

# Poverty and Justice

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# Structure of the presentation

(A) *Justice* in the economic policy debate

(B) *Justice* in the history of philosophy

(C) Inheritances and *principles of justice*

Two key messages:  
„*Myth of ownership*“ and deficient  
public deliberation

- (1) Abandon the presumption of the moral significance of a pretax world
- (2) Follow the ideological elements in expertise -> arbitrary use of the notion of justice

**(A) Economic policy debate**

# (A.1) Common sense idea on **poverty** and justice

- 1) *It is **unjust** that there are so many people living in poverty*
- 2) *We **have** to help them*
- 3) *Let us discuss **how** we can help them*

## (A.2) Common sense idea on poverty and *justice*

- Meaning of social justice remains obscure
- However, justice helps us to strengthen our claims
- And allows us to make comparisons (among taxes, expenditures...)

# (A.3) Economic policy and philosophy

- Deliberation on the issue of legitimization of inequality is actually deficient:

property rights are used to rule out distributive justice

a laissez-faire conception of justice dominates: a rather humanitarian focus, *don't let them die*; publicly financed minimum

artificial separation of justice of tax burden from justice of the pattern of government expenditures

appeals to justice are usually mixed with appeals to self interest

unjustified intuitions on justice play a huge role

## (A.4) *justice* in economic policy debates (3 quotes)

- „*Im steirischen Böhler-Werk sind derzeit fast alle 1700 Beschäftigten auf Kurzarbeit gesetzt; Wer in einem kleineren Unternehmen arbeitslos wird, kann sich dagegen brausen gehen.*“ (“**Soziale Gerechtigkeit 2010**“; Christian Ortner)
- „*Darüber hinaus ist die **Erbschaftssteuer sozial ungerecht**, weil nur der Mittelstand zahlt und die Großen es sich ohnehin legal richten können,*“ (Andreas Khol)
- „*I just don't think it's fair to **tax people's assets twice** regardless of your status. **It's a fairness issue.** It's an issue of principle, not politics“ (estate tax, George W. Bush)*

## (A.5) Disadvantages

- > arbitrary research units: persons, households, groups, generations...
- > arbitrary comparisons
- > arbitrary scope: mostly rather limited; modern theories of social justice would refer to a just society

(B) *Justice* in the history of  
philosophy

*an eclectic selection of  
a few philosophical elements useful for  
recent economic policy debates*

## (B.1) Plato: *diminishing inequality*

- A city that contains wealth and poverty is really two cities “*opposed to one another*”
- “*A city of the poor and a city of the rich*”

(Plato, Republic, 422e-423a)

- > Not about justice but about social harmony
- > No obligation of the government to eradicate poverty
- > wealth of the poor and the rich should not differ to much

## (B.2) Aristoteles: *merits*

- Ancient principle of distributive justice calls for deserving people to be rewarded in accordance with their merits
- modern principle: distribution independent of merit
- -> *Thomas Morus (Utopia): hard work of the poor entitles them to more wealth*

# *(B.3) Rousseau: Inequality arising from the institution of property*

- Rousseau: great wealth and poverty will cause „*mutual hatred among citizens*“ and „*indifference to the common cause*“
  - Aim: „*Protecting the poor against the tyranny of the rich*“
- > sharply separated the state of nature from the state of human beings in society

Rousseau, Jean-Jacques, *A Discourse on Political Economy* in „*the Social Contract and Discourses*“

## (B.4) Babeuf: *Right to equal economic status*

- Nature gives everybody an equal right to the enjoyment of all wealth; Direct line from the natural right of equal wealth to the demand that society equalize wealth
- *„the aim of society is to defend this equality, often attacked by the strong and the wicked in the state of nature, and to increase, by the cooperation of all, this enjoyment“*
- Not living in poverty is a political right; a right of all people to a certain socioeconomic status

## (B.5) Nozick: *Against distributive justice*

- Nobody has a right to any material goods other than those she has acquired as private property
- Robert Nozick 1974, *Anarchy, State and Utopia*, Basic Books

## (B.6) Sen: *The idea of justice*

- No transcendental approach necessary
- „*How would justice be advanced? And not, what would be perfectly just institutions*“

Amartya Sen 2009, *The idea of Justice*  
Harvard University Press

## (B.5) Miller: *pluralistic concept of social justice*

argues that principles of justice are contextually  
Because modern societies are complex, the theory  
of justice must be complex, too  
three primary components in Miller's scheme are  
the **principles of desert, need, and equality.**

David Miller 1999, *Principles of Social Justice*,  
Harvard University Press

# Take from the rich and give it to the poor?

- Reference is not, *what is already theirs*, but how to determine what should count as theirs: purely conventional conception of property
- Large economic inequalities are objectionable independly of lifting the economic living standard of the poor: e.g. ruinous status competition
- Tolerance to inequality results from the idea of its inevitability: *the rich will move away*
- Conceptual work to operationalise the merit principle is necessary

# (C) Inheritances and taxation

If we are serious about redistribution than a focus on wealth is necessary because that is where the money is

# Inheritances and justice

Legitimizing abolishment of an inheritance tax on the basis of fairness arguments (double taxation, middle class, family property)

- Reference to justice principles: a perverted principle of equality (not merit, not needs)
- high concentration of Gini-coefficient in Austria: 0,94

# Suggestions of my presentation

- Avoid positivism: dichotomy of facts (about poverty) and values (about justice)
- Avoid an arbitrary concept of justice
- Avoid a narrow focus on taxation justice

# Conclusion

- Relational thinking necessary: poverty and wealth (inequality) should be the topic
- The scope has to be broad: not tax justice but social justice
- Principles of justice: making it explicit