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## Paid Family Leave: An Ideological Analysis

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In his 2019 State of the Union speech, President Donald Trump reaffirmed [his commitment to paid family leave](#):

I am also proud to be the first President to include in my budget a plan for nationwide paid family leave – so that every parent has the chance to bond with their newborn child.

This was not the president's first expression of commitment to this new entitlement. Two years ago, in his first budget since taking office, [he appropriated \\$1.9 billion](#) for what was de facto a pilot program for federally funded paid family leave.

The president's renewed commitment to tax-paid income security for working families suggests that if Congress passes a paid-leave bill, he will sign it. Given the formidable fiscal risks associated with a program of this kind – with annual costs that [could amount to hundreds of billions of dollars](#) – there is notably little in terms of real, solid debate over it.

Specifically, there is a lack of principled discussion over the role of government in the financial security of America's families. This paper is a contribution toward that discussion.

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## **Paid family leave: an overview**

As of December 2018, [four states offer paid family leave](#) to parents of newborns: California, New Jersey, New York and Rhode Island. The District of Columbia also has a program in place, and the state of Washington will [start paying out benefits in January 2020](#).

With the election of Jared Polis to be the next governor of Colorado, and his fellow Democrats now controlling both chambers in the state legislature, the Centennial State is likely to soon join the paid-leave ranks. Having pledged to create government-funded [single-payer health care and paid family leave](#), as well as [universal child care](#), Polis is poised to put Colorado in the forefront of America's welfare-state expansion.

In the meantime, the paid-leave issue has moved forward in Congress, most recently among Republicans. Senator Rubio (R-FL) has turned [a proposal from the conservative Independent Women's Forum](#) (IWF) into the [Economic Security for New Parents Act](#). With bipartisan support growing, [in part thanks to Senator Ernst \(R-IA\)](#), it is probably only a matter of time before Congress sends a paid-leave bill to the president's desk. Given [President Trump's support for the idea](#), there is a fair chance he would sign it.

The surge in support for paid leave has emerged despite the absence of studies on how much it would cost taxpayers. Even more glaring is the lack of ideological debate over paid leave: with the build-up of conservative support, the conversation about government's role in the lives of American families has faded into the background.

From both an economic and a fiscal viewpoint, there is a compelling case to be made against tax-paid family leave. Modeled after European standards, a federal paid-leave program could cost the federal government close to \$500 billion per year – and this is [just for leave related to child birth](#). Programs that provide paid leave often include personal sick leave and leave to care for a sick family relative. Expanded in those directions, paid leave could overtake Social Security as the single costliest entitlement program in the federal budget.

With an established economic case against paid leave, the ideological question emerges as the prominent one. Liberal proponents of paid leave want it for ideological reasons; the non-economic motives of conservatives are more obscure, reinforcing the case for a principled examination of the idea. This paper will place paid leave in the context of two opposing ideologies, asking pointedly: what vision does an ideology for paid leave have of the America that the children, whose parents are on paid leave, grow up to inherit? Likewise, what vision of America's future emerges from an ideology that opposes paid leave?

The formal term for entitlement programs like paid family leave is “general income security”. They resemble Social Security in that they provide income-style entitlements, but they differ in that the entitled population is of working age. In addition to paid family leave, general income security programs – as they exist in Europe – include paid sick leave, paid leave for parents to stay home with sick children and for the care of other family members. There have even been experiments with general leave time for unspecified personal reasons.

Benefits are based on a person's income, with replacement rates varying greatly. Existing European programs gravitate toward the 70-80 percent bracket; state-run programs in the United States offer lower replacement rates. They also replace income for a shorter period of time; while 6-12 weeks is the target in the United States, Canadian parents can take up to a year off, courtesy of taxpayers.

Funding normally comes from a payroll tax, which, combined with income-based benefits, theoretically means that every taxpayer is supposed to fund his own benefits. In practice, this model has proven difficult to maintain from a fiscal viewpoint, as exhibited by the very high payroll taxes in the Scandinavian countries. A similar model, used in Social Security, [is expected to bankrupt the program in 2034](#).

The comparison to Social Security is relevant also from an ideological viewpoint. Social Security is generally perceived to be a personal income-security program administered by government. This is not the case: there is no direct relationship between a person's tax payments into a general income security program and his benefits withdrawal. Current tax revenue funds current benefits. All a taxpayer earns is a set of IOUs, claims on the system's future tax revenue. Technically, this means that Social Security redistributes money from the current working-age population to the elderly.

Furthermore, the benefits in Social Security [are calculated based on a redistributive formula](#): the higher the income, the smaller the share that qualifies for benefits. By contrast, the Social Security tax is a flat rate of 6.2 percent up to a cap, currently \$128,400. In other words, the funding of Social Security is slanted toward higher-income households, while lower-income households benefit disproportionately as a larger share of their income counts toward their benefits.

Existing paid-leave programs in the United States are built with generally the same fiscal architecture. The paid family leave program [in California](#), for example, caps weekly benefits at \$435, which equals a pre-tax annual income of approximately \$23,000.<sup>1</sup> By contrast, the payroll tax funding the program applies to incomes up to five times the average benefit (\$118,371 in 2018). The estimated average annual wage in California for 2018 is \$56,458, which means that the average taxpayer earns almost 2.5 times the maximum benefits. In other words, low-income workers benefit substantially more from the paid-leave program than higher-earning families. Furthermore, the payroll tax applies to all income earners, not just those having or planning to have children.

New York activated its paid-leave program this year. It has a similar profile, where the average benefit paid out, \$652.95, is half the average wage on which the paid-leave payroll tax is levied.

At the national level, the Economic Security for New Parents Act is based on Social Security, thus adopting its redistributive profile. The idea is, in fact, to allow parents to withdraw Social

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<sup>1</sup> This is calculated for a married couple filing jointly, ignoring all deductions. California paid-leave benefits are exempt from state income taxes but must be reported on the federal tax return.

Security benefits already when they have children. There would be no new tax; current tax revenue is supposed to be sufficient.<sup>2</sup> Parents who use the paid-leave benefit would “repay” Social Security by delaying or diminishing benefits upon retirement.

A key problem with the Rubio-IWF program is that it is even more redistributive in nature than Social Security itself. In fact, [Senator Rubio’s own presentation of the proposal](#) suggests that families earning up to \$30,000 per year could cash in more than 100 percent of their annual income while on paid leave. Those benefits would add to existing programs, such as the Earned Income Tax Credit, according to which a family with two income earners and two children and an annual income of up to \$30,000 gets more from EITC than they pay in income taxes.<sup>3</sup> Given all other benefits the family can qualify for, they become a net taker as benefits exceed the personal income and Social Security taxes they pay.

Since federal income taxes are [paid almost entirely by the upper half of all income earners](#), the Rubio-IWF program clearly belongs in the ideological camp that favors economic redistribution. It reinforces the role of the federal government as an engine of economic redistribution.

Already today, two thirds of the federal government budget is designated for the purposes of redistribution. This is both a question of averting a future fiscal disaster for the United States, and a question of ideology: what role do we want government to play in our lives? Adding yet another program adds to the pertinence of both questions.

In fact, there are two reasons to take seriously the ideological profile of paid family leave. First, there comes a point where government involvement in the economy, for the purposes of economic redistribution, becomes so pervasive that it takes a permanent and sizable toll on the economy. Eventually, this leads to economic stagnation and, over time, a slow decline in the standard of living.<sup>4</sup> Is it worth this price to pursue a larger welfare state in America?

Secondly, the scarce ideological debate over paid leave suggests that if it is given more attention, it will add value and perspectives to the conversation that may change minds. Furthermore, programs that provide some kind of income security to working adults tend to grow in size and scope. General income security programs are bigger and more generous in other countries, and suggesting that once a U.S. program is created, it will only change in one direction. This prediction is validated further by the fact that no federally funded entitlement program has ever shrunk, nor have they ever ended without being replaced by another.

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<sup>2</sup> This is a ruse. The period between the start-up of the program and the first repayments in the form of forfeited benefits would be several decades (assuming the mothers of newborns are typically 25-35 years of age), a period during which paid-leave benefits will create a substantial net drain of money from Social Security.

<sup>3</sup> Larson, S.R. *The Rise of Big Government: How Egalitarianism Conquered America*. Abingdon, UK: Routledge, 2018. See pp 16-18.

<sup>4</sup> Larson, S.R. *Industrial Poverty: Yesterday Sweden, Today Europe, Tomorrow America*, Aldershot, UK: Gower Applied Research, 2014.

Put more broadly: as the federal government expands further into economic redistribution, it eventually reaches a point where the United States as a constitutional republic permanently and decisively changes character. Therefore, the ideological question behind paid leave is more consequential than the program itself.

## **America's ideological controversy**

The thought of an ideological debate often boils down to the banality of a liberal-conservative shouting match over the issues in the current news cycle. At a more informed level, ideological exchange is about much more comprehensive perspectives on society. It is about visions of what our country should look like, now and, more importantly, in the future.

In the words of Michele Filippini, political science professor at University of Bologna, the philosophical definition of an ideology is “a constantly coherent expression of social totality”.<sup>5</sup> More prosaically, an ideology can be thought of as a socio-economic ideal in the image of which we would like to reshape society as we know it today.

The transformation of an ideology into policy and legislation centers in on the role of government – the state – in people's lives. Therefore, an ideological analysis of a specific policy issue necessarily concentrates on how the issue will change the relationship between the state and individual citizens. Paid family leave clearly falls into the category of legislation that expands the state's role in individual life. It is, the idea suggests, the role of the state to change individual behavior by altering the consequences – in this case the economic benefits – of individual decisions.

When the Founding Fathers authored the founding documents of the United States, their starting point was an entirely opposite idea of the state-individual relationship. They defined constraints for the state for the very purpose of protecting the individual and his inalienable rights. From there, they reasoned their way to what state would be needed as a support function for a society centered around individual freedom.

In other words, they ranked the individual as superior to the state. It was a radical idea in an era when the superiority of the state – typically embodied in a monarch – was the constitutional norm. This notion of building a society around the individual had been given its first systemic format in John Locke's *Second Treatise of Government*, but the U.S. Constitution was the first successful effort at politically practicing the principle of enumerated state powers (as opposed to the traditional European idea of enumerated individual freedoms).

In modern terminology, we know the ideology that ranks the individual above the state as libertarianism. It defines a narrow set of legitimate state functions – protection of life, liberty and property – and characterized the United States for much of its first hundred years. Its influence

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<sup>5</sup> Filippini, M. *Using Gramsci: A New Approach*. London: Pluto Press, 2017.

included the expansion of individual freedom to all Americans through the termination of slavery.

With the beginning of the 20<sup>th</sup> century a shift began, where the state slowly but steadily broadened its presence in the lives of American families. Dan Mitchell [has exposed this trend](#), which conspicuously coincides in time with the rise of a new crop of ideological thinking where the state is again superior to the individual. The purpose of this new statist thinking was different from the pre-United States European monarchy: the main role of the state was economic redistribution as opposed to feudalism, but the effect on individual freedom was similar.

As Mitchell demonstrates, after World War II peacetime spending by the federal government had expanded almost tenfold as share of GDP. It parked itself around 20 percent of GDP, where it has remained since then. It is, in essence, the economic symptom of an ideological challenge to libertarianism.

This challenge did not go unnoticed at the time. A good example is [a 1956 essay by Charles Wolfe of the Foundation for Economic Education](#). Under the title *Libertarians and the Constitution*, Wolfe explains:

[Toward] the end of the nineteenth century, and especially since the 1930s, more and more Americans began to accept a theory of government – call it statism, collectivism, socialism, or what you will – in direct opposition to the individualist philosophy of our Founding Fathers.

Wolfe sees libertarians as the most ardent defenders of the values embraced by the authors of the Constitution. Those values, he says, are

rooted in a clear perception of the significance of the individual, his inclinations toward self-sufficiency and self-government, and his deep beliefs in the right to own and exchange the fruits of his labors without government intervention.

One of the clearest examples of this challenge, Wolfe notes, is the introduction of the federal income tax in 1913. The Social Security Act, President Franklin Roosevelt's signature peacetime achievement, is equally significant.

President Lyndon Johnson's War on Poverty was a major contribution toward the redefinition of the role of government in the United States. By importing key elements and ideological markers such as a relative poverty concept, the War on Poverty substantially redirected federal spending and made economic redistribution the principal purpose of federal tax revenue.<sup>6</sup> As Mitchell and Wolfe explain, Johnson's presidency was not the beginning of that redefinition, but it was the point when a new ideology gained systemic footing in the American economy.

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<sup>6</sup> Larson (2018).

That ideology has many names; its front figure during the 20<sup>th</sup> century, John Rawls, defined it as *social justice*.<sup>7</sup> Compared to libertarianism, it fundamentally redefines the relationship between the individual and the state by demoting the former and elevating the latter. Technically, it removes the enumerated boundaries on state powers and allows for an unlimited growth in government spending. General income security, including paid family leave, fits well within the realm of social justice.

Libertarianism, on the other hand, excludes paid family leave from the list of legitimate state functions.

## **Libertarianism and the minimal state**

While the origins of libertarianism stretch back to John Locke, it was Robert Nozick, Harvard professor of philosophy, who placed it in the context of the modern political discourse. He opened his legendary book *Anarchy, State and Utopia* with the question:<sup>8</sup> “If the state did not exist would it be necessary to invent it?”

Strikingly similar to the question implicit in the American founding, this question is best answered from the viewpoint of human nature. This is also Nozick’s approach. In a situation without government, he says, “people generally satisfy moral constraints and generally act as they ought.”<sup>9</sup> It is not overly optimistic to make this assumption about human nature: it does not, he notes, “assume that all people act exactly as they should” – all it means is that we are intelligent and capable enough to maintain a free society by means of responsible citizenship.

In other words, Nozick clearly agrees with the Founding Fathers in that the individual ranks superior to the state. This calls for strict enumeration of state functions. However, Nozick also shared the fear that the founders had of a society where government would be too weak to uphold its minimal duties. If the state does not exist, he notes, conflicts between individuals will eventually descend into violence and the breakdown of ordered society (1974, p. 11):

private and personal enforcement of one’s rights (including those rights that are violated when one is excessively punished) leads to feuds, to an endless series of acts of retaliation and exactions of compensation. And there is no firm way to settle such a dispute, to end it and to have both parties know it is ended.

In the absence of the state, disputes between individuals will open a slippery slope of deterioration into anarchy. Once the boundary is established between the enumerated functions of the

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<sup>7</sup> Rawls, J. Justice as Fairness. *The Journal of Philosophy*, Vol. 54, No. 22 (Oct., 1957), pp. 653-662; and Rawls, J. *A Theory of Justice*. Cambridge, MA: Harvard University Press, 1971.

<sup>8</sup> Nozick, R. *Anarchy, State and Utopia*. New York, NY Basic Books, 1974.

<sup>9</sup> Nozick (1974).

state and anarchy, a minimal state emerges a residual to human nature. Nozick again (1974, p. 11):

Only after the full resources of the state of nature are brought into play, namely all those voluntary arrangements and agreements persons might reach acting within their rights, and only after the effects of these are estimated, will we be in a position to see how serious are the inconveniences that yet remain to be remedied by the state, and to estimate whether the remedy is worse than the disease.

The minimal state is the smallest tolerable state, a state confined to conflict resolution and the protection of life, liberty and property. It is also the largest tolerable state: it is explicitly prohibited from actively trying to alter the outcomes of voluntary trade – in other words, redistribute income and wealth.

For every right that an entitlement program assigns to one group of people, a reciprocal duty is assigned to another group. That duty consists of providing the resources necessary to fund the entitlement. As explained earlier, a tax-funded paid leave program is an entitlement program of this nature. Due to its redistributive nature, it violates the libertarian constraint on state functions.

## **Social justice and the welfare state**

Tracing its roots back to the early 1800s, social justice as an ideology is almost as old as the American constitution. However, it was not until the latter half of that century that the message of economic redistribution gained enough momentum to become politically influential. The formation of social democrat parties and affiliated labor unions in Europe paralleled the emergence of Marxism as a formalized ideology of economic redistribution.

The pursuit of social justice split into two broad categories: one spearheaded by the likes of V.I. Lenin, leading to the violent, systemic transformation of entire nations; and another that followed a peaceful, parliamentary route through gradual reforms. While the Leninist path fell into well-earned disrepute with the collapse of the Soviet Union, the reformist alternative is still thriving, especially here in the United States.

At its core, the reformist pursuit of social justice is no less revolutionary than its Leninist brethren.<sup>10</sup> It calls for the state to take over responsibility for almost every dimension of private life: health care, child care, education (from kindergarten through college), general income security, retirement security, elderly care, housing and transportation. In Sweden, social democrat governments were exceptional in pursuing this image of complete social justice, but their American peers have not been unsuccessful. Having imported the foundations of the Swedish welfare-state model to the United States in the 1960s, they have gradually pushed expanded state functions into health care, welfare and education.

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<sup>10</sup> Galbraith, J.K. *Economics and the Public Purpose*. New York: Signet, 1973. See also Larson (2018).

Paid family leave represents a major advancement into general income security. As explained by the works of John Rawls, it will not be the last example of government advancement into economic redistribution.

Over a period of 14 years, from 1957<sup>11</sup> to 1971 and the publication of *A Theory of Justice*, Rawls formulated an ideological foundation for social justice that has become as influential as Nozick's *Anarchy, State and Utopia*. Rawls's influence is borne by two contributions: his strict adherence to philosophical arguments, thus avoiding the relatively complicated reasoning of economic analysis; and his valiant attempt to steer clear of Lenin's totalitarian waters.

Rawls's bulwark against communism consisted primarily of an effort to make social justice compatible with the ideals of the American founding. In other words, without explicitly saying so, he tried to make the Scandinavian welfare state fit into the libertarian republic designed by the Founding Fathers. His method consisted of a redefinition of two concepts dear to the American constitutional republic: justice and liberty.

Justice, he says, is<sup>12</sup>

the elimination of arbitrary distinctions and the establishment, within the structure of a practice, of a proper balance between competing claims.

The only way that this definition of justice can work is if it is expanded into new territory, beyond justice as exaction of compensation for violations of life, liberty and property. That new territory is social justice, which brings the term "justice" straight into the economy. In his definition, Rawls makes "arbitrary distinctions" between individuals an injustice; by extending the arbitrariness of distinctions – differences – to "competing claims" he makes clear that his injustice is about economic distribution.

The term "claim" has nothing to do with criminal justice, but everything to do with want for goods and services. It refers squarely to a situation where person A makes a lot of money, person B makes little money and person B lays claim to some of person A's income. This competition between person A's claim to his own income and person B's claim to what A makes, is a case of "arbitrary distinction" that Rawls then defines as a situation of social injustice.

By including economic distribution, Rawls effectively commodifies the term "justice". A society is no longer just simply because people are secure in their lives, liberty and property; its government also has to establish an elaborate system for economic redistribution.

We know that system as the welfare state. Once the welfare state goes to work, it not only attenuates the concept of justice by elevating economic redistribution and demoting justice *qua* justice, but it also comes into direct conflict with liberty. A welfare state, the essence of which is a

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<sup>11</sup> Rawls (1957).

<sup>12</sup> Ibid.

system of entitlements for select segments of the population, cannot deliver on its entitlement promises unless it forces others to provide the necessary resources.

A clash between social justice and liberty makes it impossible for Rawls and his disciples to fit their ideology into the American constitutional republic. Therefore, Rawls simply redefines the term “liberty” in the same way he does “justice”. Rawls does this by means of two principles,<sup>13</sup> the first of which says that “each person participating in a practice, or affected by it, has an equal right to the most extensive liberty compatible with a like liberty for all”.

Superficially, this sounds like the principle in the Declaration of Independence, namely that we are endowed with liberty by our Creator. However, this is not what Rawls means. He specifically refers to “a like liberty for all” and thereby turns liberty into a quantity for distribution – and re-distribution – among individual citizens.

The second part of his definition brings him closer to commodifying liberty in the same way he did with justice. He says that one man’s quantity of liberty must be “compatible” with a distribution of liberty where everyone has an equal amount.

This definition of liberty is fundamentally at odds with how it is defined in the Declaration of Independence. It is also at odds with the definition proposed by Nozick and other libertarians. There, liberty simply means that a man’s life, liberty and property is respected entirely by others.

Rawls’s quantification of liberty necessarily becomes a commodification. One man’s liberty is directly dependent on another man’s liberty; my liberty must be compatible with my neighbor enjoying the same liberty.

If this was simply a matter of us respecting one another’s life, liberty and property, there would be no need for the compatibility component of Rawls’s definition. That connection is essential to establishing social justice as an ideology. It means, namely, that one man can gain more liberty and that in doing so, he directly diminishes another man’s liberty.

In other words, liberty is measurable in terms of commodities, and can be distributed among individuals. Therefore, it can also be *re*-distributed by government.

To turn this theory into practical policy, Rawls needs a measurement of the distribution of liberty that conveniently lends itself to legislation and statistical follow-up. It must be possible, simply, to see whether or not government has been successful in redistributing liberty.

Rawls recognizes this measurement problem (1957, 654), acknowledging that liberty must be measurable from “less” to “more”.<sup>14</sup> From a public policy viewpoint, the only practical forms of

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<sup>13</sup> Rawls (1957, 654).

<sup>14</sup> British philosopher H.L.A. Hart notes that Rawls only allows for “restriction of liberty for the sake of liberty itself” (1973, 537). However, this lexicographic ranking of liberty is not compatible with Rawls’s claim that liberty can be “more” or “less”.

measurement are income and wealth. By translating liberty into money, government can use progressive taxation and a system of entitlements to reduce the liberty of those who have more, and expand the liberty of those who have less, until one man's liberty is "compatible with alike liberty for all".

## **Family Freedom Accounts: an ideological half-measure**

Paid family leave is a contribution to the expansion of the welfare state and to the marginalization of government's core duties in favor of economic redistribution. It also creates a new form of entitlement, general income security, that can easily be expanded into other forms of benefits, most obviously tax-paid sick leave. It does, in other words, open a big can of egalitarian worms that we chew away at both taxpayers and the libertarian ideals embedded in the U.S. Constitution.

The question, then, is why conservative groups such as IWF would want to propose this new entitlement. [Senator Rubio has been quoted](#) as motivating the Economic Security for New Parents Act with the need for "a conservative solution to provide paid family leave in a fiscally responsible way". The [IWF reinforces this view](#), suggesting the plan is "self-financing". Senator Joni Ernst (R-IA) appears to be in favor of paid leave because [she wants a bipartisan solution](#).

Other conservative groups have developed ideas with less government involvement. In 2015 [the American Action Forum opined](#) that it was a way to ensure "that working families maintain the flexibility necessary to have children and raise a family". Their model was less intrusive in that it steered clear of institutionalized economic redistribution. Instead, they suggested that

The federal government could enable businesses to offer workers the option to divert a portion of their pretax earnings to a paid leave savings account. This would be similar to a standard 401(k) retirement savings account ... instead of accessing the savings during retirement, workers would be able to draw from them whenever they decide to take leave.

A year later the AAF [shifted ideological footing](#) with a proposal relying on tax credits and a redistributive profile of benefits. In view of this shift and the main stream of paid-leave proposals, their 2015 idea comes across as less problematic. It shares this character trait with another model called Family Freedom Accounts (FFA). Circulated early in 2018 on Capitol Hill, this model is based on the same idea as the AAF 401(k) model, namely that families should have direct control over the money they will be using for future time off from work.

Constructed as a general 401(k), or with some other tax-exempt status, the Family Freedom Account would allow the deferment of taxes until the point of withdrawal. Since the purpose of the account is to help families build income-related financial security, the terms for withdrawal would be related to leave from work where loss of income is an inevitable consequence. Such events could be, for example:

- Leave to care for a newborn or a sick child that must be home from school;

- Absence related to one's own medical conditions, where the account would not pay for medical costs but exclusively replace lost income;
- Care for a relative, such as a spouse or an elderly parent.

Income taxes, deferred at deposit, would be paid upon withdrawal. Since the account holder would have full control over the withdrawals (under specified terms), he or she can choose to take less out of the account than the income lost. That way, the deposits can last longer than they would at dollar-for-dollar withdrawal.

The idea of giving tax credits to individual savings is appealing in the context of proposals that are openly redistributive and explicitly – or, in the case of the IWF model, inevitably – rely on higher taxes. However, the fact that a reform is appealing in relation to less attractive alternatives does not give it a good independent standing. Both the AAF's 401(k) model and the FFA proposal suffer from the same ideological problem: they are both subject to government control and approval.

To qualify for tax deferment, a family would have to withdraw money only for reasons that Congress has approved. While strictly not a redistributive matter – unlike a tax-funded model these models do not create financial inter-family relationships – the designated purpose of a tax deferment model is still ideologically charged. When government takes it upon itself to first tax people for a range of purposes, then allows a credit or a deferment for another range of purposes, it also decides, without our individual consent,

- a) What the worthy causes are on which to spend our money, and
- b) The government-approved ways that private citizens can plan their lives.

In other words, even when families can defer or deduct taxes, they still have to conform to policies that government have selected. Those selections, in turn, are based on ideological considerations: the selection process for what to use tax policy for, is as much a selection process for what private decisions should not receive government approval. That process is not guided by ideological considerations, which by definition elevates the state and demotes the individual. It is, in other words, a practice of social justice – and at least an implicit refutation of libertarianism.

It is also worth noting that when families are given tax incentives to plan their lives along certain ideological lines, government cements a specific tax structure over its alternatives. Since a 401(k) or FFA model for paid family leave relies on the personal income tax, it also makes it more difficult for future Congresses to reform away the personal income tax. A national sales tax – a subject that [Dan Mitchell has covered at length](#) – cannot be used for the same social-justice engineering purposes that an income tax lends itself to.

## Conclusion

With President Trump's commitment to paid family leave, the legislative and executive branches of the federal government are on the doorstep of bringing one of the biggest entitlement programs from Europe's welfare states to America. This is happening with little debate, especially at

the ideological level. This is unfortunate: general income security is one of three big pieces of the egalitarian welfare state still absent in the U.S. welfare state. Once created, it brings us a big step closer to a government that will be ideologically indistinguishable from Scandinavian, French, German, Spanish or Greek governments.

The lack of ideological conversation is even more notable, given that President Trump has ramped up his rhetorical refutation of socialism. In the same State of the Union speech where he again committed to paid leave, he made clear that “we renew our resolve that America will never become a socialist country.” Yet if he is willing to let the American welfare state expand, at the end of the day he will have to explain to the American people what the difference is between his vision of our country, and socialism.

Regardless of what term one chooses to use – egalitarianism or socialism – an ideology that promotes economic redistribution is antithetical to the founding principles of the American constitutional republic. Paid family leave is a form of economic redistribution; at what point in the growth of the welfare state will America cease to be what her Founders intended? At what point is a nation’s character changed to the point where she is indeed socialist?

It is for questions like these that America needs to have an ideological conversation about paid family leave, and the role of government in general in the lives of America’s families.

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