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Social Justice, Labour and the New Right



by Raymond Plant



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The debate

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In December the Labour Party announced the composition and the terms of reference of the Social Justice Commission, which will be chaired by Sir Gordon Borrie.

This is a positive move by the Party which has been widely welcomed both within the Party and outside. It will take a radical look at the tax and benefits system and provide a framework of proposals which should form the basis of the Party's social policy for the rest of the nineties and indeed into the next millennium.

The aim of this pamphlet is not to try to do the work of the Commission for it: that would be as absurd as it would be presumptuous. It is, rather, to provide a perspective within which issues and indeed dilemmas of social justice can be seen and within which proposals for change might be situated. The Left has to learn from the intellectual confidence which the New Right has had over the past fifteen years - and this means among other things developing our proposals within the framework of a clear vision of the moral and political values which should inform practical policy making. There will be a very wide array of technical issues to be faced by the Borrie Commission, but at the end of the day policy proposals will carry conviction only if they are presented within a framework of values with which the Left can feel happy.

The aim of social justice is central to the Labour Party. There is no doubt that over the past few years the Party has moved towards a more favourable approach to the market, but it does, rightly want to see it situated within a proper framework of values and to constrain some market outcomes. The project of the Left is to see individuals not only as consumers and producers, but as citizens acting together to ensure some common values and some common ends. We should be concerned with a wide range of outcomes: the distribution of power, the quality of social relationships, the quality of the environment and social or distributive justice which cannot be left to the short term preferences of individuals in markets. We need to break down the idea that individualism always has to mean consumer preference, and anti-social choices, which may well lead to consequences which no one would in fact want were they able to choose. People want a choice not only over small decisions about buying and selling, important though these are, but also over big decisions about the large-scale consequences for society of one set of social arrangements rather than another. In markets, these choices are not on offer - yet they are choices about community, about the environment and about fairness in

society. Markets offer a range of very important choices, but politics offer others which are large scale and more consequential.

Because of the popularity of market-based solutions, ideas about social justice and distributive politics have been on the defensive for too long; indeed, part of the project of the Thatcher and Major governments has been to undermine the idea of social justice in favour of market-based and market-led solutions to the problems which socialists and social democrats believe/require political solutions. We only need to compare the approach of the New Right and the Conservative Governments since 1979 with that of social democratic thought since the 1950's, particularly in the writings of Tony Crosland and Douglas Jay,) to see the ground that has to be made up by the Left. It was central to the idea of that previous generation that the relative positions of groups and individuals mattered and that the power of the state should be used both in the tax and benefit system and through public expenditure to improve the relative position of the worst off members of society by diminishing the degree of social and economic inequality in society.

It was Crosland's view that economic growth was a necessary condition of improving the relative position of the worst off since this would enable the absolute position of the better off to be maintained. The pursuit of social justice could be made comparatively painless by using the fiscal dividends of growth. This approach meant that the justification of the whole enterprise did not need all that much attention since few if any in society would be made worse off by the pursuit of social justice. As David Marquand (a member of the Borrie Commission) has argued, since most would either be better off as the result of distributive policies or would at least maintain their existing position, there was no real need to agonize about the moral case for social justice to ensure that the distributive values with which the Labour Party was identified were widely shared in society.

This neglect has made the pursuit of social justice relatively easy for the Conservative Government to undermine. Indeed the Government has more or less precisely reversed the Croslandite approach. The line now being taken by the Government has been that the relative position of groups within our society does not really matter. What matters to the poor, they argue, is not their relative position compared with other groups in society, but their absolute position: whether the poorest groups in our society are better off this year than they were last year, even if the gap between them and the better off groups has grown larger - as it has since 1979. This is the reverse of the position taken in the 60's and 70's by Labour Governments. In addition, the New Right argues that the growth which Crosland and others looked forward to as the solution to distributional dilemmas has in fact been impeded precisely by such distributive policies. In a market economy, growth requires incentives and this in its turn requires substantial inequalities. If what matters is the absolute position of the poor, whether they are better off on a year by year basis, their relative

position and the degree of inequality between rich and poor is irrelevant. Their claim is that an incentive-led market economy with its inevitable inequalities will improve the absolute position of the poor more effectively than distributive politics. The key to improving the position of the poor is the "trickle down" effect of the market economy.

The key political judgement on this view is therefore not the gap in the distribution of income between groups in society, but rather whether the poorest groups are increasing their income on an annual basis through the trickle down effect of the market economy. On this view the whole question of social justice can be by-passed by trusting to the market to improve the position of the poor. The moral claims of social justice and the growth impeding distributive politics which goes with it can be abandoned.

We can only restore the idea of social justice as a central project of the Labour Party if we regain the intellectual and moral initiative to show why the New Right view is defective and why we want to reject many of the policies which flow from it.

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Why social justice?

The core idea of the Right is that the distribution of income which arises in a free market is fair if it arises out of individual acts of free exchange. The job of government is simply to provide a framework of rules within which each individual act of free exchange is uncoerced. This view is underpinned by a series of arguments designed to block the claiming of social justice.

Responsibility

The New Right argues that we bear no moral responsibility for the distribution of income and wealth in a free market, since we are only responsible for the intended outcomes of our actions. However the overall pattern of income and wealth at any point in time in a free market economy is not the result of anyone's intentional action. In a market individuals buy and sell for their own individual reasons, leading to a particular but unintended overall pattern of distribution. Hence we bear no moral responsibility for its outcomes, and there can be no moral basis for the critique of market outcomes.

This argument is flawed. We bear responsibility not only for the intended but also the foreseeable outcomes of our actions. If it is foreseeable that those who enter the market with least are likely to leave it with least, then we can be said to bear responsibility for that. If people's capacity to participate in markets is influenced by class, by opportunity, by schooling, by race and by gender, so that disadvantage may lead to a limitation on effective market participation, then this is something for which we bear responsibility.

It is incoherent for the Right to argue that market outcomes are not foreseeable, otherwise they would have no basis for arguing for the extension of markets. It is only because of the beneficial effects that markets are supposed to bring that they favour deregulation and privatisation and therefore at the heart of their project must lie an account of what they take to be the foreseeable effects of markets. However, if market outcomes are foreseeable, we can bear responsibility for them, and with this goes the possibility of a moral critique of them.

Intention

It is argued by the Right that injustice can only be caused by intentional action. This is why we think that natural disasters are misfortune not injustice. Similarly, we do not regard physical disabilities as injustices since they were not intentionally caused. The political rub here is that we do not normally think that the state has a duty to compensate for bad luck or misfortune. So if market outcomes are not intended, but are the unintended consequence of millions of acts of buying and selling, then those at the bottom of the pile have not suffered an injustice so much as a misfortune and it is not the duty of the state and fellow citizens to try to rectify that position by policies governed by ideas of social justice.

This argument is false for two reasons. We are normally held to be responsible for the reasonably foreseeable consequences of our actions. If the relative position of the poor is worsened by an unregulated free market when there is an alternative, namely a more just distribution of resources than that produced by a market, then we can be said to bear moral responsibility for that outcome. Market outcomes are not, *pace* Hayek and his followers, like acts of God; they can be foreseen and thus moral considerations have a purchase on them.

Secondly, we do not normally think that the justice or injustice of a state of affairs has been settled once we settle how it arose - whether by intentional action or not; rather justice and injustice are also rooted in our response to a situation. If we can compensate people who suffer disadvantage at no comparable cost to ourselves, then not to do so can be regarded as unjust. To put the point very starkly: imagine that a small child has been blown over face down into a pool of water and I am the only person in a position to pluck the child out of the water before it drowns; would we really believe that, if I failed to do so when there was no comparable cost to myself, the question of the justice or injustice of my failure to act would be settled by claiming that after all the child was the victim of a non intentional process namely the action of the wind? I suspect that most people (outside of philosophy journals) would believe that I had acted unjustly however the circumstances had arisen. So it is with the outcomes of markets. If there are ways of compensating those who have fallen victim to market outcomes, then the failure to do so can be regarded, at least *prima facie*, as an injustice.

Freedom

Critics of social justice argue that they want to place the idea of freedom at the centre of their beliefs (who could quarrel with that?) and then go on to argue that the possession of resources and opportunities has nothing to do with liberty. Freedom is the absence of intentional coercion; market outcomes are unintended, hence the lack of resources (as the result of market outcomes) is not an infringement of liberty. The argument is backed up by drawing a sharp

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distinction between being *free* to do something and being *able* to do something. I am free to do whatever I am not intentionally prevented from doing; whether I am able to do what I am free to do is quite a separate question. No human is able to do all that they are free to do - we all in different ways lack the resources, the abilities and the opportunities to do all the things which we are not intentionally prevented from doing. Hence, the argument that it is necessary for government to secure resources and opportunities to people to enable them to do more than they otherwise could and to see this as an extension of liberty, is false since liberty has nothing to do with ability.

This is coupled with the argument that the rule of law limiting acts of intentional coercion is something which a free society can secure to every individual; however, once freedom and ability are mixed up then there is no way in which a government can secure equal liberty since equalising abilities, resources and opportunities is an unattainable ideal and one which threatens freedom (the absence of coercion). The political rub to all of this is that so long as individual acts of economic exchange are uncoerced, then the aggregate outcome of such acts, (the "distribution" of income and wealth) is legitimate, whatever the degree of inequality it may embody.

This argument about the relationship between freedom, ability, resources and opportunities is false for three reasons. In the first place, it is arguable that there is a closer link between freedom and ability than the critic will admit. It is surely the case that a general ability to do X is a necessary condition of settling whether someone is free to do X. If I asked if people were free to fly before the invention of aeroplanes I think the question would be meaningless. People are only free or unfree to fly if people are able to fly. If being able to do X is a necessary condition of being free to do X, there cannot be a categorical distinction between freedom and ability.

Secondly, if one were to ask the critic why freedom (the absence of coercion) is valuable, the most likely answer is that in the space within which I am free from coercion I am able to do things which I would not be able to do if I was being coerced. If this is true, then the value of the very kind of liberty which the critic endorses will depend on some account of what liberty enables me to do and is thus associated with ability.

Finally, to borrow an argument from the Canadian political philosopher, Charles Taylor, if freedom is seen as wholly negative, as the absence of coercion, then it would follow that the judgement as to whether one society is more free than another will depend on the number of coercive rules in a society, a quantitative judgement based on the number of rules prohibiting action which a society has, rather than a qualitative judgement about what people are able to do in a particular society. But this would lead to paradoxical results in that if one asked whether Britain was a freer society than Albania (pre-1990) then on the critic's view the answer would depend on how many laws circumscribing action there are in the two societies. Because Britain is a more complex society,

for example in terms of traffic and finance then it is quite likely that there are more rules prohibiting action in Britain than Albania. This will not wash - and the reason why has to do with ability. It is because in Britain we are able to do things like criticise the government or emigrate that we believe that Britain is a freer society. However it cannot then be claimed that freedom and ability are different since the judgment that Britain is freer than Albania is rooted in some account of the valued abilities which we have and the Albanians do not.

What is essential then is that we have a clear account of what these valued abilities within a particular society are. Within our society these surely include not only political and civil forms of ability, but also economic and social ones such as access to income, education and health care.

Who gets what?

The next criticism of the idea of social justice takes up this last point. The argument is that the term 'social justice' is purely rhetorical. It is an appeal to the idea that the social product should be divided according to just principles, but in the view of the critic there are many competing distributive principles each of which would lead to a different distribution of the social product: need, desert, merit, entitlement, equality, contribution etc. In a morally diverse society we have no way of agreeing on what the basic principle should be, and even if we had, ideas about needs or merits are so subjective as not to be able to provide a clear guide to policy formulation. Many people will want to be sensitive to the claims of several principles (such as both need and desert) but how do we put these in order and how do we weight them? When do we stop meeting needs and turn to desert? What would be the economic consequences of meeting needs as our priority and neglecting desert?

Take a very simple, homespun example. Imagine that a family is sitting down to afternoon tea and there is a cake to be divided up between members of the family. The *prima facie* principle of dividing the cake is in terms of equality: each should get an equal share. But there might be all sorts of reasons for moving away from this principle: one member of the family might have missed lunch so his or her need might be greater; one person may have done very well at school and we feel that a bigger slice might be a reward for desert; if it was a family which had read the works of political philosophers, we might ask who baked the cake? Does labour and contribution merit a specially large share? We might even ask who owned the ingredients, whose money purchased the flour and the eggs? These debates can be settled around a table within a family because there are common values, common experiences and common expectations, but the critic will argue that, in a morally diverse society, we have no way of settling such issues and if we wish to be sensitive to most of the principles at stake there will be irresolvable conflicts about when we move from one principle to another, particularly in the economy between the claims of need, desert, contribution and the rights of ownership and investment. We do not possess a

rational way of resolving these issues. To settle them by the exercise of political power is not satisfactory because this will ride rough-shod over the fact of moral disagreement in society.

This leads to further difficulties. In the view of the critic, the socialist and the social democrat will place most emphasis on the idea of distribution according to need, but need is a highly subjective matter: Because of the vagueness and subjectivity of need, the claims to it can be bid up by interest group pressure and by the power of professionals such as doctors, teachers, social workers and so forth whose professional scope and responsibility is increased as needs are increased. So they have an incentive to discover, or create new needs which then have to be satisfied, thus continually expanding the range of need and crowding out our concern for other principles which also have moral force (as well as pushing up public expenditure). Equally, we have no way of limiting the claims of need, particularly for example medical and educational need which expand inexorably with the growth of technology. All of this has to be considered against a background of scarcity of resources, so that we are faced with potentially unlimited needs and a lack of resources to meet them.

This leads to two politically baleful consequences. The first is that distributive politics, far from being based on the moral principles of social justice, are in fact a matter of interest group and professional pressure; government is likely to fund those needs which are sponsored by the most powerful interest groups in society. Social justice against a background of scarce resources is going to turn politics into a bleak zero sum game in which gains for one group as the result of interest group pressure is going to mean losses for other groups.

The second consequence is that because the principle of need is so vague, it cannot be the basis of clear distributive rules; those charged with meeting needs out of public expenditure are bound to act in arbitrary and discretionary ways as they seek to ration the limited resources at their command to meet needs. This means that a regime of social justice is bound to entrench arbitrary and discretionary power in the hands of public sector officials and professional groups and this arbitrary power is incompatible with the rule of law.

In the view of the critic it is therefore best to prefer market to political distribution. People in markets are able to define their own needs and seek to meet them as best they can. Any lack of resources is in the critic's view neither a restriction of liberty nor an infringement of social justice. This also has the advantage for the critic in that a market can avoid irresolvable questions of needs, merits and desert. What I am worth depends on what other people are prepared to pay for what I have to offer. Also a market and its inequalities will recognise incentives in a way that a need-oriented view of distributive justice will not. Incentives will create a dynamic economy which, through the 'trickle down' effect, will mean that even the worst off groups will be able to meet more and more of their subjectively defined needs through markets.

Some elements of this argument are quite powerful. Unless the idea of social justice is further specified into distinct principles of need, desert and equality etc, it actually means very little. It is also true that different principles can lead to quite different bases of distribution and if we believe in social justice it is no good just invoking the principle: we have to look very hard at the relative weightings of different principles. The point about interests group pressures also carries weight: if the Labour Party does not create a distributive consensus around a view of social justice which goes beyond rhetoric then it is likely to fall victim to such pressures.

The critic's argument might work if we were all thorough going libertarians, believing that governments have no duty to establish a welfare state even of the most minimal sort. An argument of this sort is to be found in Robert Nozick's influential *Anarchy, State and Utopia*. But most of the British Right believe that there is a case for a limited welfare state which does meet basic needs and that these should not be left entirely to market forces. However, once this is admitted, as it surely is in the realms of practical politics, then the differences become much less sharp. If Conservatives accept that there are some needs which the state should meet, then we face the same difficulties about defining needs, about the ways in which needs can be bid up by interest groups, and about problems of meeting needs against a background of scarcity. It is just not possible to draw a sharp distinction between a minimal welfare state, which is supposed to meet basic needs or residual needs, and a welfare state which is based on the idea of a just distribution according to need. If this is so, then we have to be in the business of trying to settle the scope of distribution according to need by political negotiation.

Creating a distributive consensus

What we have to do - and this is why the Social Justice Commission is so important - is to think hard about different principles, come up with what we believe is a defensible view and try to create a distributive consensus around it. There is no Platonic idea of distributive justice which will act as a kind of philosopher's stone here; it is a matter of political judgement and then trying to create a consensus around that judgement. Any judgement will, however, have to be based on a practical recognition of a limit to resources. This is likely to mean that we have to develop a view of the range of needs which should be met by public expenditure and that some hard decisions will have to be faced. It also means that issues about universal and selective benefits will have to be faced (about which I say a little more later) because if we believe both in meeting needs and that there are scarce resources, we have to be sensitive to the extent to which some groups are in fact able to meet their needs through the market.

Incentives

This is probably the place to say something about the role of incentives.

Thinkers such as Crosland, despite their egalitarianism, did not reject incentive arguments. They did, however, take the view that the basis of the recognition of the incentive argument was not the merit or the desert of the entrepreneur, or the highly trained person; it was rather a rent of ability argument, namely whatever was necessary to mobilise the skills of the entrepreneur and others. In a sense there is a certain congruence between the Croslandite argument and that of the economic liberal such as Hayek. Unlike Baroness Thatcher, Hayek did not believe that high earnings represented the moral desert of individuals, they rather represented the market price which such skills could command. Crosland was at one with Hayek in believing the tax system had to be sensitive to what the rent of ability was. Again there is no theoretical answer to this question. The point at which the tax system represents a disincentive has to be a matter of political and economic judgement. It is clearly something to which a social justice approach has to be sensitive because social justice is paid for out of taxation and through public expenditure and it would be irrational to have a tax system which produced less for public expenditure because of its disincentive effects.

But the role of individual incentives in creating a dynamic economy can be over-exaggerated. Other things matter too: one crucial thing is the degree of skill and education of the work force and here if we compare our economic performance with Germany or Japan it would be difficult not to accept that our woeful lack of education and training of the post 16 age group is as much a brake on our economic performance as tax break for entrepreneurs.

Rights

The critic of social justice will argue that distributive politics will lead to conferring rights or entitlements to resources at particular levels to individuals. However, in the view of the critic there cannot be enforceable rights to scarce resources and it is a piece of socialist and social democratic rhetoric to believe that there can be economic and social rights of citizenship conferred by an appeal to social justice. The idea of rights should be restricted to rights which secure non interference. A right to life is the right not to be killed, not a right to the means to life; the right to security is a right not to be assaulted, raped, coerced, not a right to income; a right to work is a right not to be prevented from going to work (for example by pickets) not a right to a job. These rights are essentially negative since they imply a duty of forbearance on others. Forbearance is costless and it does not run out and therefore these rights can be enforced.

This argument is false. Negative rights (the rights not to be interfered with, coerced, assaulted etc) have to be protected and enforced, because in fact forbearance is limited by people's motivation. This enforcement involves costs and resources. Enforcement is not just an accidental issue for rights: a right is distinguished from other sorts of claims, interests, preferences etc. precisely

because we believe that rights should be capable of being enforced. Thus if the idea of a right is tied to enforceability, then all rights involve costs.

Take a specific example: my negative right to physical security is protected and enforced by the police and the police have limited resources in the same way as the NHS does. The chief constable has to make a decision based on professional judgement about how to deploy his resources in the same way as a consultant has to do in the NHS, given that neither has the resources necessary to protect all rights simultaneously. We accept that the extent of protection of negative rights is secured by political negotiation and political consensus. What we have to do in the field of social and economic rights is to recognise the fact of scarcity and try to achieve a consensus over what is a reasonable level of provision to protect social rights in the same way. This is not easy and it is no good just assuming that the resources are there to protect all such rights equally. We have to think hard about what is a reasonable level of provision and what is a just level of provision to protect what we believe to be the most important rights in the social and economic field and then try to carry people along with that.

What's wrong with inequality?

The critic might accept the justice of most of these points and still say that all I have done is to justify a role for the state in securing resources to the worst off but that this falls a long way from the more traditional socialist and social democratic ideal of equality. The point at issue is this: why do inequalities matter?

If one accepts that liberty does indeed involve ability and the associated resources and opportunities, then radically different resources and opportunities will have a close bearing on liberty. This is not so for the economic liberal for whom liberty is the absence of coercion not the possession of resources or opportunities. However, we have seen reason to doubt this. Historically, Western societies have held out the ideal of equal liberty and thus if there is a link between liberty and resources then a fairer distribution of resources and opportunities is necessary for a fairer value of liberty in society.

However, we have to be careful about how this argument is handled because this does not mean equality of outcome, as it has done for some socialists, nor does it mean procedural equality of opportunity - removing intentionally erected barriers to advancement - as it does for the liberal. The concern with fairness is with what Rawls and Crosland called "democratic equality" - that social institutions should be concerned with a fair distribution of resources as a way of securing a fair value for liberty. We cannot equalise outcomes even if this were desirable without the most extravagant acts of government intervention and likely mutual impoverishment. It would be irrational to prefer a more equal distribution of resources which left everyone, including the poor, worse off than they would be under a system in which there would be some inequalities

but which would also benefit the poor. We cannot get an equal value for liberty without threatening to destroy it but we can get a fairer distribution of resources and opportunities which bear most directly on the capacity for action. Our distributive concern is with the fair conditions for the exercise of liberty (not equalising outcomes) and because of the link between the rent of ability and wealth creation this must allow for sensitivity both to the concerns of the worst off and what economic incentives are necessary to pay the rent of ability. This has to be a matter of political judgement and market realities.

The second reason why we should be concerned with the relative position of the poor in society has to do with the idea of citizenship. The economic liberal wants to define citizenship in purely civil and political terms, not in social and economic terms. However, as I have already suggested, free democratic citizenship goes beyond civil and political rights, vitally important though these are, to citizenship in the social and economic sphere and this involves trying to make sure that the terms of social and economic citizenship embody some idea of the fair value of liberty. If we are concerned only with the absolute position of the worst-off we will exclude the latter from the citizenship which those higher up the ladder take for granted.

Finally, there is a further central point. Since 1979 the Government has made a good deal of the idea that the market empowers people. The 'trickle down' effect of the market economy is held to improve the absolute position of those in work and this is a form of empowerment. This is, however, difficult to accept because it implies that the power of one group in society can increase while its relative position declines because of inequality. But this cannot be so. Power is a positional good in the sense that its value depends on some other people not having it; indeed, it might be regarded as a pure positional good in the sense that if power were to be distributed equally then it would disappear altogether. If this is so then power has to be connected to relativities and cannot simply be increased like the supply of washing machines which may be subject to the trickle down effect. An ideal of empowerment cannot therefore be secured by the market mechanism through the trickle down effect and the improvement of the absolute position of the worst off. Empowerment has to be concerned with relativities and not just absolutes. If we believe in a fair distribution of power as well as liberties, then we cannot avoid distributive questions and have to move beyond the economic liberal's concern with absolute levels. The distribution of economic power in society must be a matter of central concern for the Left but for the Right, despite their trumpeting of choice, it is not on offer as a choice to be made in a market society.

Universal versus selective benefits

The debate over selectivity produces a clash of three values all of which have been important to the Left.

If we take the point of view that the Left must embrace the principle of need

as the basis for social policy, it would, at least in principle, be relatively easy to justify selectivity in the distribution of benefits: only those with the needs should receive the benefits. It might be argued that in fact a universal benefit like Child Benefit is best paid on a universal basis because this is the surest way of getting it into the pockets of those who need it. This is partly because of stigma, and partly because the take up of selective benefits is less high. But this is not an argument about the principle, it is rather one about the best means of delivering the benefit to the needy. For those who believe in social justice according to need, the focus should be on whether there are in fact ways of delivering benefits to the needy without universalising them (which involves huge costs) if there is a more efficient way of delivering them.

The second principle which favours universality is to see benefits as a right of citizenship so that one gets them merely through the fact of citizenship irrespective of whether one needs them. A benefit should be no more selective than the right to vote. Of course there is another way of formulating the citizenship argument: to say that the right of citizenship is not a right to benefit as such but a right to have one's needs met, when one cannot do so for oneself. Given that social and economic rights probably depend on a need based argument anyway, this restriction of the citizenship argument seems quite plausible.

The final principle which would favour universality is the one which links benefits with contributions, a relationship which has become opaque over the years. However, on this view, because one has paid in to a scheme of social insurance, one should be able to benefit from that. In the same way as a private insurance company pays out on a claim because one has insured for it and does not take into account the question of whether one needs the money, so in a scheme of social insurance, one should have the benefit whether one needs it or not. Some have argued (see Brian Barry, *Liberty and Justice* Clarendon Press 1991) that it is essential for socialists to restore the idea of social insurance to meet these issues.

At the moment, we have a very confusing mixture of need oriented criteria along with insurance principles. Of course, this is not a clear cut issue in that one might move to an explicitly insurance based view for some benefits and a need oriented view for others. The point is that the issue about universality versus selectivity is not a technical one, although it has technical aspects, but one which draws upon moral and political values which are not easily reconciled.

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Social justice and motivation

One problem which has come to preoccupy the Labour Party since the 1992 election is how to get people to vote for redistributive policies in the interests of wider social justice if they face the prospect of being worse off, or if social justice seems to limit their aspirations.

If we are to gain a fairer distribution of resources does this mean that we have to justify Good Samaritanism writ large (as Professor Barry puts it)? As we saw earlier, Crosland took the view that economic growth was a necessary condition of distributive justice. Growth meant that the issue of motivation and the moral basis of social justice could be by-passed because growth meant that the relative position of the worst-off could be improved and the absolute position of the better off could be maintained. Distributive politics in a period of recession is obviously a much more difficult enterprise as Labour found with its "shadow budget" before the 1992 election. But apart from recession, there is also the question of whether distributive politics limits people's aspirations.

Self-interest

It has been argued by some that distributive justice is actually in the self-interest of those who might, in pure accounting terms, appear to lose out. Thus general taxation funds public goods such as health, education and unemployment benefit which everyone wants, but which cannot be funded by individuals separately, or can be done only with great inefficiencies. So it is in every individual's interest to pay tax to fund these public goods since they never know when they might need them.

One way of fleshing out this kind of view would be to look again at the idea of social insurance. On this view social policy should not be about meeting publicly defined needs of the worst-off (and thus raising the Good Samaritan problem), but rather should be seen essentially in terms of social insurance. On this view, the benefits system should be seen as a mechanism for proportionate income replacement so that individuals can enjoy different levels of benefit covering a proportion of their income depending on what they have contributed. A move to a social insurance model, as is the case in many European countries, will address the motivational issue by making differential levels of social

insurance a matter of self interest.

However, as an overall response to the issue of social justice, the self interest argument will not do the work that is required of it. First of all, it will not necessarily provide a rationale for funding those public goods which are supposed to be of the greatest advantage to the least advantaged. That is to say the self interest argument might provide a rationale for a safety net approach to the public funding of health, education and welfare, but it will not justify more egalitarian approach to public provision or a conception of the welfare state which is supposed to fund social justice either through the direct provision of services or through cash transfers. This does not mean we should reject the argument because there are of course a number of public goods (such as parks, roads, clean air, defence etc) which are in everyone's self interest and cannot be provided individually, but it is clearly a very limited argument in that it cannot be used to fund public services or cash transfers which have a redistributive or social justice dimension to them.

The same considerations apply to the social insurance model despite its obvious attractions. It is not a redistributive form of public policy in the sense that its defenders set it out. It is rather a way of securing income replacement in times of hardship and merely existing inequalities of income. Nor can it avoid arguments about needs in that a compulsory form of social insurance would have to be directed at those needs which we regard as most important. Again though, there might be a strong case for those parts of the benefit system which are not directly concerned with social justice and reducing inequality being assimilated to an insurance model.

Community

The second argument that has become fashionable recently has been to emphasise the idea of community. We belong to a community and therefore we want to pay attention to the needs of the least advantaged as well as to our own aspirations and advancement. It has been argued that in the 1990's we are moving into a period when the idea of community is much more salient than the 1980's when we were taught that 'there is no such thing as society', only individuals and their families.

This stands in very stark contradiction to the image of society presented by the economic liberal. In place of the idea of society as a community they suggest an alternative model of a hotel. In a hotel there is a framework provided for individuals to pursue their own ends - people come to hotels for different purposes and to achieve different things. Their relationships are anonymous. Within the hotel they are bound by a framework of rules, but that is all: they do not have goals or purposes in common. If people in hotels come to share things, it is from choice and not from obligation. Contract and anonymity are the hallmarks of relationships in such a society. They do not have common obligations or common purposes beyond mutual non-interference, unless people

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choose to belong to groups and choose to assume the obligations of such groups. The idea that we belong to a community of common fate, common purposes and common aspirations, which can ground positive obligations to one another is (The Right would say) naive and potentially totalitarian. It is an image of society which is being constantly undermined by economic change and social mobility, as well as by changes in morality, the growth of divorce and so forth.

Few socialists or social democrats could agree with this vision of society. However, we do have to avoid being sentimental about community as a possible basis for our values. Labour has been too sentimental in the past in its approach to working class communities and has based its values too much on senses of solidarity and neighbourhood, which now perhaps have very little salience. People appeal often to the sense of solidarity in 1945 which provided a basis for Labour's values to sweep the board electorally. But that sense of national community and solidarity was fuelled by the War and it is not clear that it persists in any real way today, which makes it very doubtful indeed whether the Borrie Commission will be able to assume any such consensus about values as a basis for its report. If anything, as I have already suggested, it will have to create a distributive consensus around its proposals rather than its proposals in any sense reflecting a pre-existing consensus.

Apart from this we have to be careful about the appeal to community as a basis of distributive politics because people belong to different communities which impinge on them in different ways. For example, I live in a middle class area of a large city and the poor areas of Southampton impinge very little on the neighbourhood in which I live. I suspect that for most of my neighbours the area provides a more direct sense of community than belonging to the wider notion of Southampton, or for that matter the UK. People can, as it were, buy into communities in suburbs which are both physically and psychologically very separate from the communities whose needs the Labour Party wants to address. It is not clear that appealing to what may be a very circumscribed sense of community will do the trick. If we invoke community as a basis of moral concern, it might turn out to be surprisingly limited and may not serve well as a basis of common concern and common obligation.

Altruism

The final possibility is that altruism and a sense of duty can be the basis of social justice. As with community, no socialist or social democrat would want to deny the importance of the idea of altruism and mutual aid as important motives in human life which should be encouraged and sustained. An appeal to altruism has been important in some parts of the socialist tradition, particularly with the kind of communitarian anarchism favoured by people like Kropotkin in his *Mutual Aid*, and Richard Titmuss' *The Gift Relationship* in which he shows that a nationwide institution like the blood donor system can be operated on the basis of free gift. However, as with community, there are

dangers in being too sentimental about altruism. Those socialists like Kropotkin who invoked altruism posited a general transformation of human consciousness and motivation as a basis for a cooperative society. In this sense his appeal to altruism was highly utopian. And while Titmuss does a good job in accounting for the motivation of blood donors and the efficiency of the donor system compared to the market, it is very difficult to know what general conclusion to draw from his work. First of all, blood is a highly peculiar commodity invested with a range of meanings which do not apply to other things and, secondly, while the donor system is very important, it does not really involve all that many people relative to the population as a whole. It is at least arguable that altruism is nurtured by community, by a sense of belonging and common obligation. If a sense of community is becoming less salient, it is possible that altruism is a rather insubstantial basis for an appeal to social justice.

The Croslandite approach still has its appeal, namely that a concern with social justice in the tax and benefits system and in the provision of public services should be linked to plausible policies for economic growth. Otherwise we are thrown back entirely on the motivational issues already discussed. What I think we need is a commitment to both economic growth and expounding the moral case set out earlier. The moral case is however more likely to prove acceptable if people can feel confident that it is not going to impede their own ambitions and aspirations.

This links up with another element in a social justice strategy. We should not see social justice as confined only to the tax and benefit system and the degree to which it is or is not redistributive. The major cause of poverty is unemployment and low wages and a good deal of the benefits system has to do with alleviating the consequences of that. A plausible economic policy focusing on economic growth and job creation might be the best first step towards a more just society. The statistics seem to suggest that this would be the best way of improving the absolute position of the worst off. If we got economic growth and more jobs, there would be a chance of creating an environment in which the case for improving the relative position of the worst off by political redistribution could in fact be attained in a less painful way than the Party faced in 1992.

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Work and social justice

In talking to groups of people, particularly those in the Churches who work with the unemployed, I sense a growing feeling that we shall never get back to the kind of levels of employment which prevailed up to 1979.

There is a sense that the level of unemployment is not entirely due to the recession, that new technology is rapidly deskilling people, that economic development is taking place in low wage areas on the Pacific Rim with whom we cannot compete effectively and that privatisation has destroyed many low paid jobs in the public sector which the private sector is not likely to replace. Many, particularly those in their 40's, feel that they will never work again and that there is certainly no plausible policy for getting back to full employment. If any of these concerns are valid, then the strategy outlined at the end of the last chapter will be entirely utopian and thus a concern with social justice might lead us into one of two radically different directions.

Down to the state

The first is to say that if the market economy cannot produce full employment, then the state must become the employer of last resort, either in the sense of funding work schemes to be operated either privately or by agencies or by actually providing direct employment in the public sector.

Given that work is connected with ideas of worth and self esteem, it is an important aspect of social justice to provide the means and this comes through work or training. This connects with some of the 'tough love' and New Covenant proposals of President Clinton. Instead of paying unemployment benefit indefinitely we should actually make work and provide training in the public sector for those for whom the market cannot provide jobs. It is argued by those who take this view that to provide indefinite benefits creates apathy and demoralisation, a sense of being cut off from those areas in which meaning and status is secured. To combat this it is necessary to provide jobs in the public sector to meet many of the needs which are currently not being met in society.

In this sense social justice plays a double role. The mobilisation of the unemployed through the state as the employer of last resort is an act of justice to the unemployed because we know that work is the best way of improving their absolute position; and those in work may be more prepared to pay tax if

there is some reciprocation from those who benefit, while at the same time those who are employed in this way may be able to meet needs in their local area which are currently not being met.

It is argued by critics that this is coercive and that it involves blaming the victim of unemployment in some way. Those who approve of the workfare, learnfare strategy, however, point out that whether we like it or not the culture of western societies is that people should be as independent as possible and should not be passively dependent on the state. Participation in government sponsored job creation is a way of securing the welfare of those who are made poor by unemployment in a way that preserves their self respect.

Two caveats have to be entered against this. The first is that it is not clear that it is a solution to the problem of dependency since it merely transfers the issue of dependency from the DSS to the Department of Employment. It is argued by critics that there is all the difference in the world between getting and keeping a job through one's own efforts and being allocated a job through various make-work schemes operated or funded by the state. Additionally, it would be extremely expensive and would cost a great deal more to finance than unemployment benefit. However, the Left needs to think through these issues since they are unlikely to go away, partly because of their appeal through Clinton's election and partly because the government is apparently studying such a scheme for about a quarter of a million long term unemployed.

At its heart though the issue is one of principle. Do we have a right to a benefit as a basic right of citizenship without necessarily doing anything in return for it in the same way as we have a right to vote without necessarily living what our fellow citizens might regard as a virtuous life? The alternative is to argue that if part of the justification of a concern with social justice is rooted in society seen as a community, as a system of cooperation and reciprocity, then an obligation to undertake work which we know is one of the best routes out of poverty is part of what reciprocity requires. Equally the state, in the same way, has a duty to invest in jobs and training as part of its obligation.

Living without jobs

The other alternative is almost the reverse of this. It is to say that if we are not going to get back to full employment in the private labour market in the medium term, we need to invest heavily in public leisure facilities at low cost to those who use them to provide outlets for people's energy, creativity and so forth which can no longer be satisfied by the job market. We should also accept that 3 million are not unemployed by choice and that we have a duty to pay a decent level of benefit as a kind of minimum income to the unemployed. This would be a right of citizenship. It would also be necessary to do all we can to break down the idea that worth and value are to be found only in work. This is of course a cultural problem which politics can do little to change, but it would help if we heard less about scroungers from Social Security ministers which can do

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little for the morale of those who are unemployed.

One further element of the social security equation which rather cuts across the arguments above is how a revamped system should relate to part time work which, if the commentators are to be believed, is where a substantial amount of job creation will come in the future. If this is so then it is important that the benefits system does not act as a disincentive to part time work, whether that work comes through the private labour market or whether it comes through the state.

Offering hope

We have to offer hope and some kind of plausible future to those who believe that they will never work again. Many of these have more than half of their lives still to run and I believe that these issues must be addressed either by policies which we can have confidence will chart a path back to full employment or by being honest about prospects for market-led employment possibilities and examining the scenarios I have suggested. The question of employment and its future goes to the heart of any strategy for social justice.

Social justice lies at the heart of the Left's concern with the outcomes of markets, but we have to do a very great deal of hard thinking. Invoking the idea of social justice is a good start, but emphatically not the end of the process. If we are to get a real consensus and not just a top-down imposition of a solution we need to invest as much time and energy in revitalising democracy and politics as a framework within which a consensus about what a just distribution is and what can be achieved, as we have over the last few years in trying to reconcile an appeal to markets into the politics of the Left.

Social justice offers us choices as citizens about the overall shape of society which markets cannot offer us. But this choice, because it is a political one, has to be legitimised through fair and just democratic procedures and not through horse-trading between interest groups. If Labour is to have a wider appeal and not fall victim to coalitions of powerful interest groups it has to create a framework of social justice to test the claims of interest groups. If we are to have a new covenant of our own between individual and society, we have to form a clear link between Labour's constitutional and democratic proposals and our aims for a fairer and more just society.

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