

ECON 4270 Distributive Justice

Lecture 5: Rawls and liberal equality 2

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Primary goods

The difference principle

Critique of Rawls

The OP

Rational choice

Sen's critique

Recap

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Rawls's thought experiment

- ▶ Original position
- ▶ Thick veil of ignorance
- ▶ Full information about society etc

Leads to unanimous **social contract**

Two basic principles

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1. Complete liberty for everyone to the extent that this liberty does not hinder the liberty of others
2. Economic equality except when inequality is to the advantage of all

The second principle is also called the difference principle
(See textbook for exact quotes)

Principle of liberty

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Follows from the fact that the parties in the OP do not know their preferences,

or their conception of the good.

Cf the definition of a liberal society above.

Is the usual liberal formulation

Implies the usual civic liberties: democracy, right to vote, freedom of belief etc

Primary goods

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By economic equality Rawls means equality of

primary goods

goods that everyone needs, whatever their preferences,
to further their project in life, their conception of the good.

NOT equality of welfare

but recognises that economic resources are necessary to obtain
freedom

Distinguishes Rawls's egalitarian liberalism
from e.g. libertarianism

Primary goods

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Two important primary goods are

1. Income and wealth
 2. The social bases of self-respect
- 2 should always be equally distributed

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Social bases for self-respect?

Probably inspired by racism prevalent in Rawls's youth

Social practices and legislation denying people self-respect?

Oppression of women?

Prohibiting Niqab?

Imposing hijab?

Means testing government benefits

Rights

Some implications of the difference principle

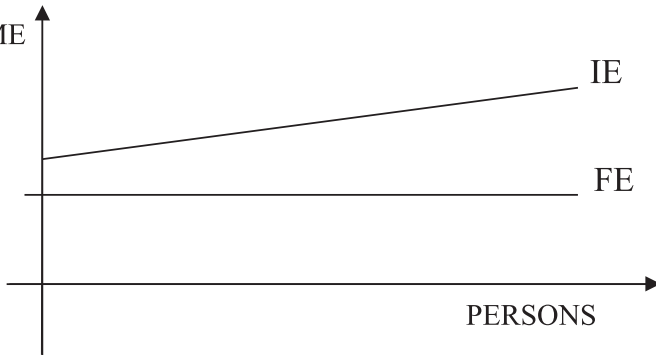
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For simplicity: advantage for all
becomes advantage to the least advantaged group

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Figure 5.1

INCOME



└ The difference principle

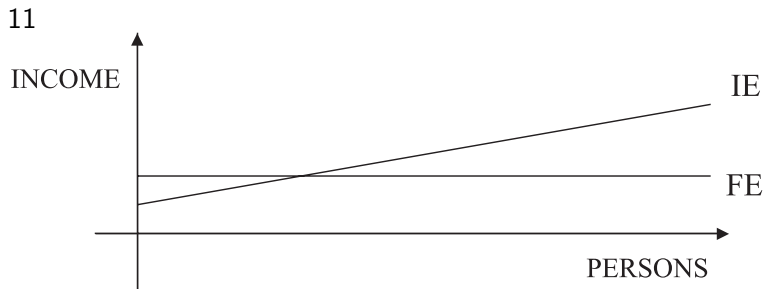


Figure 5.2

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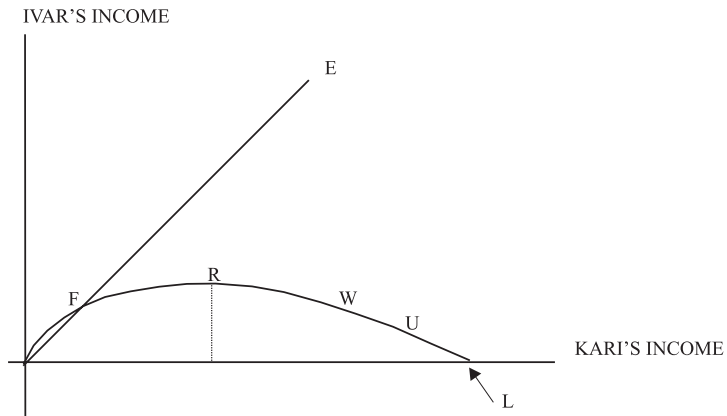


Figure 5.3

Critique of the original position

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- ▶ Parties 'mutually disinterested'
- ▶ No dialogue
- ▶ No women
- ▶ All parties are identical

Critique of the OP

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Answers to the critique:

1. Imagined selfishness is to ensure impartiality
2. The parties (party) have to imagine all possible outcomes, the possibility of becoming all sort of persons

Critique of difference principle

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According to Rawls, persons in the OP would consider only the worst possible outcome

The outcome that is most favourable to the least advantaged

Does not conform to theory of rational choice

Implies infinite risk aversion

What is risk aversion?

You are risk averse if you choose to insure yourself

See also Bojer: Appendix A

There are different degrees of risk aversion,
how much are you willing to pay for insurance?

Kolm's criticism of the difference principle

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Serge Kolm: French economist and philosopher

- ▶ Rawls's OP leads to utilitarian social welfare function
- ▶ Justice cannot be the result of self-interested choice.

Sen's critique of primary goods

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Equality of income and wealth ignores differences between people

Differences in needs, not preferences

Differences in health

Differences in mobility

Sen's critique

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Rawls answers:

1. Health is a natural good
2. Income and wealth are simple, practical goods easy to agree on in open, democratic discussion

Rawls's idea of income

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Not all that precise

Life prospects similar to lifetime income

Includes leisure, but does not indicate how

(cf Kymlicka p 72 – 73)

Household or individual?

Does not discuss

Ignores relative income

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My conclusion:

Income and wealth are NOT simple, easy to understand variables

MY personal conclusion

Most philosophers who discuss income also have very hazy ideas.

I shall return to definitions of income later.