it gained a hearing.

Those of you with a background in law will remember the name of John Rawls, who over forty years ago published A Theory of Justice, which became the most famous and influential work in political philosophy (and maybe in all of ethics) of the 20th century. It is best-known for his argument that utilitarian theories advocating the greatest collective good are not a secure enough basis for individual rights, and that we should instead determine the rules for the basic institutions and set-up of society by asking ourselves what rules we would chose if we contemplated our prospects like souls before birth, not knowing who we would be in that society we constructed. This thought-experiment led to Rawls to equal basic liberties, equal opportunity, and to limitations on economic inequality that would give preference to improving the lot of the poorest citizens. But in my view, Rawls's most important idea was actually his prior claim that fairness to each individual requires limiting the extent to which her or his life-expectations turn on chance of birth. This was the premise on which his imaginary procedure for choosing the rules rested. In an encounter that prefigures our present social division, the famous novelist Ayn Rand challenged this premise in an
essay critiquing Rawls. She thought that Rawls gave too little weight to differences in wealth that arise from differences in effort and good choices, and rejected his claim that a child's motivation could be affected by his or her family life. But most of all, Rand pressed the question: why should we want to mitigate differences in life-prospects that turn solely on differences in natural talent (whether innate or resulting from early upbringing) -- as opposed, say, to racial bias or nepotism? Rawls clearly thought that such differences are unjust because a fair society should be a universal insurance scheme against them, but he did not offer much deeper justification for that intuition -- and he did not do talk shows, found an intellectual society, or train future Fed. chairmen, though he still has many followers. To solve this basic disagreement, I will suggest, we need more robust notions of community and culture than Rawls employed in his work (as widely sourced as it was in over a century of economic and moral theory).

II: From Public Goods to Common Goods and Basic Social Endowments

What are culture and community, and what could they have to do with stewardship? Before social scientists protest against a philosopher trying to take on those questions in an after-dinner speech, let me agree that they are too large to be tackled directly. Let me approach them obliquely by considering two points from economics. The libertarian tradition that Ayn Rand championed holds that (a) the formation of large pools of capital, understood either as machinery and production systems (e.g. in agriculture) or as the collected savings that are invested to create them, are crucial to improving the well-being of people on average over time. It also holds that (b) private control of capital on a free market can best generate the most crucial forms of capital that enable people to be productive or successful in freely employing their talents, wits, creativity and energy to work. History and economics have largely vindicated the first point about the effects of capital; world GDP has expanded over ten-fold since the industrial revolution. However, economic theory and experience have put large holes in the second claim, because it turns out that there are several kinds of public goods that free markets cannot optimally provide or sustain on their own. These include not only things like

1. parks, museums, and lighthouses, and
2. unpolluted water and air, and oceans full of fish,

which will be undersupplied and overused on the free market, but also

3. preconditions of functioning markets, such as currency, law and order (e.g. contracts), easy entry for competition, low transaction costs, and basic market information equally available to all;
4. a stable system of property rights -- or more generally, a widely recognized and accepted initial allocation of the factors that are employed and traded in the free market system; and even
5. the growth of scientific knowledge, basic R&D for new technologies, and education sufficient to develop talents wherever they are found,

which will all be undersupplied by markets left to their own devices. The list goes on, but for my purpose, the list of particular public goods is less relevant than the insight that there are many forms of "capital" that markets alone cannot optimally produce, including much scientific knowledge or "epistemic capital" in general, "institutional capital" including well-functioning government, and even "environmental capital" or natural resources that are not damaged by overexploitation and costs not reflected in prices. For economists, the term "capital" can apply to at least some public goods because rather than direct objects of consumption that human beings desire, they operate as a basis for producing consumer goods. Indeed, some of these are so fundamental to the productive capacity of people in a society that they are really basic to everyone's opportunities to pursue a worthwhile
live and prospects for long-term well-being. In that sense, these forms of capital are all part of what Rawls called the "basic structure" of society that shapes people's expectations.

Yet economists still tend to define the whole category of public goods narrowly by focusing on two reasons why they are not optimally produced by markets: namely because they are either

(a) non-excludable (it is hard to charge people for using them) or
(b) non-rival (normal use by one person does not prevent the same type of use by others)

or both. But there are other reasons why goods may be under or over-produced by markets; and more importantly, there may be things or aspects of society that are *objectively important* to a happy or ethically good human life that markets also do not optimally provide because their importance is not fully reflected in consumer preferences or desires expressed in market action.

The natural law tradition describes this broader category as *common goods*, which Jacques Maritain tells us, are "neither the mere collection of private goods" nor a collective good that ignores the good of each individual. Rather, they are a distinctive class of public goods that

(c) each individual requires for a full and rich life because they enable basic human capabilities (thus their objective worth) and
(d) they not only require *coordination* to sustain (like all public goods); in addition, people benefit from them mainly by cooperating with others who share an understanding of how to draw from and preserve these goods -- in other words, they are *joint goods*, enjoyed jointly with others.

This is what Maritain means when he says that common goods are "received and communicated" among the members of a society (*Person & Common Good*, ch.IV): they enjoy them rightly or draw from them properly only by sharing them, rather than try to possess them exclusively. The general form of such goods is illustrated by Alasdair MacIntyre's notion of "networks of relationships of giving and receiving in which, generally and characteristically, what and how far we are able to give depends in part on what and how far we received" (*Dependent Rational Animals*, p.99). He notes that in such networks, we often receive from one set of individuals and give to another; this sort of temporal asymmetry is exemplified by traditions handed down, the passing on of knowledge, and also by the generosity of one generation to the next. MacIntyre argues that thriving human communities depend on such networks and the virtue of just caring that sustain them. For our ability to benefit fully from the common goods they generate depends on our being willing to contribute our labor and private goods to them when we have become sufficiently productive -- which depends in turn on the empowerment arising from the network goods that we accessed.

In this sense, the *fundamental* common goods that support the more particular ones and make possible all the public and private goods involved in different aspects of human well-being extend well beyond the economist's examples of parks, lighthouses, fully internalized risks, toxin-free environments and full employment that will be prevented by (what game theorists call) "collective action problems" like Prisoner's Dilemma if solely to markets. They include legal embodiment of other aspects of basic justice from full enforcement of civil rights that protect individuals from abuse, equal opportunity to earn merits and meritocratic standards in selection for employment or positions of status, and similar principles of proportional desert in criminal justice, none of which market instill or fulfill on their own. It includes limits to what can be bought and sold, so that people are free from market pressures to sell sex, or their organs, or their liberty, or their vote, or their most private information, or to bow to blackmail, or engage in genetic engineering to enhance their children's physical or mental aptitudes beyond normal functioning. And beyond these common goods that are directly embodied in political institutions, the fundamental category includes many other kinds of common goods that function as collective *capital*. These include not only
technological means of production, financing and physical infrastructure but also democratic procedures, opportunities for collective deliberation about common goods, fora for free exchange of ideas about issues beyond politics, social networks of varied kinds that promote affiliation and a sense of belonging, environmental services provided by healthy soils and watersheds, wetlands and tropical forests supporting rich biodiversity, vast accumulations of scientific and historical knowledge accumulated by the labor of scholars over the centuries, artworks, traditions and other cultural relations evolved over millennia that promote trust, reduce transaction costs, and dramatically affect people’s opportunities and life-expectations.

Perhaps you have seen the movie National Treasure, renewing the old story that the treasure of the Knights Templar still survives somewhere undiscovered since the 15th century? Remember how the hero, then a wide-eyed young boy first learns of it? His grandfather describes it as "a treasure, a treasure beyond all imagining." Well, that greatest hoard in legend is a mere trinket next to the inconceivable value of the treasure constituted by all the forms of natural, political, and cultural capital that I have so briefly listed. Accumulated through eons in the case of natural assets in the environment and over through the work of countless generations in human history for all the other categories, they are essential to people's security, fruitful labor, and happiness. Social scientists now estimate that as much as 90% of our average productivity is due to these standing stocks of collective capital (Herbert Simon), which we may therefore regard as analogous to an endowment. Most of the goods we require in life, including virtually all those we make and earn by our own efforts, are like interest on this monumental endowment that is the heritage of the ages. Sometimes we add a little bit to part of it by our creativity; for example, a new technology is invented, or a political reform achieved, or a nation lifted out of poverty by the spread of schools, health clinics, and infrastructure. Scholars in a university operate mostly as shepherds of epistemic capital, adding here and there to the accumulate trove of knowledge, while passing it on to students -- and if only our students all appreciated the true value of this treasure as much as the hero in the movie who thinks the treasure of the Templars is worth risking his life to retrieve. Rarely do individuals get paid by the market anything like the full social value of their particular additions or efforts to extend these kind of common capital goods. Do the descendants of Jefferson get paid a royalty equal to the extent to which the Declaration of Independence made human beings better off -- if we could even begin to measure such a thing? Do Einstein's heirs receive the full value of his discoveries, or past generations reap from us a premium for all the skills, traditions, and know-how they cultivated and passed down? Do any of us pay back what we gained from leaders in our church youth group, or mentors and friends? To whom should we pay the economic value of the value of arable lands, aquifers, and atmosphere that we rely on almost without thinking about it?

III: Towards an Endowment Model of Justice

This comparison with an endowment probably needs more explanation, but it is already suggestive in two key ways. First, notice that we are a little closer to a general conception of culture and communities that will be useful in thinking about political justice. Although I have listed a distinct category of "cultural capital," in its broadest sense, culture includes and is largely made up of all the fundamental common goods that function as capital for us; even natural capital from wilderness to our built landscapes is integrated into culture, and what we either preserve or take from nature is a function of our cultures. Human culture as a whole, then, is like an endowment which can gain value through the slow progress of time, or lose value (as may have happened in some respects when the Roman empire fell apart, or as would have happened if the Nazis had won). But it is not a commodity subject to speculative boom and bust cycles; rather, it is in the background of markets, forming the matrix within all our market activities can prosper or fail. And the most profound effect of this 'trust fund' of culture is that it raises each person's life-expectations far above what they would be in pure "state of nature" -- philosophers' imaginary anarchy of lone hunter-gatherers. It
does so partly by operating as a shield against the raw forces of natural selection that operate elsewhere in the animal kingdom where humans do not intervene; and then by shielding us further from the competitive forces that it has partly tamed by channeling them through a limited free market system to produce aggregate goods (when/where markets function optimally), as well as into sports and other activities in which excellences can be cultivated.

Second, the analogy between fundamental common goods and endowments suggests that both standard 'welfare liberal' theories of justice such as Rawls's and their libertarian critics such as Rand and Nozick fail to appreciate the importance of historical developments for forming people's basic sense of justice. They tend to look at the conditions of social justice as structural relations that are largely independent of temporal change. But real people whose identities are shaped in living communities understand their moral duties at least in part as a function of what has gone before -- the harms that need to be repaired, the wrongs that should never be repeated, the goods for which their forbearers sacrificed so much, and the rich legacies of common goods left to them by prior generations in their own nation -- and ultimately, throughout the world. At least tacitly and without reflective articulation, people see themselves at least partly as indebted to these inheritances, and bound by the historical legacies of their communities; often they see their obligations as explicitly conditioned by the traditions in which they participate and whose benefits they can pass on to new members over time. The simple analogy of a college endowment is sufficient to make this clear: MacIntyre reports a conversation with a large benefactor contributing to Notre Dame who explained that when he was a student, he benefitted from significant grant assistance from the endowment and therefore felt a call to give back to it when he was able. My point is that what holds in this concrete case can apply universally to all the fundamental endowment goods that constitute culture and enable people to live productive, flourishing lives, if they become aware of their dependence on these goods and recognize that even the greatest achievements of their hardest efforts are not solely their own or created ex nihilo. What Rawls calls the system of "social cooperation" that everyone needs for a good life is better understood as a set of interlocking endowment goods whose principal largely grows over time -- although sometimes reckless beneficiaries do damage to parts of this ubiquitous 'trust fund' that surrounds us and forms the basic matrix within which we live our lives. In particular today, we might well wonder what future generations will think of the current national debt we have accrued in the United States, which looks more like a pyramid scheme than an endowment for the progress of the future. And we can be certain at this point that our grandchildren will not hold us in high regard for allowing much of the world's soils and groundwater to be exploited beyond the level of annual 'interest' that these endowments yield, and allowing the incalculably valuable capital constituted by biorich tropical forests and wetlands to be destroyed.

In fact, the idea of "environmental capital" is widely used today in work on environmental economics and ethical theory, and even utilitarian scholars (e.g. Mary Williams) have begun to conceive sustainable usage of any environmental resource on the model of the "carrying capacity" of an ecosystem, which means the amount of annual usage it can tolerate without losing its capacity to provide value or services over time. The amount of grass that grazing animals can eat off a savanna or the amount of fish that can be caught annually from a given fishery consistent with the same amount of grass regrowing the next year and the fish stock replenishing itself are good simple illustrations. And this idea of living off the annual "interest" from an endowment fund rather than cutting into the principal has been extended to non-renewable resources such as minerals or fossil fuels by considering the rate of new discovery to be similar to annual yield. While some ethicists find this model a little "anthropocentric" -- meaning that it looks at the biosphere, its life-forms and processes as "resources" for human use -- in fact the model can be applied to any form of intrinsic value in nature that people wish to defend. For example, if species are valuable for their own sake, in addition to providing humans with aesthetic enjoyments, pharmaceutical resources, and backup insurance against diseases that could wipe out commonly used plant strains and domestic animals,
science can try to figure out the point below which further conversion of their habitats to arable land or suburbs or further hunting of their members will cause their population base to drop towards extinction. This is not to say that the idea of a capital fund can shed light on every environmental value we might be interested in, but just to indicate how flexible the idea is.

Yet environmental economics and ecological sustainability accounting have not extended their approach to what I've called cultural goods in the broadest sense; with few exceptions (e.g. Mark Sagoff) they also have not broadened their conception of "public goods" to take account of joint goods that cannot be read off of people's unmodified desires or brute preferences -- goods that depend on practical reason and collective deliberation to fully appreciate or value. The point of the endowment model of justice is to say that one of the fundamental and least well-understood aspects of social justice concerns the sustaining and deepening of such endowments of common goods across all the myriad forms they take (as briefly indicated on your handout). Environmental capital forms a crucial part, but only one component, of these goods; in fact, the goods of culture and nature have to be sustained together and people's sense of historically conditioned responsibility for their nation's traditions, political institutions, social networks and fraternity, and even infrastructure must be enlarged to include a place for ecosystem services and the riches of wilderness as well. The endowment model provides a single framework in which we can unify all these concerns, clarify their connections, and illuminate their moral implications.

The basic claim of the endowment model is that, by benefitting profoundly from all the cultural and natural endowments left to us by the past, and taking on the status of members in a legal order that derives from the cultural imperative, citizens are (at least implicitly) committed to acting as trustees for these common goods: they are obligated to cooperate through a workable government to preserve access to these endowments in perpetuity. Libertarian thinkers like Rand are incorrect in thinking that we are not our brothers' and sisters' keepers unless we make some new voluntary contract to take them on; in fact, whether we like it or not, we are already bound to be keepers of all the endowments that sustain human productivity and intrinsic value in nature. Whether the 'natural lottery' deals us a better or worse hand, we have a responsibility to use these gifts (and needs) not only to enrich ourselves and our loved ones, but also to do our fair share to sustain the basic endowments without which our natural gifts, choices, efforts and hard work would yield so much less than they can in our 21st century milieu today. The well-known problem that libertarian theories have a hard time explaining how property is justly acquired from unworked nature is really a symptom of a much deeper problem for their view -- namely that (in John Locke's famous phrasing of his "proviso" on initial acquisition) we have to leave "as much and good enough" of all the basic endowments on which our social freedoms and well-being depend. Though it is rarely recognized, this proviso is really a requirement to limit our extraction of value from natural resources to sustainable levels, and in the endowment model, it applies to all the forms of cultural capital as well.

We can return here to the point at issue between Rawls and Rand concerning whether differences in life-prospects due to starting places in the ‘game of life’ are potentially unfair or in need of some coordination among everyone to ensure that everyone -- whatever their background -- has a reasonable chance at a decent life. In response to libertarians, the endowment model suggests that the moderate forms of autonomy that are natural to human persons are culturally conditioned and could be of little value to human agents without the cultural background constituted by a range of common goods. In fact, the central function of all human culture is to reduce the extent to which life-prospects depend directly on luck; this is what distinguishes a state of culture (even prior to governments organized through law) from a classical state of nature in which the forces of natural selection operate directly on human beings. Rather than being based solely in an abstract requirement of respect for persons as moral agents, then, Rawls's first premise can be defended historically in terms of the social conditions without which individual capacities for autonomy cannot be developed by education and ensure minimally effective use of one's powers upon nature.
and within social relationships. Thus those basic individual rights that arise from the innate capacity for autonomy, as libertarians have argued, involve from the beginning a duty to promote the ultimate embracing common good of human solidarity against the raw forces of nature, including natural selection via disease, illness and other physical hardships, and the inequities of the natural lottery. The ‘game of life’ is much more complex than the game of monopoly in which everyone starts with an equal amount of money, and it would be counterproductive to try to equalize it to that extent, but is still a process of cooperation between individuals and generations that aims to provide a fundamental kind of insurance that markets alone can never provide.

With all that said, one caveat: while this anthropological argument allows us to isolate the forms of participation in social benefits that are essential to autonomy and thus entail a corresponding obligation of fair contribution to their cooperative maintenance, it will not follow on my analysis that any person has an involuntary obligation to join the particular nation-state in which they are born. Rather, what the anthropological analysis shows is that in becoming moral agents with autonomy, individual persons have already acquired an obligation to the people(s) constituted by historical networks of culture in which they were raised. The inevitable debt one owes to one's people in this sense is not an absolute requirement to join the government they formed; a just scheme will allow individuals to opt out of citizenship in the nation in which they grew up, and so viable options for emigration must also be included. This is one of several issues in rights-theory that push us beyond the level of nation-states towards a global framework, for which the endowment model is well-suited.

We can return at this point to the twin images of the trustee and the steward. A trustee is answerable to the human community that entrusted her with an endowment to be cultivated and sustainably used for whatever particular goods it is dedicated to supporting and advancing – its mission or ongoing goal. The trustee is a guardian of this heritage, passing it on to other trustees in turn; his authority is delegated by whoever (individually or collectively) created and maintained the endowment he shepherds – which may include those who interests are supported by it. But every human person is a trustee of culture and nature in extended sense, because the authority exercised in our autonomous choice is created by our nature as socially interdependent beings, and at least partly delegated to us by the legacy of cultural and natural goods that make our options meaningful. This responsibility is an inalienable as liberty itself.

Finally, the steward is a trustee who understands that his or her authority is delegated by God, the being who as creator is the only final owner of our world, our being, and even our precious freedom. There is another biblical parable, often named the “parable of the talents,” which has puzzled many readers: why would Jesus teach his disciples that the steward who does not invest his talents (a unit of money) for a good rate of return has done a disservice to his master? The endowment model can help make sense of this. The parable suggests that each person and their capacities, however different, is a nest egg of potential spiritual wealth to be developed to its fullest; to let this productive potential lie fallow is a sin. In the larger sense, all the interlocking human communities and their accumulated knowledge and traditions that make up culture and wonders of nature bequeathed to us are our natural charge: to use them wisely for the upbringing of each new child and the creation of new ventures, but also to preserve them for posterity in perpetuity.