



Social security policy and economics

# Social security policy: an introduction

Prof. dr. Tomáš Sirovátka

Academic year 2005 – 2006  
Katholieke Universiteit Leuven  
Institute of Social Law

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### EXPANDING THE CONCEPT OF SOCIAL JUSTICE: IMPLICATIONS FOR SOCIAL SECURITY

BETTINA CASS

#### INTRODUCTION

This chapter has three inter-related objectives: to develop a theory of social justice and consider its usefulness in guiding and evaluating current debates in social security reform; to explore the merits and shortcomings of three major models of social security reform which are currently the subject of advocacy; and finally to contribute to debates about social security reform in Australia and similar Anglophone countries. I begin with John Rawls' conception of social justice as a useful starting point for reconstructing ideas about distributive justice applicable to a wider range of allocative institutions than those envisaged in the original view of 'justice as welfare'.

According to Rawls:

A set of principles is required for choosing among the various social arrangements which determine the division of advantages and for underwriting an agreement on the proper distributive shares. Those principles are the principles of social justice: they provide ways of assigning rights and duties in the basic institutions of society and they define the appropriate distribution of the benefits and burdens of social co-operation. (Rawls, 1972, p. 4)

Michael Walzer's contribution to the debate claims that there are different spheres of justice which ought to be kept distinct. Justice has to do with the distribution of resources, and different considerations apply according to the type of resource in question; there is no one set of criteria which covers the distribution of very different types of resources and goods. For example, if the principle of *merit* is applied in the labour market to the distribution of rewards, then applying it also in the tax/transfer system leads to the accumulation of disadvantage on the one hand and the accumulation of advantage on the other. This exacerbates inequality and domination by the advantaged. Therefore by using different criteria of distribution in different spheres, a system of redress can be established in certain spheres to mitigate inequalities generated in others (Walzer, 1983).

However, this does not mean that social justice principles should

operate only in some spheres and not in others, e.g. in welfare but not in the remuneration for work. According to Campbell (1988) it is essential to bring together the three major areas in which social justice must operate: in remuneration for employment, in welfare and in the administration of law. I would add also in gender relationships in the sphere of private life within household and family, and in public life in market processes and political organisation.

Theories of social justice are developments of social contract models of the legitimation of power and citizenship within the authority of the modern capitalist state. Social contract models had their beginnings in the mid-seventeenth and eighteenth centuries, with the growth of capitalism and of the economic and political power of the centralised state, in the theories of Hobbes, Locke and Rousseau. Such models assume an individualistic view of society, according to which persons are the sources of their own political rights and duties, and embody the liberal view that encroachment on the freedom of such individuals requires justification. Political societies are seen as a form of association whose object is to secure the interests of their members in a way which is consistent with the intrinsic equal autonomy of all.

To expand the concept of social justice beyond its liberal beginnings, while developing the principles of freedom and autonomy, it is useful to outline a set of objectives which denote the intended outcomes of institutions guided by social justice principles.

As a working model, the objectives of social justice principles applied to the project of reforming social security policies and labour market policies would include:

1. *Protection of the vulnerable* by systematically reducing inequalities in the distribution of income and resources (Goodin, 1985)
2. *Provision of the conditions for Autonomy*, i.e. to provide the conditions for full social, economic and political participation (Weale, 1983; Gorz, 1985)
3. *Provision of the conditions for Social as well as Political citizenship to be enforced, protected and legitimated* (Korpi, 1989)

In understanding the principle of 'protecting the vulnerable' it must be remembered that vulnerability is not an inherent condition, but a creation of economic, social, political and gender inequalities. Protection of the vulnerable then requires the provision of a Basic Income Guarantee and the conditions to live in dignity (Jordan, 1988). But the objective must go further to provide the conditions which make people less vulnerable; to provide the opportunities, resources and access to services which structurally reduce the incidence, severity and duration of vulnerability, and the causes of vulnerability.

'Autonomy' is defined as freedom to participate, which requires provision of the opportunities and the resources to participate in economic, social and political life.

'Social citizenship' means the creation of social institutions which treat, value, reward and include individuals not only as political citizens (i.e. in their relationship to state processes of representation, participation and civil rights) and not only as economic actors in their relationship to the market, but also as social participants, engaged in a range of valued activities (e.g. caring work in family, household and community) and rewarded as such in the allocation of resources.

To begin the discussion of institutional arrangements which might bear social justice principles, I start with Rawls' concept of 'justice as fairness' in the distribution of the benefits and burdens of social co-operation, which depends upon the following pre-conditions:

- an effectively regulated public conception of justice in which the rules are known, accepted as reasonable and largely followed; i.e., the conception of justice is accepted as fair and is accorded legitimacy
- citizens are seen as having mutually enforceable, free and equal rights to demand a fair share of the common pool of resources.

A public conception of social justice requires that the rules of social justice be universal, general, public and capable of ordering social claims with finality and comprehensiveness.

#### *Principles of Allocation*

According to Rawls there are two basic steps in establishing a just system of distribution:

1. Certain primary goods must be provided as of right and equally to all citizens. These are goods which provide the background conditions and resources necessary for exercising and developing human capacities, skills and talents as autonomous individuals:

- basic liberties (thought, speech, conscience, freedom of movement)
- free choice of occupation
- free capacity to receive fair shares of income and wealth. These are not only material resources to guarantee survival, but the guarantees of freedoms to pursue a human life as a morally autonomous individual.

2. Following the universal provision of basic liberties and basic resources (including income, health care and shelter) certain principles of allocation are set down to guide the further distribution of benefits. In the words of Rawls' 'Difference Principle':

social and economic inequalities are to be arranged so that they are both (a) to the greatest benefit of the least advantaged and (b) attached to offices and positions open to all under conditions of fair equality of opportunity. (Rawls, 1972, p. 83)

To summarise at this point the Rawlsian prescription for social arrangements based on principles of social justice: the *first step* is to maximise basic liberties and ensure that these resources are distributed equally to all citizens. The *second step* is that the unequal distribution of other goods may be introduced, if this has the effect of maximising the position of the worst off.

JUSTICE AS WELFARE

'Justice as welfare' implies that social justice has inescapable ties to the treatment accorded to those who fare worst in the prevailing social and economic arrangements, legitimising redistribution and alleviating or removing the conditions which create oppression, poverty and exploitation. This does not imply that 'need' must be the prime criterion within this conception of justice, but an approach which does not address adequately the problem of what constitutes fair treatment for the deprived cannot be considered an acceptable conception of social justice. The Rawlsian conception of social justice therefore contains elements of:

1. A *rights based* approach to the distribution of primary goods (freedom, autonomy, satisfaction of basic needs) based on concepts of equality.
2. A *needs-based* approach to the distribution of income, resources, opportunities so as to redress inequalities generated by other social and economic institutions. In this regard the 'Difference Principle' stipulates criteria of redress, justifying unequal treatment to benefit the disadvantaged.

A full statement of such a system of social justice would therefore demand that disadvantaged groups be accorded full and equal political rights and the material assistance necessary to develop their abilities to the same extent as those who are not disadvantaged, i.e. equality of opportunity, equal access to education and provision of a basic income guarantee. The subsequent economic system is then regulated so that the benefits of increased wealth improve the circumstances of the disadvantaged, through a progressive tax system, the provision of an *adequate* basic income and a network of publicly provided services, i.e. through state-organised redistribution of resources.

SOCIAL DEMOCRATIC CRITIQUE OF REDISTRIBUTIVE MODELS OF SOCIAL JUSTICE

A social democratic critique of redistributive models of social justice argues that the Rawlsian conception of social justice depends on an equal distribution of political rights, but is not nearly as vigorous in recommending greater equality of economic resources. In fact, it takes an unequal market as given (Lukes, 1977; Campbell, 1988). Such liberal contract theories do provide strong justifications for welfare state *redistributive justice* (e.g. through income support, an equitable tax system, health and welfare services) but they leave untouched an examination of the principles underlying the primary distribution of resources namely the principles underlying:

- access to paid employment
- security of paid employment
- rewards from paid employment
- access to property and wealth.

In liberal conceptions of social justice the primary allocation of income

and wealth is taken as given. Such an assumption enables principles of market efficiency, rather than equity, to be seen as desirable and necessary in the functioning of markets. As Campbell (1988) notes, fundamental conflicts can be established between social justice in redistribution and the unjust workings of markets which promote inequitable outcomes. In such circumstances redistributive justice is essential, but it will be only partially effective in improving the circumstances of the most disadvantaged. In fact, it is unlikely to provide the conditions for full autonomy, i.e. full participation in political, social and economic life.

A social democratic position is summed up in the aphorism 'distribution according to need, contribution according to ability'.

What are the needs to be satisfied?

- the basic material needs of human survival
- the need to participate with autonomy, exercise rationality and develop capacities (which is the liberal conception of human needs)
- the need to express creativity and sociability (a communitarian conception of human needs). This conception emphasises that human needs include not only the capacity to be economically active, but also to participate creatively in the social life of the community in a range of non-market spheres (Gorz, 1985).

A social democratic approach to social justice has a Rawlsian base in concentrating on the meeting of basic needs, but gives much more vigorous support to redistributive allocations which benefit the least advantaged. The concept of what constitutes need is a wider one; not just the need to have basic freedoms and liberties protected and a 'basic income' and services provided, but the provision of resources and conditions to participate fully in all aspects of social and economic life as an autonomous, creative and sociable individual.

#### A FEMINIST CRITIQUE OF THE RAWLSIAN CONTRACT THEORY OF REDISTRIBUTIVE JUSTICE

A withering critique of the contractarian basis of Rawls' theory of justice is provided in Carol Pateman's general critique of contract theories of social organisation and their underlying moral principles (Pateman, 1988b). She demonstrates convincingly that Rawls' fiction of the 'original position' of individuals behind the 'veil of ignorance' is based on a conception of the representative individual as 'pure reason', without body, or sex. In fact both sexes are subsumed within a form of masculine pure reason, within men who are 'heads of families' representing their wives and children. Indeed, the individual whose vision is obscured behind the veil of ignorance is not permitted to know:

his place in society, his class position or social status; nor does he know his fortune in the distribution of natural assets and abilities, his intelligence and strength, and the like. Nor, again, does anyone know his conception of the good, the particulars of his rational plan

of life, or even the special features of his psychology, such as his aversion to risk or liability to optimism or pessimism. More than this, I assume that the parties do not know the particular circumstances of their own society. (Rawls, 1972, p. 137)

The overwhelming *silence*, of course, is whether or not the individual is permitted to know 'his' sex, or the gender order of 'his' society, or the patterns and intersections of public and private life, or sex and gender relations and the distribution of resources and power based upon it. It is not my purpose in this chapter to mount a feminist critique of a veil of ignorance so impermeable (or perhaps so incomplete?) that it does not even give us the chance not to know the shape and properties and purposes of our bodies or the gender order of our society. Indeed, what Rawls' 'original position' infers is that sex and gender relations do not even matter in the eventual configuration of institutions and principles which are devised.

But the issue is a crucial one for reconstructing theories of social justice which break with the liberal contractarian conventions and which acknowledge the central position of sex and gender differences for the purpose of constructing allocative institutions which redress inequalities. For redistributive justice has the onerous responsibility of redressing not only the inequalities of income and power generated by the market, but also the inequalities of income and power generated by the gender order.

Accepting the social democratic and the feminist critiques of liberal conceptions of social justice, an expanded conception of *distributive justice* must:

- redefine and reconstruct the principles of justice and apply them in the labour market and in the workplace, e.g. in wage fixation and income distribution, in entry into secure jobs, anti-discrimination and equal opportunity provisions, opportunities for education and training which enhance life-time earnings capacity.
- redefine and reconstruct the principles of justice and apply them to the relationship between men and women in the public sphere (i.e. in employment and in citizen/state relations) and in the private sphere (e.g. in protection from violence, in provision of the conditions to receive an independent income, in dismantling of the conditions of dependency, in making a radical re-appraisal of the value of caring work carried out outside of the market and in reshaping those public policies which perpetuate undemocratic distributions of paid and unpaid work).

To bring these theoretical considerations to bear on the project of social security reform, it is clear that provision of a Basic Income Guarantee alone and a progressive tax system, even a universal health care system and universal access to education, will have very little impact on the *relative position* of the least advantaged, if they remain in low income groups throughout most of their lives; if their earnings capacity and