

PHILOSOPHY OF ECONOMICS & POLITICS

LECTURE 18: DISTRIBUTIVE JUSTICE

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Today's agenda

- * Today we'll be looking at some 'principles of distributive justice'
- * One way to motivate concern for justice is to look at the massive inequalities that characterise today's world
- * Many consider these to be unjust; principles of distributive justice help to rationalise these intuitions and to argue about good policies and socio-economic institutions
- * Specifically, we'll look at
 - * Utilitarianism
 - * Rawls' Difference Principle
 - * Sen's Capabilities Approach

A World of Inequality

- * In 2012, Qatar had a PPP income of \$100,889 p/c; Congo \$365 (IMF) – that's 275 times as much
- * Within countries: average income of richest 10% is 9 times that of the poorest 10% in OECD countries; developing countries fare far 'worse'
- * Inequality is on the rise
- * And concerns wealth as well: 'Britain's five richest families worth more than poorest 20%' (Guardian on Monday)
- * And not just 'money'

Welfare-based approaches

- * **Welfarism** is the view that **well-being is *all* that matters**
- * One version: **utilitarianism**
- * ‘Utility’ = *pleasure (or happiness) or preference satisfaction*
- * Classical u.: ‘The greatest amount of happiness for the greatest number of people’
- * Contemporary u.: maximise sum of all satisfied preferences
- * There are many different version: e.g., shall we take the sum or the average?
This makes a big difference for population policy. What about other species? (-> animal rights) What about future generations? (-> climate change)
- * Because of ‘law of diminishing (marginal) utility’ utilitarianism underwrites redistributive policies

Utilitarianism:



- * For an individual one can justify utilitarian considerations on **the basis of prudence**: it seems prudent to sometimes sacrifice one's momentary pleasure for future gain (for instance, by saving), but **this seems mistaken when applied to society**
- * In last consequence, it means that it is morally permissible (even demanded) to kill a man in order to save five ('trolley problems')
- * In the social case there is no sentient being; nor does it require that the sacrificing individuals consent
- * Income redistribution is in fact an attenuated version of a trolley problem...

Utilitarianism:



- * Another important problem is with the ‘wrong’ kinds of preferences
- * For instance: ‘**expensive tastes**’
- * Or crazy or changing preferences
- * Or how about racist, sadist or other kinds of anti-social preferences? Under utilitarianism, they should all count the same
- * As we have seen before, utilitarians respond by requiring preferences to be rational or tutored or considered...

Utilitarianism: Criticism

- * A huge issue: **interpersonal comparisons of utility**
- * Fine for hedonism but (probably) unsolvable for preference satisfaction theories
- * Economists: recommend policies that constitute Pareto improvements
- * Problem: this is almost never the case because there are always winners and losers!

Rawls' principles of justice

* Quote (from *A Theory of Justice*):

1. *Each person has an equal right to the most extensive scheme of equal basic liberties compatible with a similar scheme of liberties for all.*
2. *Social and economic inequalities are to satisfy two conditions: they must be (a) to the greatest benefit of the least advantaged members of society; and (b) attached to offices and positions open to all under conditions of fair equality of opportunity*

Rawls' principles of justice

- * These principles are 'lexicographically ordered':
 - * (1), aka, the '**priority of liberty**', has priority over (2)
 - * (2b) has priority over (2a), aka the '**difference principle**'
- * The first principle is to be used to design the political constitution
- * The second, to determine the social and economic order

The priority of liberty principle

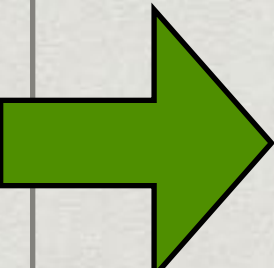
- * ... affirms for all citizens familiar **basic rights and liberties**:
 - * liberty of conscience and freedom of association,
 - * freedom of speech
 - * liberty of the person,
 - * the rights to vote,
 - * to hold public office,
 - * to be treated in accordance with the rule of law
 - * *etc.*
- * The principle ascribes these rights and liberties **to all citizens equally** (unequal rights would not benefit those who would get a lesser share of rights, so justice requires equal rights for all in all normal circumstances)

Fair equality of opportunity

- * ... requires that **citizens with the same talents** and willingness to use them **should have the same** educational and economic **opportunities** regardless of their (cultural, economic...) background
- * ... the opportunities must be genuine, not merely formal

The 'difference principle'

- * ... basically says that **we can tolerate inequalities as long as the least advantaged still profit** (for instance, if certain inequalities are a necessary condition for economic growth, we can tolerate them as long as poor people benefit)



Society	low	middle	high	GDP
A	10,000	10,000	10,000	30,000
B	12,000	15,000	20,000	47,000
C	20,000	30,000	50,000	100,000
D	17,000	50,000	100,000	167,000

The difference principle

- * Could be used to argue **in favour of (welfare) capitalism over socialism**
- * But **only if it is true that the poorest** (say, the recipients of social benefits) have more than they would have under socialism
- * Any inequality in society has to be checked in this way
- * For example, suppose we live in a republic; question: shall we introduce a monarchy? The answer is yes if this inequality (in social rank!) leads to an improvement of the status of the least advantaged
- * **Who is the 'least advantaged'?**

The difference principle: Criticisms

- * Come from all camps:
 - * Strict egalitarianism: **The difference principle isn't egalitarian enough**
 - * Utilitarianism: **The difference principle doesn't maximise utility**
 - * Libertarianism: **The difference principle justifies violations of basic liberties**
 - * Sen: **In some situations it seems reasonable to violate even basic political rights**

The Capability Approach as a Theory of Justice

- * We've discussed the CA (in Martha Nussbaum's version) at length a few weeks ago, so today I'll be very brief
- * The CA (**understood as a theory of justice**) is a **consequentialist** account of justice: acts, policies and rules/laws are evaluated in terms of their consequences — in particular, their consequences on individuals' capabilities
- * In comparison to utilitarianism, **the CA makes two contributions:**
 - * Well-being is understood as **multi-dimensional**
 - * What matters is the **potential** to 'function' along the various dimensions, **not the outcomes** or what individuals actually achieve

The Capability Approach as a Theory of Justice

- * **Problem:** a ‘capability’ is not something that is observable; I can decide to remain ignorant even though my intelligence and material resources would enable me to know a lot; I can be of ill health even though my material resources and social status would allow me to have good health because I prefer to smoke and drink and...
- * Sen: there are three ways to measure capabilities
 - * The **direct approach** (try measure vectors of things people value – health, longevity, education; e.g. ‘Multidimensional Poverty Index MPI of the the Oxford Poverty and Human Development Initiative OPHI)
 - * The **supplementary approach** (supplement information on income by information on other aspects of well-being such as health)
 - * The **indirect approach** (adjust traditional income measures by information on other aspects of well-being: discount income by illiteracy, say)
- * Note that Sen assumes that on average people do what they value (clearly, if a population is very healthy, it must be the case that it has the capability of being healthy; Sen assumes that if a population is characterised by low health measures, it is deprived in its health capabilities)

Capabilities and Justice

- * Sen's theory **isn't a full-fledged theory of distributive justice**
- * One thing to which Sen draws our attention is that justice has many dimensions
- * But **for policy, we'll eventually have to make choices** (shall we pursue policies that affect health or those that affect literacy, for for instance)
- * Moreover, we have to decide whether we want to be **egalitarians** with respect to capabilities or '**sufficientarians**' or '**prioritarians**'

The Libertarian Beef with Any such Theory...

- * Robert Nozick calls any of the principles of distributive justice we've looked at today a '**patterned**' **principle**
- * The problem with any pattern is that the second we have a just society according to any patterned principle, it will be upset as long as people are free to make their own decisions
- * Wilt Chamberlain thought experiment
- * Therefore, **to uphold any pattern the government must constantly interfere and violate people's rights!**