

JUSTICE

Lecture 19 – Justice and the social ethos

1. How can today's large economic inequalities be justified?
 - a. Moral desert: the rich morally deserve their earnings?
 - b. Entitlement: the rich are entitled to their earnings (through, e.g., voluntary transfers)?
 - c. General utility: the system of inequality maximizes aggregate welfare?
2. Rawls (and other egalitarian liberals) reject these justifications
3. A different argument for inequality
 - a. The general version: an inequality is just if it's necessary to benefit the worst-off
 - b. The "incentives" version: "talented people will produce more than they otherwise would if, and only if, they are paid more than an ordinary wage, and some of the extra that they will then produce can be recruited on behalf of the worst off" (Cohen, p. 119).
4. Rawls appears to accept both versions of this argument
 - a. According to the Difference Principle, an inequality is just if and only if it's necessary to benefit the worst off ["if lowering it would make the working class even more worse off" (Rawls, *A Theory of Justice*, §13)]
 - b. Rawls thinks that inequalities *do* count as fully just under the Difference Principle if they "act as incentives" for the talented wealthy ("members of the entrepreneurial class") to work harder/in ways that "raise the prospects of the laboring class" (Rawls, *A Theory of Justice*, §13)
5. G. A. Cohen's critique of the "incentives" version of the argument
 - a. The argument stated
 - i. Inequality is just when it's necessary to benefit the worst-off
 - ii. When the top marginal tax rate is 35%,
 1. the talented wealthy produce more than they would if the top rate were higher,
 2. As a result, the worst-off are better off than they would be if the top rate were higher. (Although the *distance* between rich and poor might be reduced under a higher top rate, in absolute terms the worst-off would be even worse off under a higher rate.)
 - iii. Therefore, the top marginal tax rate should not be raised from 35 percent
 - b. Cohen's critique of the argument
 - i. The argument might look persuasive when stated in impersonal form
 - ii. But the argument cannot be offered by a talented rich person to a poor person as justification for giving greater rewards to the former
 1. It's the rich person who *makes it true* that he will work less if taxes go up
 2. Therefore, the fact that he will work less is a good justification only if he can justify it (analogy to the kidnapper: Cohen, p. 122, footnote 15)

3. But,
 - a. He cannot appeal to moral desert or entitlement
 - b. He is supposed to affirm the Difference Principle, and hence to believe that inequality is just only if it's *necessary* to benefit worst-off
 - i. Is the inequality strictly necessary, independently of his will?
 - ii. Or is it necessary only because he will *decide* to work less productively unless he is paid much more than everyone else?
 - c. The two lessons Cohen draws from this critique:
 - i. "The difference principle can justify inequality only in a society where not everyone accepts that principle" (p. 123)
 1. Unequal, higher salaries for talented people are necessary to benefit the worst-off only when talented people refuse "to work for ordinary rewards as productively as they do for exceptionally high ones"
 - ii. "A society that is just within the terms of the Difference Principle requires not simply just coercive *rules*, but also an *ethos* of justice that informs individual choices." (p. 123)
 1. If the talented are not willing to work equally productively for an average wage, then the tax system will have to assign them *above-average* rewards in order to improve the position of the worst-off
 2. But then there will be inequalities that are not strictly necessary to benefit the worst-off: after all, had the talented agreed to work equally productively for an average wage, the worst-off would be (even) better off
 3. Thus, there will be no inequalities that are not necessary to benefit the worst-off only if *both* the tax system (etc) *and* the economic choices of talented people are "appropriately influenced by the difference principle."
6. The "basic structure objection" to Cohen's critique
 - a. The "primary subject" of justice is the "basic structure of society": its major institutions
 - b. Principles of justice constrain the choice of (coercive) institutions that comprise this structure
 - c. Principles of justice do not constrain the individual choices that are left open by just institutions
7. Cohen's main reply to the "basic structure objection"
 - a. The main reason for focusing on the basic structure is that its effects are so profound
 - b. But, the ethos of society *also* has profound effects on people's lives
 - i. The prevailing norms and expectations of family life (e.g., who is expected to do the bulk of the housework)
 - ii. The prevailing market ethos (e.g., how socially acceptable it is for talented CEOs to press relentlessly for higher executive compensation at the expense of low-paid workers)
 - c. Therefore, principles of justice must also govern society's ethos and (?) the individual choices that constitute and reinforce this ethos

Cohen, G. A. *Rescuing Justice and Equality*. Harvard University Press, 2008. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <http://ocw.mit.edu/fairuse>.

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