

Can Baby Bonds Address Historic Racial Injustice?

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Outline

1. Baby Bonds Policy Details
2. Different Kinds of Racist Economic Harms
3. Two Accounts of Economic Justice
 - a. Compensatory Justice
 - b. Equality of Opportunity
4. Economic Justice as a policy Justification

Why Think in Terms of Justice?

- Economists tend to justify economic policy in pragmatic/utilitarian terms, but the pursuit of racial economic justice requires an explicitly moral standard.
- We all operate with these moral standards for justice, but sometimes we operate with different ones, and this is a source of substantial disagreement.
- Baby Bonds make sense as a policy for responding to some kinds of racist injustice, but only a small part, and so it must not be considered an alternative to other policy measures, such as reparations, affirmative action, or criminal justice reform.

Baby Bonds

1. **Progressive Impact** - A savings is account created for every child, with deposits from the government. Children in households with low income (wealth) would get more money deposited each year.
2. **Diminishes the Racial Wealth Gap** – particularly among young people (Zewde 2020).
3. **Universal Policy Design** – The policy is ostensibly race-neutral, even if the effect is not.
4. **Paternalism** – Upon reaching adulthood, the money can be spent only on a limited set of things: a house, education, retirement fund, etc.

Different Kinds of Racial Injustice

1. **Criminal Harms:** Enslavement, Jim Crow, Lynching, Theft.
2. **Exclusion:** Black people were often excluded from asset building programs.
3. **Persistent Impact of Harms:** Stratified social structures mean that past racist harm has a long impact on family wealth and opportunities.
4. **Structural Racism:** As in schooling, healthcare, and the criminal justice system.
5. **Contemporary Discrimination:** In education, health, finance, and the labor market.

Compensatory Justice

The realm of justice concerned with the appropriate provision of resources to the victims of injustice, with the goal of reversing or minimizing the harm of the injustice.

This way of thinking about justice asks us to focus on:

- the party that caused the harm,
- the victim,
- the magnitude and type of damage.

This is good fit for reparations, and proposals for reparations adopt this framing quite explicitly (Darity & Mullen 2020).

Compensatory Justice and Baby Bonds: Three Problems

1. Baby bonds are targeted to help the young.
2. Baby bonds is a universal policy, not explicitly targeted at race.
3. The paternalistic restrictions push recipients toward the very institutions that have historically exhibited structural racism and discrimination.

Equality of Opportunity

A standard of justice that aims to give each person similar opportunities to achieve positions of social, political, and economic status, even if they have different unchosen characteristics.

Equality of Opportunity, as a kind of distributive justice, has a wide purchase among philosophers, both conservative and progressive (Consider Anderson 1999, Arneson 2015)

Equality of Opportunity does not offer as powerful a justification for reparations for past crimes. But it offers a powerful framework for condemning discrimination and structural racism.

Equality of Opportunity and Baby Bonds: Problems

1. Equality of Opportunity arguments tend to focus on structures and institutions, not redistribution.
2. This framework has been used, too often, as a framework for rhetorically shifting the blame on to those who have been oppressed. (As noted in Hamilton's ASE plenary).
3. Scanlon (2018) describes equality of opportunity arguments as a part of a defense of inequality.

Equality of Opportunity and Baby Bonds: A positive turn

1. If inequality (and capitalism more generally) requires equality of opportunity to be morally justified, this raises an obvious opening: Black people have not been offered equal opportunities.
2. The wealth gap is the result of explicit exclusion from public support (G.I. Bill, Homestead Act, Redlining) and a campaign of theft and murder when Black people accumulated wealth.
3. As Darity notes, Wealth itself offers important opportunities: neighborhoods, education, startup funds for entrepreneurship, etc.
4. Paternalism and targeting problems both make some sense in an Equality of Opportunity framework.

Conclusions

1. A strong moral justification for a policy proposal, as a response to injustice, depends greatly on the underlying theory of justice.
2. Justifications for costly policies can be made on justice grounds, but if we make this kind of move, we must offer both pragmatic and philosophical justifications for the policy. We need something like a PPE approach.

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