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**JUSTICE IN LIBERAL EGALITARIANISM
SOME NOTES ON THE PHILOSOPHICAL JUSTIFICATION OF
A CONTEMPORARY WELFARE STATE¹**

I. INTRODUCTION

The idea of the welfare state became one of the most important political and economic concepts of the last century. Although the term *welfare state* was first used in 1914, in relation to the democratic British state during the years of World War I, thereby differentiating it from the imperialistic German *warfare state*,² the meaning attributed to this term today refers to the comprehensive transformations that took place following World War II in the economic and social policy followed by what were then the world's most economically developed countries.³

Today one should view the welfare state as a complex set of sub-systems: of competition, coordination, and social security,⁴ although the latter—in which the state bears joint responsibility for individuals coping with various types of social risk—draws most attention both among researchers and where public opinion is concerned.

When seeking justification for the existence and also the durability of the welfare state, there are economic, political, and also philosophical arguments to be drawn upon. The last of these types of reasoning will be described in this article from the perspective of liberal egalitarianism, represented by

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¹ The articles use fragments of the author's unpublished doctoral dissertation: *Kontrowersje wokół sprawiedliwości ekonomicznej. Teoria i praktyka [Controversies around economic justice. Theory and practice]*, UEK, Kraków 2008.

² N. Acocella, *The Foundations of Economic Policy: Values and Techniques*, CUP, Cambridge 1998: 269.

³ The Beveridge Report published in 1942 can be treated as a cornerstone of the modern welfare state. In it, the author proposed an in-depth reform of the British social security system. Cf. W. Beveridge, *Social insurance and allied services, Report by Sir William Beveridge*, HMSO, London 1942. An historic event providing the impulse for changes in this area was of course World War II, but one should discern the intellectual germ for Beveridge's proposal in the ideas already proclaimed beforehand by leading representatives of so-called new liberalism, and in particular T.H. Green, J.A. Hobson and L.T. Hobhouse. For a broader discussion, cf. e.g. R.E. Backhouse, T. Nishizawa (eds.), *No Wealth But Life: Welfare Economics and the Welfare State in Britain, 1880–1945*, CUP, New York 2010; R.E. Backhouse et al. (eds.), *Liberalism and the Welfare State: Economists and Arguments for the Welfare State*, OUP, New York 2017.

⁴ K. Suzumura, Welfare economics and the welfare state, in: *Review of Population and Social Policy* 8, 1999: 125–127.

John Rawls and Ronald Dworkin. The purpose of the article is to assess the real achievements of the welfare state (in its model form) in the context of the demands put forward regarding a fair social order in concepts of justice as fairness, and equality of resources. There is no doubt that the publication of these two philosophers' works—as raised by Will Kymlicka—enabled justification of the presence of a liberal-democratic welfare state without the necessity of referring to an 'ad hoc compromise between competing ideals'.⁵ However, it cannot be said that every model of the welfare state achieves, even imperfectly (bearing in mind the unavoidable divergence between the real world and the world of ideas), the objectives of both concepts. The deliberations here support the thesis that in the light of the theories presented, the social-democratic model of the welfare state creates the best conditions for the effective realisation of individual life-plans, and as such may be acknowledged as the sole acceptable way—among the various models—of organising public tasks dictated by the moral duty of the community towards those whose position is defined not only by the market decisions taken by other individuals, but also by intrinsically random fate.

II. JOHN RAWLS—JUSTICE AS FAIRNESS

In Rawls' depiction, justice in its fundamental form boils down to the maxim according to which 'all social primary goods⁶—liberty and opportunity, income and wealth, and the bases of self-respect—are to be distributed equally unless an unequal distribution of any or all of these goods is to the advantage of the least favoured.'⁷ Because goods distributed according to its demands would occasionally come into conflict, it was essential to clarify this in the shape of two more detailed principles of justice, and to establish rules of priority for potentially competing values. Thus according to the first principle of justice, the community is that in which individuals enjoy an equality of basic liberties.⁸ And according to the second principle, social inequalities

⁵ W. Kymlicka., *Contemporary Political Philosophy: An Introduction*, 2nd ed., OUP, Oxford; New York 2002: 88.

⁶ On definition see J. Rawls, *A Theory of Justice*, Belknap Press of HUP, Cambridge, Mass., 1971: 62. In abandoning preferences and desires as an insufficiently good basis for creating an index of primary goods, in his later period Rawls takes as the determinant of these goods only people's needs as citizens—free and equal (as moral entities), fully and normally cooperating with each other in the society they have created (simultaneously clarifying this index somewhat); idem, Social unity and primary goods, in: A. Sen, B. Williams (eds.), *Utilitarianism and Beyond*, CUP, Cambridge 1982: 162, 172–173.

⁷ Idem, *A Theory of...*: 303.

⁸ Pushed by criticism, particularly that of Herbert L.A. Hart, Rawls reworded the content of the first principle, replacing 'the most extensive total system of equal basic liberties compatible with a similar system of liberty for all' with 'a fully adequate scheme of basic liberties, which scheme is compatible with the same scheme of liberties for all'. Cf. H.L.A. Hart, Rawls on liberty and its priority, *University of Chicago Law Review* 40(3), 1973; J. Rawls, *Political Liberalism*, Columbia University Press, New York 1993: 331–334. However, abandoning the idea of the 'greatest equal liberty' in favour of basic liberties may give rise to new problems related to arbitrariness in the selection of specific liberties that should be acknowledged as basic, as well as a

should be such that, firstly, they bring the greatest benefit to the most underprivileged (the so-called difference principle), and secondly—should be attached to the accessibility of offices and positions, assuming an authentic equality of opportunities. What is more, liberty can be restricted solely in the name of liberty (the priority of liberty),⁹ while the difference principle has priority over efficiency or the principle of maximising the sum of advantages, and is at the same time subordinate to the principle of equal chances (priority of justice over efficiency and welfare).¹⁰

An essential condition, though insufficient from the point of view of a fairly functioning 'basic structure of society'—as Rawls defines the set of institutions¹¹ creating laws and duties, and defining the division of advantages from social cooperation—is therefore ensuring equal liberty to every individual. This is not, in this case, about the freedom to do anything resulting from human desires, but about civil liberty, manifestations of which are political and personal liberty.¹² According to the rules of priority, equal liberty cannot be sacrificed for equality of opportunities, while the latter in turn cannot be abandoned for the purpose of achieving greater equality of resources,¹³ although in both the first and the second principle of justice, the message of the 'overall theory' regarding the admissibility of inequality as long as it has a positive impact on the situation of the weakest individuals, does not lose its topicality.

In seeking justification for the superiority of his theory of justice over the other concepts, Rawls applies a construct in the shape of a *veil of ignorance*, accompanying individuals in the *original position*,¹⁴ meaning at the moment when taking decisions forming the principles governing the community of which they are members. That veil means that individuals' knowledge of the

potential conflict between them. For more, cf. e.g. J. Gray, *Two Faces of Liberalism*, The New Press, New York 2000: 70–82.

⁹ *A Theory of Justice* does not provide a convincing justification of the priority of liberty, and only the concept from a later period, of citizens as free and equal persons, together with the modified grasp of primary goods delivers solid theoretic foundations for the said priority. For more, cf. J. Rawls, *Political...*: 289–290, 310–324).

¹⁰ *Idem*, *A Theory of...*: 302–303.

¹¹ The set embraces political constitution and the most important economic and social systems. For more, cf. *idem*, *Political...*: 191–199.

¹² *Idem*, *A Theory of...*: 61.

¹³ However, such lexicographic ordering of principles requires a reservation: priority for the basic rights and liberties over the remaining values is retainable assuming that the basic social needs, those enabling understanding of these rights and liberties and their effective execution, have been satisfied. Otherwise one would have to recognise as admissible the rejection of liberties in favour of generating a minimum level of prosperity, only this enabling the existence of needs of a higher order. *Idem*, *A Theory of...*: 151–152, 542 and *idem*, *Political...*: 7, 297.

¹⁴ The original position is the equivalent of the state of nature in the traditional theory of the social contract. A construct in the shape of the original position was applied earlier in their works by the economists William Vickrey and John C. Harsanyi, seeking legitimisation for a certain form of utilitarianism. Cf. W. Vickrey, Measuring marginal utility by reactions to risk, *Econometrica* 13(4), 1945, and *idem*: Utility, strategy, and social decisions rules, *Quarterly Journal of Economics* 74(4), 1960; J.C. Harsanyi, Cardinal utility in welfare economics and in the theory of risk-taking, *Journal of Political Economy* 61(5), 1953, and *idem*, Cardinal welfare, individualistic ethics, and interpersonal comparisons of utility, *Journal of Political Economy* 63(4), 1955.

surrounding world and about themselves is significantly restricted. This deficit of information is so large that individuals are incapable of utilising the natural and social circumstances favouring them for their own goals. At the same time, thanks to their knowledge of the most general rights, principles and theories in the fields of politics, economics, the organisation of society, and psychology, they are capable of defining the principles of fair social order.¹⁵ The assumption of equality of individuals as moral entities causes the agreement achieved in regard to this order to be honest and impartial. What kind of choice would be rational with such limitations? In Rawls' opinion, the kind that would secure the individual's interests in the best possible way in a situation in which it would prove—following removal of the veil of ignorance—that he or she is in the group of most underprivileged citizens. This signifies that the rational decision is to choose such principles of justice that would reflect the strategy of the 'maximin', that is, the maximising of one's share in the situation of the minimum, understood as the worst social position.¹⁶

Applying the maximin leads to a model of distribution that bears egalitarian attributes. However, one should not believe that Rawls does not accept any inequalities in distribution; he only rejects those that he considers unfair. An equality of opportunities, widely understood as the equal treatment of individuals in different social positions, may lead to such undesirable inequalities, and as such is only a preliminary condition for the fair distribution of advantages in society. The entitlement to greater shares in social resources only appears when they have a positive impact on the situation of the weakest, and therefore when the requirements of the difference principle are fulfilled. Only in such circumstances is 'democratic equality' achieved.¹⁷ In order for it to exist, it is essential to cope not only with the obstacles created by social circumstances, but also with obstacles at whose origin lie natural differences in talents.

III. RONALD DWORKIN'S CONCEPT OF EQUALITY OF RESOURCES

The insufficient sensitivity towards the differentiation of individuals' natural endowments in Rawls' concept, combined with the unclear criterion of defining expensive tastes and neutralising their impact on the distribution of primary social goods,¹⁸ inclined Dworkin to formulate a concept of justice sat-

¹⁵ J. Rawls, *A Theory of...*: 19, 136–138.

¹⁶ *Ibidem*: 152–153.

¹⁷ *Ibidem*: 75.

¹⁸ For more, cf. W. Kymlicka, *op. cit.*: 70–75; cf. K.J. Arrow, Some ordinalist-utilitarian notes on Rawls's theory of justice, in: *idem, Collected Papers of Kenneth J. Arrow*, vol. 1: *Social Choice and Justice*, Blackwell, Oxford 1984: 105; A. Sen, Equality of what?, in: S.M. McMurrin (red.), *Tanner Lectures on Human Values*, vol. 1, University of Utah Press, Salt Lake City 1980: 213–219; *idem*, Justice: means versus freedoms, in: *Philosophy & Public Affairs* 19(2), 1990: 113–117.

isfying to a greater degree the demands of a ‘sensitivity to ambition’ and ‘insensitivity to individual endowment’.

Justice according to Dworkin can only be achieved through a levelling out of the resources in the possession of individuals. As such he opposes the egalitarianism of welfare, which—having taken into account the existence of underprivileged individuals and holders of expensive tastes—leads inevitably to excessive transfers of resources, and the removal of individuals’ responsibility for the consequences of their own preferences.¹⁹ At the same time, he very distinctly accentuates his opposition to his concept being equated with theories of justice based on starting-gate theories. Although they assume an initial equality of resources, they do actually accept realisation of the principle of *laissez-faire* in distribution processes taking place later on. They are therefore *de facto* combinations of competing theories of justice, and thereby reveal their own internal contradiction.²⁰

Dworkin deduces the right model of resource distribution by analysing a hypothetical event: the arrival of castaways on an uninhabited but resource-rich island. With no hope of quickly finding their way home, they recognise that nobody among them is particularly entitled to the resources, and as such they decide to share them fairly between themselves. By no means does fairly mean equally. According to Dworkin, equality of resources at the castaways’ disposal is not the same as their identity, and must manifest equal concern for each person—meaning that it cannot ignore their preferences. Distribution will fulfil this demand when it passes the *envy test*, meaning when, as a result of the distribution, nobody would place any other bundle above their own bundle of social resources. Considering that tastes vary between individuals, identical bundles would not be a desirable solution. But by what manner can it be achieved? The envy test is essential, though insufficient in itself, for distribution to be acknowledged as correct—no simple mechanical (centrally established) division, even fulfilling the test’s terms, would be free of arbitrariness and possible injustice. The only solution is to apply an auction procedure,²¹ in which individuals endowed with an identical amount of monetary means (taking the form of shells in the example with the castaways) undertake to bid for all available resources. Bidding in keeping with

¹⁹ R. Dworkin, What is equality? Part 1: Equality of welfare, in: *Philosophy and Public Affairs* 10(3), 1981: 228–244; cf. I.M.D. Little, *Ethics, Economics & Politics. Principles of Public Policy*, OUP, Oxford 2003: 65–67. Dworkin is interested in the equality of ‘external’ resources, i.e. material goods. John E. Roemer proves that if one were to recognise as resources also those attributes that are internal, individual, such as ambitions, talents, or inclination to take risks, then the equality of resources thus understood determines the equality of welfare – idem, Equality of talent, *Economics and Philosophy* 1(2), 1985; idem, Equality of resources implies equality of welfare, in: *Quarterly Journal of Economics* 101(4), 1986.

²⁰ R. Dworkin, What is equality? Part 2: Equality of resources, in: *Philosophy and Public Affairs* 10(4), 1981: 308–311.

²¹ Dworkin thereby proposes viewing the market as the most correct device for setting prices of goods and services, thereby going against the general trend of labelling the market as the greatest enemy to equality.

their preferences, reflecting their individual life plans, they become the holders of bundles reflecting how they imagine what is most valuable.²²

A simple auction process as a guarantor of equal care for every individual is complicated both by the existence of disadvantages, whether mental or physical, and by the diversity of people's talents. Disadvantages force the realisation of a particular type of need (and therefore a depletion of the amount of monetary means in possession), since they place those affected in a worse position than the other individuals and reduce the chance of them achieving their life plans, and in a sense even distort these plans. Difference in talents also inevitably translates over time—in conditions of the market mechanism—to inequality in market resources, altering the initial result of the envy test. Taking factors of this kind into account requires some form of compensation if the equality of resources is supposed to mean something. Pursuant to Dworkin's proposal, the redistribution function in this respect should be fulfilled by a hypothetical insurance scheme. Being aware of their talents (while unaware of the income that would result from them), and knowing the types and probability distribution of the disadvantages threatening them, the auction participants would decide prior to the auction what portion of the monetary means initially in their possession they would be willing to assign to protection against the consequences of the disadvantages, or what portion of their future income they would be prepared to earmark for ensuring the level of income they expect. They would thereby define, according to a fair decision procedure, the level of insurance premium that would entitle them to receive benefits in the event of a disadvantage or the shaping of actual income below the level guaranteed in the insurance policy.²³

The existence of an insurance scheme does not mean the total elimination of the consequences of natural disadvantages, and does not even mean realisation of the demand of maximum compensation for those worse-off in this respect. This particular demand cannot be fulfilled due to talented individuals, for whom the insurance premiums constitute only a burden. The higher the premiums, the greater the likelihood of 'enslaving the talented', and therefore a situation in which the said payments result in their life plans being restricted. In such a perspective, the idea of equal care for every individual is manifested in a compromise between the need to help the underprivileged and the need to maintain the intact preferences of the talented.²⁴ A similar consensus is also expedient on another plane: that of individuals' ambitions and natural endowment. Distribution that is fully 'sensitive to ambition' cannot negate resources emerging in times of inequality but grounded in effort, while that entirely 'insensitive to individual endowment' does not admit the situation in which the results of action (income) of equally ambitious individuals depend on the resources in their possession. Because the two criteria—in their rigorous form—rule one another out, then a formula of distri-

²² *Ibidem*: 283–290.

²³ *Ibidem*: 296–299, 316, 317.

²⁴ *Ibidem*: 320–322; cf. W. Kymlicka, *op. cit.*: 77–79.

bution taking both demands partially into account, but not fulfilling either entirely, is inevitable.²⁵

In practice, the systems best representing how this hypothetical insurance market functions are the tax and social care systems. The former is responsible for collecting the hypothetical premiums,²⁶ the latter—for directing them to those in a bad position in regard to natural and social circumstances. What makes these solutions imperfect, but which is actually essential, is the one-dimensionality of how the individual's position is assessed (the only parameter being the income achieved), and as such—the simplified manner by which specific people are classified into the group of privileged or disadvantaged. In such conditions both the undeserved burdens of those whose economic position is a result of their effort (their ambition) and not natural advantage, and the undeserved transfers to those whose bad economic position is not a result of natural disadvantages but expensive tastes, come to light. Yet in the real world we are not in a position to attribute specific weights to individuals' specific traits (and so to assess entirely fairly the natural and social circumstances) in the creation of the final outcome, traits which also mutually diffuse and condition, and create the individual's inextricable personality.²⁷

IV. THE WELFARE STATE IN THE LIGHT OF THEORIES OF JUSTICE

An assessment of any kind of real entities whatsoever in the light of theoretical concepts is always problematic, as it signifies the necessity of decoding the language of ideas (theories) in what reality—which, after all, is imperfect—entails. The question that therefore arises is how to examine the goals, actions and effects of a welfare state in relation to theories of justice. If a society organised fairly is one that allows individuals their autonomous choice of their desired lifestyle, then it is logical to take a look at how, in such a perspective, the welfare state (or specific models of it) performs as a guarantor or promotor of specific values, crucial for the individual making the effort to realise their own life plans. Only then can one achieve the only possible result, that is, indicating a certain ideological affinity between the models of the welfare state and theoretical constructs describing a fair social order.

The classification proposed by Gøsta Esping-Andersen (and revised by the findings of M. Ferrera and G. Bonoli²⁸) will be used for analysing the welfare

²⁵ R. Dworkin, *What is equality? Part 2...*: 311, 327–334; cf. W. Kymlicka, op. cit.: 81.

²⁶ The assumption of a declining marginal utility of money allows Dworkin to extrapolate the conclusion that both entities purchasing insurance and those selling it (insurance institutions) will prefer premiums calculated as a growing percentage of the income achieved by individuals. Individuals will accept this solution due to the growth in their expected welfare, while the insurers also achieve a benefit in the form of higher total volume of premiums received. Transferring such an insurance scheme to the real world would be tantamount to realisation of the idea of progressive income tax. Cf. R. Dworkin, *What is equality? Part 2...*: 324–325.

²⁷ *Ibidem*: 312–314.

²⁸ These authors proposed distinguishing a fourth model of the welfare state: Mediterranean, or worded differently, a southern model. Cf. M. Ferrera, The 'Southern Model' of welfare in social

state in the context of the two theories of justice described above. In this, the differences between how societies organise their entire and singular institutional structure, and how they direct their expenditure, enable three models of the welfare state to be distinguished: the liberal (characteristic of the Anglo-Saxon world), the corporatist or conservative (common in continental Western Europe), and the social-democratic (representative of the Nordic countries).²⁹

Esping-Andersen distinguished these models by analysing 18 chosen countries in regard to two fundamental multidimensional criteria: the degree of de-commodification, meaning the degree to which an individual or their family is capable of maintaining a socially acceptable standard of living irrespective of their position on the labour market, and the type of social stratification shaped by the social policy adopted.³⁰ The liberal model refers distinctly to the market as a source of individual welfare. Help from the state—selective and on a small scale—is only directed towards a narrow group of those most in need, identified according to specified income or wealth criteria. The degree of de-commodification is therefore low, social rights are limited, and the social stratification system created means a class and political division of society into two groups: the poorest, making use of the state's help, and all the rest, who—with different levels of success—seek opportunities for achieving their life plans via the market. In the conservative model, the degree of commodification is moderate. This model was shaped on the one hand by the legacy of Catholicism in social policy, and on the other—by powerful traditions of etatism and corporatism. Hence the state, and not the market, is the guarantor of social security and the provider of the appropriate benefits, although they maintain the existing social structure and differences in class and status (as well as the traditional model of the family). In the social-democratic model the degree of de-commodification is high. Universalism is in effect both in regard to the scope and the nature of the high-standard social benefits available to individuals as civil rights (within this universalism there is negation of the structural division between working class and middle class). The task of the state is not only to help individuals cope with problems created by the market, but also with those whose source may be the traditional family. An individual's prosperity cannot depend on the prosperity of the family, which is why support for individuals' self-reliance is crucial—for example for women in their attempts related to reconciling the roles of moth-

Europe, *Journal of European Social Policy* 6(1), 1996; G. Bonoli, Classifying welfare states: a two dimensional approach, *Journal of Social Policy* 26(3), 1997.

²⁹ G. Esping-Andersen, *The Three Worlds of Welfare Capitalism*—Polity Press, Cambridge 1990.

³⁰ Matching the countries analysed to specific models may at times cause some doubt, for example due to the eclectic nature of their social policy. However, if one were to seek empirical examples corresponding well to the characteristics of the ideal types of welfare state, then in the case of the liberal model it would be the United States; for the conservative model – Germany; and for the social-democratic model—Sweden. For a broader look at critical analysis of the significance of the classification proposed by Esping-Andersen, cf. e.g. L. Scruggs, J. Allan, Welfare-State De-commodification in 18 OECD Countries: A Replication and Revision, *Journal of European Social Policy* 16(1), 2006.

er and employee. Such a highly-developed system of solidarism obviously requires a high level of occupational activity by all members of society.³¹

It is obvious that individuals' standing on the social ladder of prosperity and prestige, in a situation in which they would be faced with the choice of the welfare state model that should accompany them in the realising of their life plans, would definitely have an impact on the decision taken by them. However, if that factor of arbitrariness were to be excluded by applying something along the lines of Rawls' veil of ignorance, how would that choice look then? Being unaware of one's own talents, one's social and material status, would undoubtedly determine greater care for the building of an institutional framework providing strong support for those gifted least by fate with qualities giving them an advantage in the market society, and so in practice those who face an incomparably greater threat than the rest of finding themselves within the group of the poor. Therefore it would have to be a welfare state effectively combatting poverty. If one is to accept that the veil of ignorance would be so tight that individuals would not realise in what phase of their life cycle they would be 'transferred' to the real world, then rationality would demand one to see as desirable that model of the welfare state eliminating poverty in relation to all phases of the life cycle, meaning in childhood, adulthood and old age. To put it in other words, not only the model of the welfare state not reducing poverty significantly would be not particularly interesting—at least for individuals behaving rationally and showing an aversion to risk—but so too would that significantly differentiating its efforts in such activeness in regard to the different stages of the life cycle. If a certain diversity seems admissible in this case, it is only in the direction of accentuating the need for fighting poverty among children, since this period of life in particular determines the creation of certain cognitive and social skills, critical for the sense of one's own worth and dignity, and having a bearing on the perspectives that open up before individuals at the moment when they become entities responsible for their own lives.

In the procedure presented for choosing the best variant of the welfare state, the social-democratic model comes across as its favourite, since of all the varieties of welfare state it features the lowest levels of poverty for the whole population, and—most importantly—also the smallest scope of poverty among children. Only if individuals were in possession of knowledge of their belonging to the group of older people could there be a switch to the conservative model, while in no case are the liberal or Mediterranean models attractive.

The modular disparities between the welfare states are not limited solely to their effectiveness at reducing the likelihood of individuals finding themselves in the group of the poor. They are already evident at the most general level—in the scale of social resources engaged in the process of caring redistribution. The social-democratic and liberal models present two different extremes in this matter, resulting respectively in the highest and lowest share

³¹ G. Esping-Andersen, *op. cit.*: 26–29.

of public social expenditure in GNP. How does this activity by the state fit with the theories of justice?

A pragmatic interpretation of Rawls' difference principle leads to approval of broad redistribution with the application of progressive taxation of income, thereby reducing income inequalities in the community. However, according to Rawls' intention, this is a description of the 'least unjust scheme [of redistribution]'.³² If one were to compare this pragmatism to reality, then its fullest embodiment would be in the politics of the social-democratic welfare state. The thing is, though, that one has to bear in mind that Rawls' goal was to present the ideal system. In the perfect view—meaning that shaped by a property-owning democracy—just institutions in its basic structure would as it were guarantee by themselves the conformity of the market spread of distributive shares with the difference principle.³³ Then a highly redistributive state also seems unnecessary, as the only fundamental issue remains retention of the basic structure in its proper form, while the progressive tax system can most probably be discarded in favour of a system of proportional taxation of consumption.³⁴

Dworkin's concept—in regard to choosing the welfare state model closest to it—gives results similar to the pragmatic approach to Rawls' theory. If only one assumes that on a hypothetical insurance market most individuals would be interested in security against the risk of finding themselves within the group of the poor, then the real-life economic system, in order to be fair, must make fighting poverty one of its priorities, and likewise the reduction of income and wealth inequalities. To use Dworkin's terminology, such activity is nothing other than the realisation of programmes generating 'dominating improvements' in the sphere of equality.³⁵ These improvements mean a reduction in the deficits of equality among some members of the community without increasing such deficits (related to resources and/or liberties) for anybody else, while the said deficits describe—in the simplest of terms possible—the deficit of resources possessed in the real world in relation to those in the possession of individuals as a result of a hypothetical auction, or in the case of liberties—the degree to which the ability to do or achieve something has been reduced in comparison to that ability in the situation of perfectly egalitarian distribution.³⁶ Although it would be difficult to translate into practical language the terms corresponding to the ideal allocation of resources (and this should rather be treated as a postulate impossible to fulfil), indicating the right directions of measures reducing the injustice in the real social order does not constitute a problem, bringing the world's condition closer to that described using the set of 'defensible egalitarian distributions',³⁷

³² J. Rawls, *A Theory of...*: 279.

³³ *Ibidem*: 79, 82; cf. W. Kymlicka, *op. cit.*: 100–101, n. 18.

³⁴ J. Rawls, *A Theory of...*: 278–279.

³⁵ R. Dworkin, *Sovereign Virtue: the Theory and Practice of Equality*, HUP, Cambridge, Mass., 2000: 168.

³⁶ *Ibidem*: 165–166.

³⁷ *Ibidem*: 169.

or in other words—using the language of economics—using simply *second best* type solutions.

In the space of valuations thus outlined, increasing the tax burdens on rich individuals and the broad-based redistribution of social resources from this group to very poor individuals are most definitely indicated as tools for reducing the above-mentioned deficits in equality. However, one cannot speak of any kind of deficit in the freedom of better-off individuals arising as a result, although one can imagine certain limits to such activity by the state, limits placed for example by a system of stimuli discouraging economic activity among individuals encumbered with tax burdens growing excessively. Nevertheless, setting this limit precisely is equally as unachievable as a society organised with perfect fairness, and is clearly a matter of trial and error in the practical aspect of economic policy, moreover bringing different results in time and space.

As has already been said, Dworkin's concept 'harmonises' sufficiently well with real areas of activity in the social-democratic welfare state, which cannot be said for the liberal model. The complications in his deliberations are to blame mainly on the political factor, as only when this is taken into account can one take a realistic look at reality.³⁸ After all, what can one do if the unjust distribution of wealth translates to the undeserved advantage of a few individuals in access to specific resources, while at the same time they possess the political power to maintain the *status quo*? A good example in this case is healthcare in the United States. On the one hand practically only wealthy individuals have access to full, professional, private health care, while on the other dozens of millions of citizens have only marginal protection through health insurance or do not have any such protection at all.³⁹ At the same time it is politically impossible to force through the kind of health-care policy that would match the demands of defensible egalitarian distribution, for example through the creation of a totally private market of medical services with a system of insurance built from general tax revenues, allowing for the insuring of individuals with average earnings on the private insurance market, or via the creation of public health care rendering services at a standard similar to those of coexisting private entities.⁴⁰ In this situation, then—theoretically—egalitarian concerns would justify limitation of the mentioned advantage via, for example, prohibiting the purchase of private services where health care is concerned. However, the categorical nature of this recommendation gives rise to opposition, since there is no doubt that it means restricting freedom of choice, all the more significant as it does not match the requirements of the dominating improvement, as it brings in a

³⁸ Ibidem: 172–175.

³⁹ One of the effects of the specific composition of the healthcare system in the USA is that of the prices for its health services, disproportionately high in relation to other countries. For more, cf. e.g. G.F. Anderson, U.E. Reinhardt, P.S. Hussey, V. Petrosyan, It's the prices, stupid: why the United States is so different from other countries, in: *Health Affairs* 22(3), 2003; S. Glied, Health care costs: on the rise again, *Journal of Economic Perspectives* 17(2), 2003; N. Barr, *The Economics of the Welfare State*, 4th ed., OUP, Oxford 2004: 274–276 and 282–285.

⁴⁰ R. Dworkin, *Sovereign Virtue...*: 177.

deficit of freedom. After all, both with perfectly egalitarian distribution and also the *second best* kind, restrictions of this kind are unacceptable, and individuals equipped with freedom of choice could, without any constraints, opt for private medical services. What, therefore, is the conclusion? Namely, that in a community organised to be fair, equality and freedom require each other and do not contract each other, while a conflict between these two values is a highly likely element of the actual—unfair—social order.

V. INEQUALITIES AS A MOTIVATING FACTOR?

Although the redistribution of resources improves the position of individuals in the worst situation, assessment of the fairness of specific models of the welfare state in view of the scale of the scope to which the public authorities amend the results of market processes is far from sufficient, and could even—at least theoretically—be wrong. After all, equally important is in what scope and of what type the state's measures constitute a specific springboard for realising individuals' visions of a good life.⁴¹ And what if inequalities in income, fulfilling the role—as, for example, Friedrich Hayek⁴² argues—of a factor motivating individuals to be more active, to intensify their efforts towards improving their own standing, were to constitute such a springboard? Then the minimal welfare state would not necessarily render individuals' self-fulfilment impossible, while Rawls' idea of justice could successfully constitute justification of the liberal model of the welfare state—as long as the inequalities really would be favourable for those situated at the bottom of the social ladder.

So could one therefore use inequalities 'driving' individuals to strive for an improvement in their existence really be used as an argument for limited state activity in regard to the redistribution of resources? Although it is theoretically admissible, real life does not provide convincing evidence to support such a thesis. If one were to take, as a measure of fairness within the community, the individual's possibilities of climbing in terms of social roles that—thanks to their skills and effort—the individual could play, then the liberal welfare state comes across as a tool for maintaining rather than breaking down the social positions that people occupy. Data on intergenerational mobility reveals an advantage here held by those countries implementing the social-democratic model of the welfare state over those attributed, for example, to the liberal model.⁴³ One of the fundamental elements restricting

⁴¹ Y. Shionoya, *Economy and Morality. The Philosophy of the Welfare State*, Edward Elgar, Cheltenham 2005: 216.

⁴² F.A. Hayek, The mirage of social justice, in: idem, *Law, Legislation and Liberty: A New Statement of the Liberal Principles of Justice and Political Economy*, Routledge, London 1993: 71–72.

⁴³ G. Solon, Cross-country differences in intergenerational earnings mobility, in: *Journal of Economic Perspectives* 16(3), 2002; *Society at a Glance. OECD Social Indicators, 2006 edition*, OECD Publishing, Paris 2006: 74–75; M. Corak, Income inequality, equality of opportunity, and intergenerational mobility, *International Journal of Economic Perspectives* 27(3), 2013; P. Brunori, F.H.G. Ferreira, V. Peragine, Inequality of opportunity, income inequality and eco-

the possibilities of social climbing is not so much that of income inequalities in themselves as the related inequalities in access to education, health and public services (resulting from these areas of society being subjected to market forces). Therefore significant income inequalities cannot be treated as a painful but essential price paid in the hope of achieving better prospects for the entire community in the longer term.

The crux of the problem is that the individual's autonomous choice of lifestyle is not purely a matter of their inclination but also of the resources in their possession. The more space there is for inequality, and so *de facto* for the forces perpetuating the *status quo*, the greater the problem and the more difficult it is for the individual to overcome it. The specifics of the liberal model of the welfare state and the factors that define it—starting from large inequalities in income, the significant scale of poverty and its durability, fragmentariness and selectiveness, and the poor addressing of social benefits, via the health care system with its high prices for health services and disproportions in their quality determined by the legal form of their provider, to higher education largely financed by private entities—do not allow for overcoming the negative determinants resulting naturally, for example from random fate placing an individual in a specific, unfavourable social environment.

VI. CLOSING REMARKS

The welfare state may be perceived as an effect of aiming for a fair social order, of striving to accomplish a certain common minimum in constructing a well-organised community generated through a sense of fairness in contemporary societies, defining moral obligations at least towards those members of the community whose social position is the weakest. The idea of the welfare state, because it acknowledges the freedom and autonomy of the individual as being of value, therefore fits very well into the understanding of a justly organised collectivity from the perspective of liberal egalitarianism. After all, Rawls' admissibility of inequalities is conditioned by their positive impact on the position of those individuals who are the weakest economically. Concern for those at the bottom of the social ladder also lies at the foundations of Dworkin's concept.

The deliberations in the article allow one to assert that the social-democratic welfare state, though not perfectly, fulfils to the greatest degree the vision both authors had in regard to how a well-organised society should look. What is more, although one could imagine, albeit undoubtedly remaining very cautious, applying the ideas of Rawls (and Dworkin as well) for supporting the liberal model in regard to the first decades of the post-war welfare state, from the nineteen-eighties onwards such an interpretation becomes impossible. Over the past thirty years, due among other things to the technological changes and deregulating processes resulting from the success of ne-

conomic mobility: some international comparisons, in: *Policy Research Working Paper 6304*, World Bank, Washington 2013.

oliberal doctrine, not only have inequalities begun to grow to dimensions only seen before at the turn of the twentieth century, but also the increase in income has applied largely only to the group of those with the highest levels of income, while the gains for those individuals at the bottom of the income ladder from the social and economic transformations (measured by an increase in real income) have been minimal.⁴⁴ Despite economic growth, the division of the benefits flowing from it—from the point of view of the idea of liberal egalitarianism—has lost absolutely all attributes of fair division.⁴⁵

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JUSTICE IN LIBERAL EGALITARIANISM. SOME NOTES
ON THE PHILOSOPHICAL JUSTIFICATION OF A CONTEMPORARY WELFARE STATE

S u m m a r y

The existence of the welfare state can be justified by economic and political arguments as well as philosophical ones. The paper analyses the liberal-egalitarian view on distributive justice and hence on the philosophical justification of the welfare state, based on two most influential egalitarian concepts: Rawls's theory of justice as fairness and Dworkin's equality of resources theory. The aim of this article was to evaluate the welfare state regimes in the light of requirements of both theories that just society must satisfy. It is argued that with respect to the individual capacity to formulate, rationally pursue, and revise one's life plans, the social-democratic (Nordic model) may be deemed as the only regime capable of being accepted from the egalitarian perspective.

⁴⁴ *In It Together: Why Less Inequality Benefits All*, OECD Publishing, Paris 2015; *The World Wealth and Income Database*, <<http://www.wid.world/>> [accessed: 5.10.2016].

⁴⁵ The inequalities growing today are also having a decidedly unfavourable on the pace and durability of economic growth (while redistribution does not necessarily have to harm growth). Cf. D. Ostry, A. Berg, C.G. Tsangarides, Redistribution, Inequality, and Growth, in: *IMF Staff Discussion Note 14/02*, IMF, Washington 2014; E. Dabla-Norris, K. Kochhar, F. Ricka, N. Suphaphiphat, E. Tsounta, Causes and Consequences of Income Inequality: A Global Perspective, in: *IMF Staff Discussion Note 15/13*, International Monetary Fund, Washington 2015; *In It Together: Why Less...*, ch. 2: 59–100.