

**FIRST PLACE**

***A CONTEMPORARY RE-ASSESSMENT OF FRIEDMAN'S FREE TO CHOOSE:  
THE LIMITATIONS OF SOCIAL JUSTICE***

Wen Li Teng, University of Chicago

## **Towards a Critical Interpretation of Friedman**

The term “social justice,” as Carl L. Bankston has observed, “is rarely taken as expressing a debatable position, but as a statement of a fundamental axiom of value in political and economic life.”<sup>1</sup> Social justice rests on two principles: (1) the redistribution of goods and resources to improve the situations of the disadvantaged and (2) the rights of the relatively disadvantaged to make claims on the rest of society.<sup>2</sup> Numerous critics have accused the American economist Milton Friedman of promoting social injustice, given his ideas on monetary policy, taxation, privatization, and deregulation. However, a closer inspection of Friedman’s *Free to Choose* reveals the thorough reasoning behind Friedman’s seeming lack of concern about human equality. Friedman discerns three distinct views of equality present in American society: equality before God, equality of opportunity, and equality of outcomes. Friedman argues that the United States flourished when it pursued equality for all Americans before God and when it supported equal opportunities for all citizens. Thus, Friedman cautions against creating a society that enforces equal outcomes upon all, as demanded by some proponents of social justice. In his view, such an endeavor could stifle individual achievements, discourage entrepreneurship, permit moral hypocrisy, and incapacitate society eventually. If Friedman’s opponents are to discredit his view of social justice, they must confront directly these premises and prove them untrue. Otherwise, they risk arguments that are purely dogmatic in nature.

### **The Myth of the “Devil Figure”**

Despite, or perhaps because of, his monumental impact on modern economics, Friedman has attracted considerable controversy. Many who disagree with Friedman have attempted to

---

<sup>1</sup> Carl L. Bankston, “Social Justice: Cultural Origins of a Perspective and a Theory,” *Independent Review* 15, no. 2 (Fall 2010): 165.

<sup>2</sup> Bankston, 165.

paint his ideology as one that is unsympathetic to the hardship of individuals and communities. William Ruger observes that since the 1970s, the Left has treated Friedman as a “devil figure ... who advised murderous dictators and helped create a world less friendly for social justice.”<sup>3</sup> United States Senator Bernie Sanders (I-VT) attacked Friedman’s ideology for “caus[ing] enormous damage to the American middle class and to working families here and around the world.”<sup>4</sup> Naomi Klein in *The Shock Doctrine* also credited Friedman with creating a world that “is one of corporatism and exploitation of the poor.”<sup>5</sup> With politicians and publications pillorying Friedman regularly, it is no surprise that Friedman has been vilified as an enemy of twenty-first century social justice.

Yet, these remarks might unfairly suggest that Friedman was unconcerned about issues of social justice. Friedman was concerned not only about economics, but also its impact on the weakest members of society. Any preliminary or casual survey of Friedman’s oeuvre would reveal this to be the case. In his classic article calling for educational vouchers, Friedman idealized the privatization of education: students from disadvantaged families would allegedly have better options than the assigned schools in their neighborhood, and schools would be expected to improve because they would need to compete for student enrollments.<sup>6</sup> By granting parents the right to cash a voucher at the place they think gives children the best possible education, the government can create a more responsive and less repressive system of education.<sup>7</sup> To the extent that education has been an important mechanism for social mobility in America, it boggles the mind that Friedman’s proposals to improve schooling have not garnered

---

<sup>3</sup> William Ruger, *Milton Friedman* (New York: Continuum, 2011), 186.

<sup>4</sup> Ruger, 186.

<sup>5</sup> Ruger, 186.

<sup>6</sup> Henry M. Levin, Ilja Cornelisz, and Barbara Hanisch-Cerda, “Does Educational Privatisation Promote Social Justice?,” *Oxford Review of Education* 39, no. 4 (August 2013): 515.

<sup>7</sup> Bruce A. Ackerman, *Social Justice in the Liberal State* (New Haven: Yale University Press, 1980).

more attention in the scholarship. It might be for this reason that Friedman's deep concern for social issues has not been recognized adequately.

Even if they do not lob *ad hominem* attacks, those who differ from Friedman argue that his views of social justice are incompatible with reality. To their credit, some social justice authors have attempted to use historical evidence to disprove or challenge Friedman's ideas. Referring to the work of John Kenneth Galbraith, Peter Corning argues that Alan Greenspan disproved Friedman's theory of a desirable or optimal level of unemployment, when the Federal Reserve chairman did not cause inflation by achieving full employment. Since full employment does not cause inflation, the government should pursue social justice by becoming an "employer of last resort" and hiring people that the private sector does not employ. One can disagree with Corning's reasoning here – the limitations of Friedman's theories in one particular instance may not necessarily imply that the government should undertake the responsibility of employing those who are unable to find jobs. Nevertheless, Corning's logic is surely preferable to those of social justice supporters who simply dismiss Friedman's ideas as destined to fail. James Gustave Speth, for one, writes that, "the very measures [Friedman] advocated are now part of a system that is spawning its own disasters and headed towards its own end."<sup>8</sup> More starkly, G.A. Cohen writes that Friedman's theories, along with those of Friedrich Hayek and Robert Nozick, are "uncompromisingly fundamental" and

crazy, crazy in the strict sense that you would have to be crazy to think that such proposals (e.g. abolition of *all* regulation of professional standards and of safety at work, abolition of state money, abolition of *all* welfare provision) might be implemented in the near, medium, or long term.<sup>9</sup>

---

<sup>8</sup> James Gustave Speth, *America the Possible: Manifesto for a New Economy* (New Haven: Yale University Press, 2012).

<sup>9</sup> G. A. Cohen, *On the Currency of Egalitarian Justice, and Other Essays in Political Philosophy* (Princeton, N.J.: Princeton University Press, 2011), 212.

Neither Speth nor Cohen are particularly interested in justifying why they deem Friedman's \ thinking as impractical and out of touch with reality. Given the supposed odds at stake in social justice – benefiting the disadvantaged at the possible cost of the privileged – one might have presumed that greater care be exercised in debating the Nobel laureate.

Indeed, it is telling that in his opposition to social justice, Friedman finds himself in the company of the most outstanding economists of the twentieth century, including Ludwig von Mises and Friedrich Hayek.<sup>10</sup> Thomas Patrick Burke writes of how “[s]upporters of ‘social justice’ tend to downplay the significance of the discipline of economics, and even to reject it altogether as immoral.”<sup>11</sup> As the examples above indicate, this is not altogether a critical, nuanced, and constructive approach towards reconciling the apparent tensions between Friedman and the socioeconomic problems of his time or ours. Bearing this in mind, let us now turn to the fundamental principles of equality that Friedman established in *Free to Choose*. In pinning down and explicating the chapter “Created Equal,” we will find that Friedman's theories promise the reification of a true “social justice.”

### **God, Opportunity, Outcomes**

In lambasting Friedman as an uncaring free-market capitalist or outmoded academic, many critics seem to miss the fact that Friedman was very much invested in questions of human equality and freedom that were highly relevant to the American condition. Friedman's remarks on the paradox between equality and freedom – “A society that puts equality – in the sense of equality of outcome – ahead of freedom will end up with neither equality nor freedom” – must be contextualized in the intellectual tradition he illustrates for his readers.

---

<sup>10</sup> Thomas Patrick Burke, *The Concept of Justice: Is Social Justice Just?*, Continuum Studies in Political Philosophy (London: Bloomsbury Publishing, 2011), 23.

<sup>11</sup> Burke, 23.

A would-be defender of social justice might argue that equality is a value embedded deep in the foundations of the United States. He might point to the abundant references to equality within the Declaration of Independence or the United States Constitution to justify the enforced distribution of wealth from the rich, intelligent, and able to those who are not. To this, Friedman would likely have responded by averring that the Founding Fathers would have greatly disagreed with this proposition. As Friedman demonstrates, the intellectual, political, and social foundations of the American republic lie in an equality before God, a personal equality, that does not at all demand that people be made identical.<sup>12</sup> Thomas Jefferson, for one, may have declared that all men are “endowed by their Creator with certain unalienable rights; that among these are Life, Liberty, and the pursuit of Happiness.” Nonetheless, this declaration is altogether different from making the claim that the state should be involved in ensuring that everyone lived in the exact same way. What Jefferson and the other framers of the Constitution wanted was

a national government strong enough to defend the country and promote the general welfare but at the same time sufficiently limited in power to protect the individual citizen, and the separate state governments, from domination by the national government.<sup>13</sup>

Furthermore, Jefferson himself did not champion the cause of social justice in the way that some activists do today. Jefferson, who agonized repeatedly about the conflict between equality and slavery in America, nevertheless owned slaves and never proposed any public plans to eliminate or oppose slavery.<sup>14</sup> If backers of social justice wish to seek precedents (or presidents) in American history that support their brand of social justice, they might have to look beyond the foundational years of the republic.

---

<sup>12</sup> Milton Friedman and Rose D. Friedman, *Free to Choose: A Personal Statement*, 1st ed. (New York: Harcourt Brace Jovanovich, 1980), 129.

<sup>13</sup> Friedman and Friedman, 130.

<sup>14</sup> Friedman and Friedman, 131.

They will also have to look beyond the post-Civil War years. With the abolition of slavery, American society came closer to realizing personal equality before God and the law, and hence moved on the pursuit of equality of opportunity.<sup>15</sup> This concept is also semantically different from social justice. As Friedman defines it, equality of opportunity means that no arbitrary obstacles – birth, nationality, color, religion, sex, or any other irrelevant characteristic – should prevent people from opportunities appropriate to their talents, abilities, and values.<sup>16</sup> From the Reconstruction era onwards, this meant free enterprise, competition, and laissez-faire economics, which allowed many Americans to be socially mobile, to accumulate great wealth, and to thereby distribute it through non-profit hospitals, privately endowed colleges and universities, and a plethora of charitable organizations directed to helping the poor.<sup>17</sup> Social justice, by some views, disregards the question of talents, abilities, and values. All are to participate in a system of redistribution, regardless of their personal merits. As such, it would be inapplicable to compare Friedman’s notion of equality of opportunity to modern social justice.

Instead, social justice is most comparable to the concept of equality of outcome. Friedman demonstrates this notion of equality to be extrinsic and foreign to the United States. Writes he: “That different concept, equality of outcome ... first affected government policy in Great Britain and on the European continent. Over the past half-century, it has increasingly affected government policy in the United States as well.”<sup>18</sup> By this, Friedman writes of a vague belief in “fairness” that necessitates government redistribution, or in other words, a belief in

---

<sup>15</sup> Friedman and Friedman, 131.

<sup>16</sup> Friedman and Friedman, 132.

<sup>17</sup> Friedman and Friedman, 133.

<sup>18</sup> Friedman and Friedman, 134.

social justice.<sup>19</sup> As will be made clear in the discussion that follows, Friedman decidedly rejects the feasibility of such an idea in American society.

### **Egalitarianism and its Discontents**

Put simply, the uncritical pursuit of social justice is antithetical to human achievement and the celebration of the human spirit. Friedman offers two telling examples that illustrate the absurdities of demanding that society produce an equality of outcomes, no matter how implausible or impossible it might be. The first example that Friedman invites us to consider involves the legendary American boxer Muhammad Ali.<sup>20</sup> If Ali could only be paid as much as the lowest-earning worker in American society, he would likely not have willingly subjected himself to the arduous regimen of training required of a champion fighter, or to the life-threatening fights that marked his career. The American public, if not the world, would never have witnessed the Ali Shuffle or the phantom punch. The second example imagined by Friedman concerns an evening of baccarat.<sup>21</sup> Surely it would be preposterous if the croupier were to the spoils of the victors to the defeated so that it was as if the game had never taken place. Neither the winners nor the losers would find baccarat to be much fun if this happened at every hypothetical evening, but the real-life implications of these examples are clear. If the state were to take upon itself the responsibility for an equality of outcomes (as demanded by many social justice activists), the state would likely demand to interfere in the personal decision-making of individuals.<sup>22</sup> If the government continues to support the National Flood Insurance Program, it would likely demand a say in whether private citizens get to build their houses on floodplains,

---

<sup>19</sup> Friedman and Friedman, 134–35.

<sup>20</sup> Friedman and Friedman, 137.

<sup>21</sup> Friedman and Friedman, 137.

<sup>22</sup> Friedman and Friedman, 138.

for example.<sup>23</sup> The government, thus, hamstring the ability of citizens to make decisions, including those that may come at the cost of unequal outcomes, but which promote the overall greatness of a society.

A civilization that cannot flourish is one that will ultimately breed greater social injustice. The very resources that alleviate human suffering and promote happiness do not appear from thin air. A society that prizes equality of opportunity, not equality of outcome, is what sustains entrepreneurship and philanthropy. The innovation of such inventors as Henry Ford has brought great material comfort to American society. One can scarcely imagine the United States today without the private vehicle as a cheap and reliable means of transportation, or the conveyor belt as an affordable method of mass production.<sup>24</sup> Similarly, the charitable donations of such community organizers as Jane Addams, who established a settlement house for the poor, uplifted the weakest of society. Moreover, the history of Chicago and its iconic institutions – the Art Institute, the Newberry Library, and the University of Chicago – was built precisely on the private fortunes of the Rockefeller, Ford, and Carnegie foundations.<sup>25</sup> Even proponents of social justice will have to agree that private enterprise, in these historical case studies, fulfilled the social and cultural goals they seek in contemporary American society. Yet, if the aforementioned Americans could not participate freely in American enterprise, they could never have addressed the ills of poverty and ignorance in the United States.

Instead, responsibility for these ills would have fallen to what Irving Kristol calls the “new class” – “government bureaucrats, academics whose research is supported by government funds or who are employed in government financed ‘think-tanks,’ staffs of the many so-called

---

<sup>23</sup> Friedman and Friedman, 138.

<sup>24</sup> Friedman and Friedman, 139.

<sup>25</sup> Friedman and Friedman, 139.

‘general interest’ or ‘public policy’ groups, journalists and others in the communications industry.”<sup>26</sup> However, Friedman argues that many of these individuals actually perpetuate a system of social injustice. These individuals advocate or institutionalize acts of enforced redistribution in the United States, such as acts of taxation, social insurance, and market regulation. Insidiously, these egalitarians profit from “preaching equality and promoting or administering the resulting legislation,” drawing high salaries from Capitol Hill, Think Tank Row, or Hollywood.<sup>27</sup> Unlike Ford or Rockefeller, these egalitarians do not always redistribute their income. Even if they did so, the small amounts they are able to contribute individually are only “drop[s] in the ocean” and do not always go to those who are the most needy of recipients.<sup>28</sup> To Friedman, it is telling that only 5 percent of the Jewish population of Israel chose to be members of a kibbutz, despite the fact that membership in such an egalitarian commune conferred social status and commanded approbation.<sup>29</sup> It would appear that few would “voluntarily choose a system enforcing equality of outcomes in preference to a system characterized by inequality, diversity, and opportunity.”<sup>30</sup> If this is indeed the case, then those who espouse the cant of social justice, but who benefit from social injustice, are guilty of considerable moral hypocrisy.

They too will be guilty of the attenuation or dysfunction of the societies they live in. The quest for social justice, although well-intended, is in Friedman’s view doomed to fail. Because it goes against the human instinct for progress, because it obviates the possibility for entrepreneurship and philanthropy, because it encourages hypocrisy, the attempt to construct a society of equal outcomes will only cripple the society that already exists. Friedman turns to the

---

<sup>26</sup> Friedman and Friedman, 141–42.

<sup>27</sup> Friedman and Friedman, 142.

<sup>28</sup> Friedman and Friedman, 142.

<sup>29</sup> Friedman and Friedman, 143.

<sup>30</sup> Friedman and Friedman, 143.

example of twentieth-century Britain to support this point.<sup>31</sup> With the post-war construction of a welfare state and a redistributive tax regime to fund it, Britain soon witnessed a rise of criminality. Britons ostensibly broke the law because they lost their respect for it when the government forced people to “give up much of what they produce to finance payments to persons they do not know for purposes they may not approve of.”<sup>32</sup> Britain also saw an exodus of “some of its ablest, best-trained, most vigorous citizens, much to the benefit of the United States and other countries that have given them a great opportunity to use their talents for their own benefit.”<sup>33</sup> This outflow of labor decreased the efficiency, productivity, and growth of the British economy. Economies that did not permit the free market to operate fared even worse. Russia and China, at the time of Friedman’s writing, implemented central planning in the name of equality.<sup>34</sup> However, the Russian upper classes enjoyed luxuries inaccessible to the impoverished masses, and large disparities of wealth divided rich and poor regions in China.<sup>35</sup> Social justice may well be attractive in theory, but the operationalization of this concept in several societies has only resulted in profound economic and social losses.

### **Whither Social Justice?**

The above discussion indicates that it is possible to reconcile Friedman’s views of equality and freedom with contemporary understandings of social justice. What is imperative is to recognize that Friedman does not disagree with his detractors about the importance of liberty in American society or the important role played by government. Rather, Friedman disagrees about how this liberty should be achieved and what the responsibilities of government are in this respect. In sum, Friedman believes that private individuals can and should be empowered by the

---

<sup>31</sup> Friedman and Friedman, 145.

<sup>32</sup> Friedman and Friedman, 145.

<sup>33</sup> Friedman and Friedman, 145.

<sup>34</sup> Friedman and Friedman, 146.

<sup>35</sup> Friedman and Friedman, 147.

government to promote social justice through philanthropy and entrepreneurship. Any other coercive measure by the government, including excessive interference in the economy or unwarranted attempts at social engineering, are likely to be counterintuitive, depriving the privileged and failing to help the disadvantaged.

The political climate today is unfortunately such that it is in vogue to label conservative economic and social thinkers as extremists, bigots, and ideologues. But to do so necessarily means failing to engage much of the valid and sound reasoning that underlies conservative thought, much of which is established in the American political tradition. Therefore, the onus is upon those who propound social justice to confront Friedman's arguments directly and to rise above mudslinging attacks on his person.

## Bibliography

- Ackerman, Bruce A. *Social Justice in the Liberal State*. New Haven: Yale University Press, 1980.
- Bankston, Carl L. "Social Justice: Cultural Origins of a Perspective and a Theory." *Independent Review* 15, no. 2 (Fall 2010): 165–78.
- Burke, Thomas Patrick. *The Concept of Justice: Is Social Justice Just?* Continuum Studies in Political Philosophy. London: Bloomsbury Publishing, 2011.
- Cohen, G. A. *On the Currency of Egalitarian Justice, and Other Essays in Political Philosophy*. Princeton, N.J.: Princeton University Press, 2011.
- Friedman, Milton, and Rose D. Friedman. *Free to Choose: A Personal Statement*. 1st ed. New York: Harcourt Brace Jovanovich, 1980.
- Levin, Henry M., Ilja Cornelisz, and Barbara Hanisch-Cerda. "Does Educational Privatisation Promote Social Justice?" *Oxford Review of Education* 39, no. 4 (August 2013): 514–32.
- Ruger, William. *Milton Friedman*. New York: Continuum, 2011.
- Speth, James Gustave. *America the Possible: Manifesto for a New Economy*. New Haven: Yale University Press, 2012.