

# Rawls & Justice as Fairness

Choice, Commerce, and Conflict  
Ryan Doody

## AGORA LECTURE: Jeremy Waldron

**Friday, November 12th 6pm Eastern Time**

Professor Jeremy Waldron (NYU)

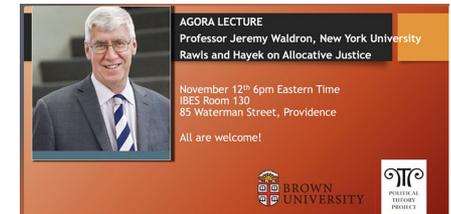
IBES Room 130

85 Waterman Street, Providence

He will discuss “Rawls and Hayek on Allocative Justice”

All are welcome!

(No Zoom link, but it will be available on YouTube a week or so after.)



## Activity:

Wealth Inequality in the U.S. - What's Real vs What's Ideal?

## Activity: Wealth Inequality in the U.S.

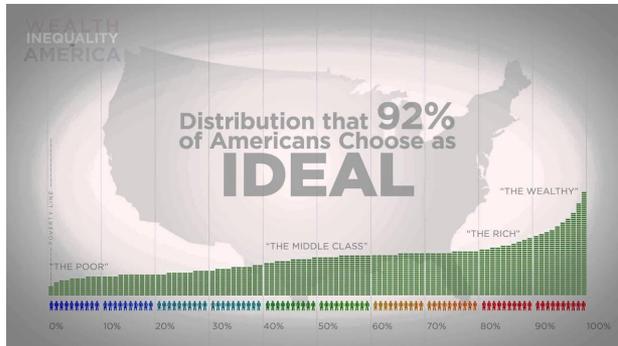
### What's Real vs What's Ideal?

In groups, discuss the following two questions:

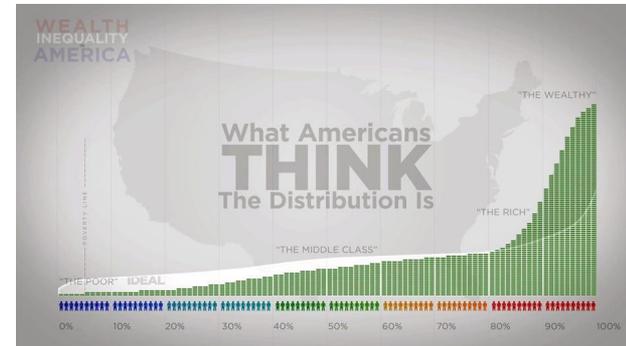
1. How is wealth distributed in the U.S.?
2. Ideally, how *should* wealth be distributed in the U.S.?



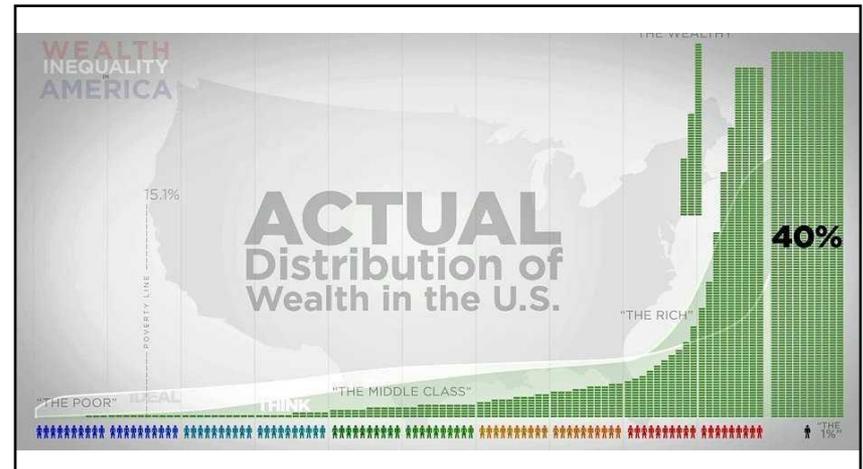
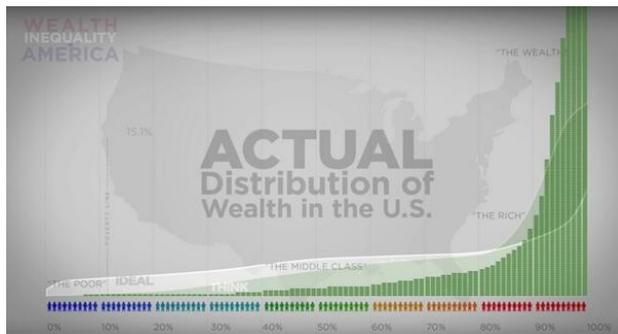
## What's the Ideal Wealth Distribution?



## What Do Americans THINK it looks like?



## What Is the ACTUAL Distribution of Wealth?



## Review:

# Piketty on Inequality

$$r > g$$

## Patrimonial Capitalism

## Piketty on Inequality

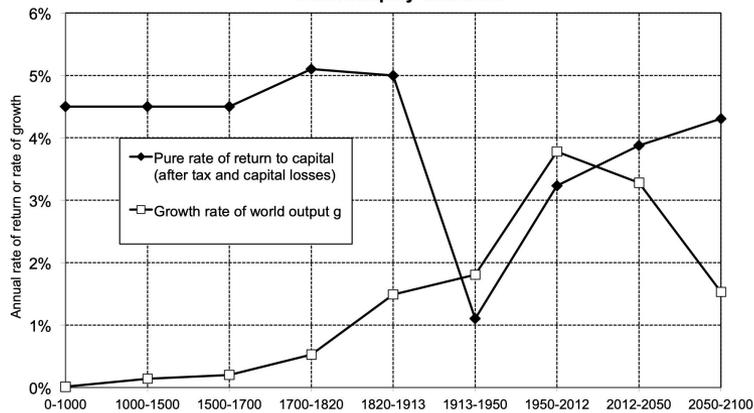
What does Piketty do in the book?

- $r > g$   
The rate of return on capital is greater than growth
- **Inherited wealth** grows faster than **income**

Result: **Patrimonial Capitalism**

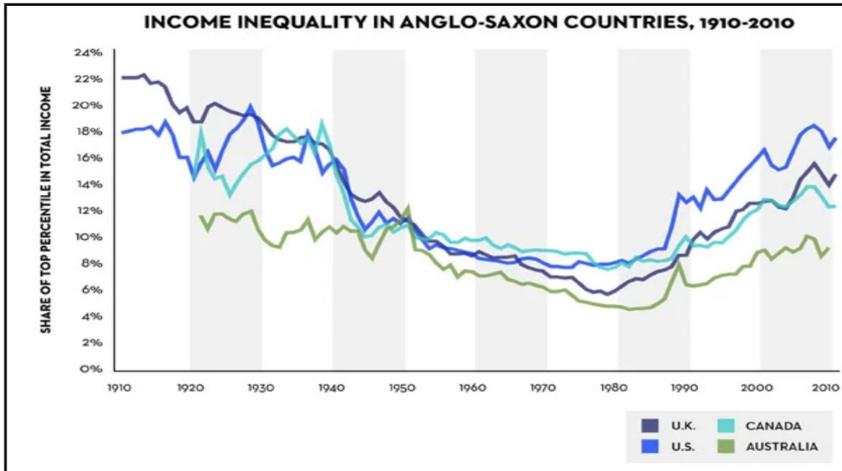


Figure 10.10. After tax rate of return vs. growth rate at the world level, from Antiquity until 2100



INCOME INEQUALITY IN THE UNITED STATES, 1910-2010





## Piketty on Inequality

Piketty compiles a lot of historical data about wealth inequality across the world.

### The U-shaped Curve

What explains the U-shape?



What (if anything) is so bad about economic inequality?

## Piketty on Inequality

### Patrimonial Capitalism:

"Under such conditions, it is almost inevitable that inherited wealth will dominate wealth amassed from a lifetime's labor by a wide margin, and the concentration of capital will attain extremely high levels — *levels potentially incompatible with the meritocratic values and principles of social justice fundamental to modern democratic societies.*" [pg. 26 (emphasis added)]



The **meritocratic values** and **principles of social justice** fundamental to modern **democratic societies**.

## Piketty on Inequality

Patrimonial Capitalism:



When the rate of return on capital exceeds the rate of growth of output and income, as it did in the nineteenth century and seems quite likely to do again in the twenty-first, capitalism automatically generates arbitrary and unsustainable inequalities that radically undermine the meritocratic values on which democratic societies are based. (Piketty 2014, 1)

**Arbitrary and unsustainable inequalities**

**Arbitrary and Unsustainable Inequalities**

## What's So Bad About Inequality (Piketty)

1. It's a threat to our **democratic values**.

In a democracy, there must be *political equality*. Is rampant economic inequality compatible with that?

2. It isn't **meritocratic** (and thus undermines opportunities for social mobility).

It's unfair (and unproductive) for some to have greater opportunities than others.

3. It is **unsustainable**: in the limit, it undermines economic growth (which hurts everyone).

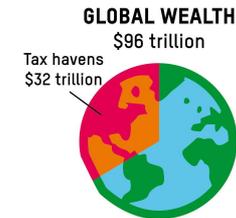
It particularly harms the least well-off.

# What (if anything) Can Be Done?

## Piketty on Inequality

Piketty's proposed solution:

### A Progressive Global Wealth Tax

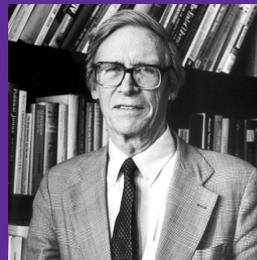


Missing tax revenues = \$189 billion

Source: <http://www.oxford.org.uk/blog/2012/12/how-rich-100-people-enough-to-end-poverty-for-3-bn-see>

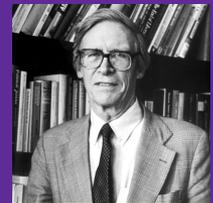


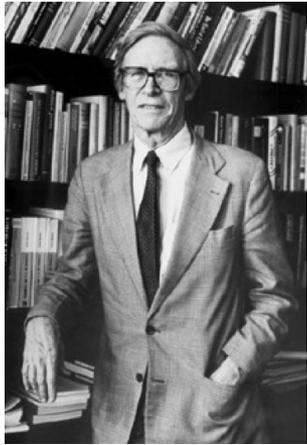
## Rawls



## Key Ideas:

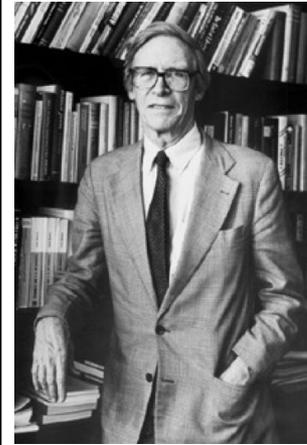
Distribution Principles  
Two Principles of Justice  
The Original Position  
Veil of Ignorance





## John Rawls

American Philosopher  
1921 - 2002



### Idea Behind Justice As Fairness:

"Once we decide to look for a conception of justice that prevents the use of the *accidents of natural endowment* and the *contingencies of social circumstance* as counters in a quest for political and economic advantage, we are led to [Rawls' Principles of Justice]. They express the result of leaving aside those aspects of the social world that seem *arbitrary from a moral point of view*." [14]

### JUSTICE AS FAIRNESS

1. **Equal Rights:** Each person is to be granted an equal right to the most extensive basic liberty compatible with a similar liberty for everyone else.
2. **Social Inequality:** Social and economic inequalities are to be arranged so that they are ...
  - (a) ... attached to positions and offices open to all under conditions of fair equality of opportunity (*Equal Opportunity*);
  - (b) ... to the greatest expected benefit of the least advantaged (*The Difference Principle*).

### Two Principles of Justice

1. What do these two principles say?
2. Why think that these two principles are the correct principles of justice?
3. What would a society that obeys those two principles look like?

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## Two Principles of Justice

### 1. What do these two principles say?

- (a) Extensive Basic Liberties for everyone.
- (b) Equal Opportunity
- (c) The Difference Principle

**The Second Principle of Justice:** "social and economic inequalities are to be arranged so that they are both [2.(b)] reasonably expected to be to *everyone's advantage*, and [2.(a)] attached to positions and offices *open to all*." [Theory of Justice, 53]

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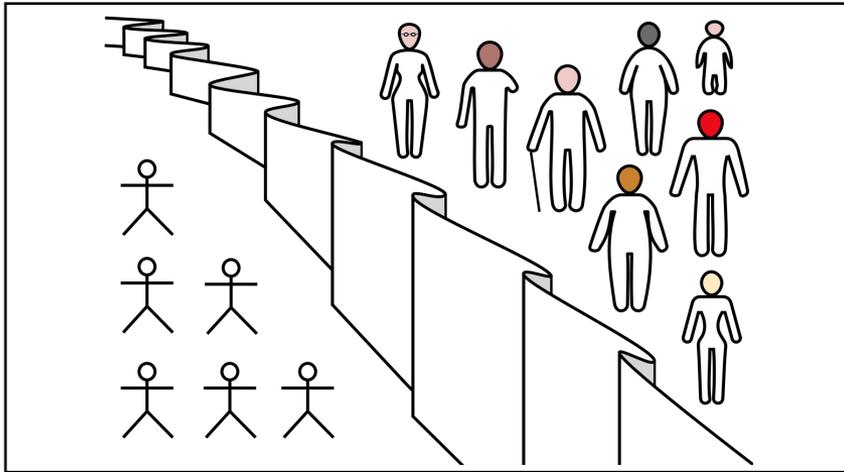
## Two Principles of Justice

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The Original  
Position



## The Original Position

“By ensuring that no one knows his or her place in society ... the veil of ignorance ensures that no one can advantage, even unwittingly, of a favorable bargaining position” (A Theory of Justice)

- A **fair** and **impartial** point of view from which we deliberate about the principles of justice that should govern a fair society.
- We are to imagine ourselves deliberating **without knowing** anything about our talents, abilities, gender, religious views, sexual orientation etc.
- We do know fundamental facts about science, economics, psychology, and so forth.

## What Principles Would We Choose?

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DECISION IN THE ORIGINAL POSITION			
	Person X	Person Y	Person Z
Society A	10	10	10
Society B	12	13	14
Society C	5	10	25
Society D	2	9	100

You don't know who you are (Person X? Person Y? Person Z?)

Which society should you choose to bring about?

**Rawls:** in this decision situation, you should *MaxiMin*.

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Which society should you choose to bring about?

**The society in which the worst off is doing best.**

## Argument for the Difference Principle

The natural talents we are born with are a matter of luck. They are **arbitrary** from the **moral point of view**.

Therefore, those who are talented do not **deserve** more of the 'pie' just because they had good luck.

But, the least-advantaged benefit from encouraging the development and exercise of some of those talents. (e.g. teachers, doctors, etc.)

Therefore, it is in the interests of the least well-off that there be an unequal distribution of resources that rewards and encourages that pool of talent.

## Why the Least-Advantaged?

A society is organized fairly when its principles can be justified **even** to the worst off in society.

From the original position, we are concerned with coming up with a social contract whose justification can be appreciated by everyone in society.

Inequalities that obey **The Difference Principle** can be justified even to the least-advantaged.

## Why the Least-Advantaged?

Inequalities that obey **The Difference Principle** can be justified even to the least-advantaged.

“Without that inequality, you’d be even worse-off!”

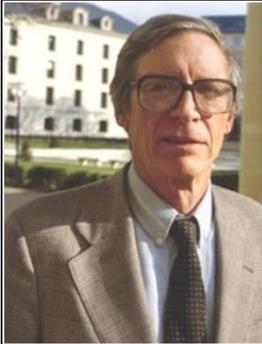
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## The Rawlsian Utopia

- Everyone is guaranteed an **extensive set of basic liberties**.
- **Fair Equality of Opportunity**: people with the same natural talents have comparable life chances.
- What economic inequalities there are obey **The Difference Principle**: they are to the expected benefit of the least advantaged.

## The Rawlsian Utopia



A just society is a society that if you knew everything about it, you'd be willing to enter it in a random place.

— John Rawls —

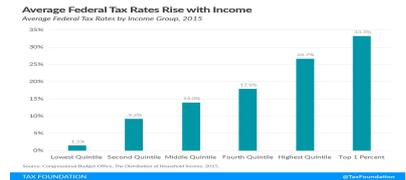
AZ QUOTES

## The Rawlsian Utopia

A Regulated Market

Redistributive Taxation

Social welfare programs (A wide and secure social safety net)



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— John Rawls —

AZ QUOTES

Questions?