

Freedom & Money: Hayek vs Cohen

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Hayek on Coercion

Freedom "... meant always the possibility of a person's acting according to his own decisions and plans, in contrast to the position of one who was irrevocably subject to the will of another, who by arbitrary decision could coerce him to act or not act in specific ways." [H, pg. 81]

1. **Freedom ≠ Multiple Desirable Options?** "Whether he is free or not does not depend on the range of choice but on whether he can expect to shape his course of action in accordance with his present intentions ..." [H, pg. 82]
2. **Freedom = the Absence of Coercion.** "Though the coerced still chooses, the alternatives are determined for him by the coercer so that he will choose what the coercer wants. ... He is deprived of the possibility of using his knowledge for his own aims." [H, pg. 89]
3. **Coercion vs Terms of Service.** In general, my freedom is not violated by the terms and conditions others place on doing business with them.

OASIS MONOPOLY EXAMPLE: "A monopolist could exercise true coercion, however, if he were, say, the owner of a spring in an oasis." In order to survive, you would have to do whatever the owner of the spring wanted you to do.

"But unless a monopolist is in a position to withhold an indispensable supply, he cannot exercise coercion, however unpleasant his demands may be for those who rely on his services." [H, pg. 92]

Coercion "... is the control of the essential data of an individual's action by another" [H, pg. 95]

Cohen on Freedom & Money

Cohen's Thesis: Lack of money carries with it lack of freedom.

I shall argue that the poor lack freedom, even in the right's, and Berlin's and Rawls's, preferred sense of freedom, where **freedom is identified with lack of interference**, and whether or not that identification of freedom is too restrictive. [C, pg. 5]

Hayek's View in Slogan Form: *Freedom is the absence of coercion.*

The quote goes on: "... or whether somebody else has power so to manipulate the conditions as to make him act according to that person's will rather than his own." [H, pg. 82]

Does this mean that our freedom can only be compromised by *other people imposing their will on us?*

Different Notions of "Freedom"

- (a) **Political Freedom.** "... the participation of men in the choice of their government, in the process of legislation, and in the control of administration." [H, pg. 82]
- (b) **Inner/Metaphysical Freedom.** "... the extent to which a person is guided in his actions by his own considered will, by his reason or lasting conviction, rather than by momentary impulse or circumstance." [H, pg. 84]
- (c) **Freedom = Power.** "... the physical 'ability to do what I want', the power to satisfy our wishes, or the extent of the choice of alternatives open to us." [H, pg. 85]

"So long as the act that has placed me in my predicament is not **aimed at making me do or not do specific things**, so long as **the intent of the act that harms me is not to make me serve another person's ends**, its effect on my freedom is not different from that of any natural calamity" [H, pg. 93]

"... there are lots of things that, *because* they are poor, poor people are not free to do, things that non-poor people *are*, by contrast, indeed free to do." [C, pg. 2]

RIGHT-WING ARGUMENT FOR LIMITED GOVERNMENT (PART I)

P1 Freedom is compromised by interference by other people, but freedom is not compromised by lack of means.

P2 To lack money is to suffer not interference, but lack of means.

C1 Poverty (lack of money) does not carry with it lack of freedom.

These are valid arguments. The only way to avoid accepting the conclusion is to object to **P1**, or **P2**, or **P4**.

RIGHT-WING ARGUMENT FOR LIMITED GOVERNMENT (PART II)

C1 Poverty (lack of money) does not carry with it lack of freedom.

P4 The primary task of government is to protect freedom.

C2 Relief of poverty is not part of the primary task of government

Cohen argues against **P2**: *To lack money is to suffer interference!*

1. **Cohen's Argument:**

- (a) "A property distribution *just is* . . . a distribution of rights of interference."^{*}
- (b) "But money serves . . . to remove that latter interference."
- (c) "Therefore, money confers freedom, rather than merely the ability to use it, even if freedom is equated with absence of interference."

2. **Cohen's Entry Ticket Example.** Each person is endowed with a set of tickets detailing what one may or may not do without interference. "By hypothesis, these tickets say what a person's freedom (and, consequently, her unfreedoms) are. But a sum of money is, *in effect*, a highly generalized form of such a ticket." [C, pg. 19]

3. **Inference? Or Interference with the Rights of Private Property?**

Is Cohen conflating *illegal* interference with private property & *legally justified* interference with those who would otherwise violate private property?

- (1) *A* is *pro tanto* unfree so long as *B* successfully interferes with his action.
- (2) *B*'s interference with *A* is freedom-reducing only when *A* has the moral right to do what he is doing and/or *B* has no moral right to stop him.

"My argument overturns the claim that a **liberal capitalist society is, by its very nature, a free society**, a society in which there are no significant constraints on freedom, but that does not mean, and I do not claim it does, that a capitalist society is therefore inferior, all things considered, or even in respect of freedom, to other social forms." [C, pg. 12].
 Cohen explains: "If *A* owns *P* and *B* does not, then *A* may use *P* without interference and *B* will, standardly, suffer interference if he attempts to use *P*." [C, pg. 13]