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## Arguing for Economic Equality

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ARGUING FOR ECONOMIC  
EQUALITY



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# **ARGUING FOR ECONOMIC EQUALITY**

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## ARGUING FOR ECONOMIC EQUALITY

Egalitarians suffer from a typical philosophical confusion. We know that we believe in equality, but we don't seem to be able to say what equality is. Part of the reason, no doubt, is that there are genuine disputes about what equality involves. But in the first part of this paper, I will argue that a central reason is that egalitarianism is a rather complex system of beliefs which upsets several philosophical prejudices. Various pictures 'hold us captive', so that we are unable to see the character of the belief-system before us.<sup>1</sup> By uncovering this complexity and these prejudices we may hope to avoid the idea that egalitarianism *must* be of a certain form. We will then be free to engage in the really difficult work of giving an adequate account of what egalitarianism is. The second part of this paper is an attempt to do some of this work in connection with the idea of economic equality. In Part III, I say a little about how I would argue in favour of the conception of economic equality so developed.<sup>2</sup>

## PART I: What equality is not

### I.1. Egalitarianism is not a belief in a single principle

The first prejudice philosophers are likely to have is the idea that egalitarianism must be a belief in a single principle. Nobody would think that about Christianity or Buddhism, but then they have the advantage that their names derive from the name of a founder and not a concept. Yet these examples remind us that names of systems of belief are inevitably forms of shorthand. They need to be deciphered.

What, then, are we to make of the name 'egalitarianism'? Not that it is a belief in a single, simple thing called equality, but that the beliefs it involves do somehow derive from or revolve around that concept. It is perfectly intelligible to suppose that egalitarianism comprises a number of beliefs, each of which can be construed somehow as a principle of equality. There is no need for them to have any more in common than that (cf. PI 65).

If we look at the beliefs of people who consider themselves egalitarians, we actually

find a variety of principles. Here are some of the beliefs I'd include (see Baker 1987: ch.1)

(1) Everyone has the right to the satisfaction of their basic needs; in a good society everyone would have not just a bearable existence, but the prospect of a satisfying, fulfilling life.

(2) No one should be degraded or exploited. Everyone should have the same social status.

(3) There should be much more equality of income and wealth. There should be equality in production, involving democratic control of the economy and of the workplace, and the right of everyone to safe, dignified, useful, and engaging work. Everyone should be able to develop their individual talents in a satisfying and fulfilling way.

(4) Civil rights like free speech and free assembly should be defended, but institutions should be developed to give formal freedoms real bite, and to give their members equal power.

(5) No one should be treated worse than others because of their sex or sexual preference, their colour or culture, their religion or lack of it, or for any other irrelevant reason.



Of course, not every contemporary egalitarian will subscribe to just these beliefs, but I am reasonably confident that most real-life egalitarians would have a set of beliefs at this level of complexity.

Now, for many practical purposes, such a radical ideal might well be called an ideal of equality of outcome or condition, to distinguish it from weaker ideals. That can be a convenient and harmless way of summarizing a complex view. But when philosophers are confronted with this complexity, they tend to say that it is derivative of some more fundamental and simpler belief which is the essence of egalitarianism. The problem is that none of the candidates proposed for this role is up to the job. Consider the principle of equal well-being put forward by Mortimore (1968). It is a plausible principle, but it clearly goes considerably beyond the beliefs I have listed. Egalitarians, as far as I can see, are simply not committed to rectifying every cause of inequality of well-being (political frustration, expensive tastes, philosophical ennui) -- which is what makes these so useful to Dworkin (1981) in his attack on equal welfare. And although egalitarians are

sensitive to systematic or extreme differences in esteem, affection, job-satisfaction, and overall contentment with life, they are by no means committed to evening out these differences completely. All that can really plausibly be said is that some egalitarian beliefs involve something like equal well-being within limited spheres: for instance, the belief in satisfying basic needs might be construed as a belief that everyone should be brought up to the same level of basic well-being.<sup>3</sup>

If equal well-being is too strong a principle, then equality of resources in the form defended by Dworkin (1981) is too weak. Dworkin's theory is essentially a refinement of the liberal idea of equality of opportunity. Although he distances himself from what he calls the 'starting gate theory of justice', 'resources' here are still things which people use to further their interests in a manner which could lead to major inequalities of need-satisfaction, life-fulfilment, status, income, and economic power, and thus to results well outside what is typically countenanced by egalitarians. Dworkin rightly argues that any theory of equality must go beyond pre-analytic dogma, but his theory

moves so far away from everyday egalitarianism that it fails to count as an elucidation of that outlook at all.

A third single-principle theory is that everyone should have a roughly equal level of the kinds of thing Rawls (1972) calls primary social goods. By contrast with Dworkin, this could be seen as an equality of 'results' rather than of 'opportunity', although that terminology is not wholly satisfactory because some primary goods are themselves opportunities. It would include, for instance, equality of income and wealth, of access to health care and to educational provision, of political power, of social status. And surely this is closer to real-life egalitarianism than the two principles already considered. But it is still a long way from the truth. For instance, it does not adequately encompass a commitment to the satisfaction of very different needs, nor does it seem to make room for the egalitarian ideal that everyone should have access to a satisfying occupation and to an appropriate education. These areas of egalitarianism are all sensitive to differences between people which call for differences in material provision and therefore for differences in primary social goods. That



is only to say that the strengths and weaknesses of this principle are complementary to those of equal well-being. Equality of well-being takes into account too many personal differences, equality of goods too few.

There is no guarantee that other candidates for single-principle egalitarianism will meet the same fate, but the examples given so far should raise our suspicions.<sup>4</sup> For real-life egalitarianism manages to combine some of the aspects of each single principle it is supposed to be based on. It may be argued that such an eclecticism runs the risk of confusion and inconsistency, but that doesn't make equality impossible. If the context makes the content of an egalitarian's outlook reasonably clear, if the potential conflict among its elements is containable, and if there are theoretical resources available for sorting out particular conflicts in particular ways, egalitarianism can manage to survive. But where are these resources? Are they not part of egalitarianism itself? This brings me nicely to the second claim I wish to defend.

I.2. Egalitarianism is not a belief in an 'ultimate principle'

Utilitarianism and several other moral theories are identified in terms of their allegedly ultimate principles. It seems natural to imagine that egalitarianism is of the same form: that at its base is some ultimate principle from which all its other characteristics follow. But the image is illusory, and not just because equality is not a single principle.

The main reason that it is illusory is simply that there are no such ultimate principles. This is not the place to argue the general position against foundationalism (for examples of which, see Baker 1980, Lovibond 1983, or Williams 1985). But the case can be illustrated by looking at a principle which is often taken to be the fundamental principle of equality, namely equal respect. First of all, that principle is extremely general and open to interpretation; thus its simple appearance is misleading. According to some philosophers, it stands for only the most minimal form of respect (Lucas 1977), while for egalitarian authors it is even at the start much more robust. Secondly, the most common way of supporting it as a fundamental principle is hopelessly incomplete (see Williams 1962, Rawls 1972, and Lukes 1977 for examples).

The argument always comes to a halt with just the claim which needs to be justified: that the particular common human characteristics which are supposed to 'entitle' or 'command' or 'elicit' respect (the words are all Lukes's) really do so. But this is the kind of thing that always happens when you try to conjure a belief out of thin air: you end up, at best, with an enthymeme, and at worst with an incantation.

Taken as an enthymeme, the argument might be seen as follows:

- (1) All humans have the capacity to think, to make decisions, to pursue activities they find fulfilling, and so on. (Well, almost all.)
- (2) These capacities are all very valuable. (First suppressed premise, which is itself an ethical judgment.)
- (3) Anything with valuable properties deserves our respect. (Second suppressed premise, and another ethical judgment.)

Therefore,

- (4) All humans are worthy of respect.

Once anyone sees the cans of worms opened up by that way of reading the argument, they might well be forgiven for retaining it as an incantation only. But the positive point to note is that it is indeed



possible to provide arguments for so-called fundamental principles, but only by using other principles which are themselves open to further justification. 'Justification comes to an end', not at fundamental principles, but at the point at which, in a particular context and with a particular audience, it suffices to justify (cf. PI 326, 485). That point, obviously, will be different on different occasions.

What, then, are we to make of the natural idea that some principles of equality are more fundamental than others? The idea is all right as a general rule; what is wrong is trying to put too much weight on it. To say that one principle is more fundamental than another means only that the first is a reason for the second but not vice versa. That can vary according to context, and it will fail to order such principles as are mutually reinforcing. The foundational style of thinking thus ignores the way in which, for instance, the principles of need-satisfaction and mutual respect can support each other (Baker 1987: 18, 24).

But the urge to conceive egalitarianism in terms of fundamental principles is not only an instance of a general philosophical

mistake. It also leads egalitarians to over-simplify what distinguishes them from other points of view. The difference becomes a single difference, when in reality it is composed of a multitude of specific differences, held together by a whole network of reasons. And although these reasons are indeed mutually reinforcing, they are by no means so monolithic as to constitute an outlook which has a single alternative. Instead, we find in the real world a wide range of more or less anti-egalitarian positions, as well as a great diversity among egalitarian views. This diversity becomes easier to understand when we recognise that forms of egalitarianism are not all simply different interpretations of the same fundamental idea. For how could a single idea have so many interpretations? And if only a few, how could these few lead intelligent people to such widely divergent conclusions? The answer to all these questions lies in abandoning their common presupposition, and in recognising that each version of egalitarianism is a complex network of beliefs supported by a complex network of argument.

The foundational conception of egalitarianism is also a practical liability. It creates the impression that the case for equality must be conducted in very abstract terms, remote from everyday moral thinking. For that is the level at which general justifications for 'respect for persons' and similar principles must proceed. By contrast, I tried to show in *Arguing for Equality* that the case for equality can be made in terms of very ordinary beliefs, beliefs which you don't have to be a philosopher to understand. The argument can thus simply by-pass the areas in which philosophers have sought to confine it, and instead of talking generally about respect for persons, it can employ more specific principles -- for instance, the principle that people are not to be degraded or exploited. Even those principles are open to interpretation, and the argument is liable to break down. But without some specificity, it will never even get started.

### I.3. Egalitarianism is not an immutable doctrine

The idea that egalitarianism is a belief in a single, fundamental principle goes well with a third philosophical prejudice -- that

egalitarianism is a timeless, changeless doctrine. By contrast, a pluralist and anti-foundationalist approach allows for a view of egalitarianism as a changing tradition, each stage of which is a natural outgrowth of the last, but in which no stage is privileged as a final wisdom.

Philosophers are liable to see these stages as expressions of a single programme, and to assume that 'egalitarianism' must stand for a fixed set of beliefs, however complex and non-foundational: a standard against which all other beliefs may be compared (cf. PI 67-68). There is something right in this view and something wrong. What is right is that from any particular perspective in the history of equality, some views are going to be more egalitarian than others. Thus, for instance, the belief in equal opportunity, once at the forefront of egalitarianism, is now, in truth, a rather inegalitarian belief. This kind of unfolding of a tradition does not have to be conceptualised in terms of an ultimate idea to which various stages only approximate. It can be seen, unmetaphysically, as a process in which certain ways of thinking, combined with social change, lead on to new ways of thinking. What makes all these ways



egalitarian is not that they have the same content, but that they do lead, and have led, from one to another and that the term 'equality' has continued to have a central role in their expression.

#### I.4. The principles of equality are not of the same logical form

The final claim I want to make in the first part of this paper is that the principles of equality take at least four different forms. The first, obvious, form is the equal division of a particular good. Thus, for instance, egalitarians believe that everyone should have one vote in an election,<sup>5</sup> and, more generally, certain equal rights. But another obviously egalitarian kind of principle is the rejection of certain forms of discrimination. Someone who rejects racial or sexual discrimination is not necessarily calling for the equal distribution of any particular good. Thus the two forms are quite distinct.

Many principles of equality fall into one of these two categories. Raz (1978) has tried to demonstrate this rather formally, and I think that with a little squeezing even the rich complexity of principles listed by Rae et al (1981) could be so accommodated. But I

think Raz is wrong in excluding a third category of principle -- principles of universal entitlement. For it seems clear to me that egalitarianism does include, for example, the universal right to the satisfaction of basic needs and the right not to be degraded or exploited. Raz's central objection to including such rights is that principles of this form are not always egalitarian -- but this is true, as well, of principles of equal distribution (e.g. equal food or, indeed, equal welfare).

Principles of universal entitlement are egalitarian because they highlight, within a particular context, situations in which some people enjoy the good in question while others do not. This may suggest that the strictly egalitarian content of such principles is a principle of non-discrimination -- if some people have *x*, then all should -- but as Raz points out, principles of non-discrimination are just as well served by denying *x* to everyone. That is clearly not the intention of the principles mentioned above.

The fourth form of egalitarian principle is perhaps the hardest for philosophers to take. It states that a certain good should be *more* equally distributed, without in the least

committing itself to complete equality. The best example is the principle of greater equality of income -- a principle shared by all contemporary egalitarians, although hardly anybody believes in strictly equal incomes.<sup>6</sup> What counts as 'more equal' is sometimes a difficult question. But principles of more equality are a standard feature of the egalitarian tradition. Happily, they are also the ultimate testimony to its pluralistic, non-foundational, and mutable character.

## PART II: Elements of an account of economic equality

### II.1. Basic ideas

In the good old days, everyone knew what economic equality was. It was everyone having the same income. This idea is indeed an important benchmark for egalitarianism, but obviously will not do as a full account of economic equality. For egalitarians have always recognised that unequal incomes would be justified if people had unequal needs. There is also a strong egalitarian tradition that unequal incomes would be justified if they did no more than compensate people for differences in their work. It is this

issue of compensation which I'd like to talk about here. I shall refer to such a scheme as a system of compensating differentials. In concentrating on this issue, I will abstract from many other elements of economic equality; not just the satisfaction of needs, but also the principles of democratic control, of access to decent work and self-development (which includes freedom of occupational choice), and of sexual, racial, and ethnic equality.

The form of equality which best captures and informs the idea of compensation is, I think, that of an equality in the overall benefits and burdens of economic cooperation. Since, in general, we have to think of work as more or less burdensome and of income as beneficial, such an equality will generally take the form of a system of compensating differentials. The question immediately arises, however, as to how well defined any such equality can be, since people do differ dramatically in their preferences among different forms of work, as well as on the relative values they attach to income and leisure. What sense can be left to the very idea of an overall equality?

I don't want to deny the difficulties here; and yet, it would be outrageous to conclude from them that a corporate executive with an income of half a million dollars a year cannot be compared with an unemployed parent living on welfare benefits. The problem, however, is to establish reasonable terms for comparison. Now, for well-known reasons, we cannot resolve the issue simply by setting incomes so as to equalize welfare. For much the same reason, we cannot try to compensate each person according to their individual preferences between different kinds of work and between work and leisure: we would end up, for instance, compensating people's deliberately chosen 'expensive' preferences against certain kinds of work or against work in general.

It is intuitively more plausible to think of compensating people according to some function of the complete set of individuals' preferences. For instance, we could set each occupation's rates of pay according to what the typical person (defined by mean or median or mode) would consider to be an adequate level of compensation for a given number of hours.<sup>7</sup> Or we could set a range of legitimate rates of pay for each occupation,



where the range was defined, say, by the middle two quartiles of preferences. Such proposals have their attractions, but also their problems. If a reliance on individual preferences has been rejected because, among other things, it pays inadequate attention to people's responsibility for their own preferences and overall aims in life, then why should such preferences enter into the determination of compensation at all, even by way of averaging? People's preferences about work will be shaped by many factors which for just this reason it is intuitively implausible to compensate for, such as a personal taste between teaching English and teaching French, or a desire to carry on a family tradition. The impact of these matters may well disappear in the process of averaging, but there seems to be a good reason in principle for not including them in the first place.

These last remarks suggest a procedure similar to that adopted by Braybrooke (1987: ch. 2) in his treatment of needs, namely to begin by making a list of the kind of consideration which egalitarians will want to consider in thinking about compensation ('matters of compensation') and then to apply

this list to particular occupations to establish levels of compensation. Matters of compensation will include the kind of thing people have in mind when they distinguish between 'impersonal' or 'objective' benefits and burdens on the one hand and 'personal' or 'subjective' needs and preferences on the other (cf. Norman 1987: 81-82). On the burdens side, some obvious candidates for compensation include whether the work is unavoidably dangerous, tiring, stressful, tedious, dirty, isolated, or of low status. Some plausible examples of objective benefits are job security, flexibility of hours, and degree of autonomy.

As with need, the use of the concepts of benefit and burden as publicly accepted justifications for the distribution of income presupposes a common understanding, that is, a broad consensus over how the idea of compensation is to be applied. What this requires is not a complete agreement on the truth of every claim of compensation, but what can be called a background agreement defined in terms of what people can accept as reasonable claims, motivated not just by their own direct assessment of these claims but by their commitment to democracy and therefore

their willingness to accept as reasonable the views of a substantial majority of their fellow citizens. The degree of applicability of the principle of compensation will be governed by the degree of any such consensus: the more attitudes converge over matters and levels of compensation, the more scope there will be for arguing in detail about the justice of particular income differentials. Perhaps the degree of disagreement will make it implausible to think about anything more than a rough equality defined in terms of ranges or bands of legitimate incomes for different broad categories of work. At the limit, there may be no more agreement than that no job is so burdensome that it requires more than five times average earnings in compensation. Even that would create a significant social role for the principle of compensation.

It is not my aim in this paper to discover whether the attitudes on compensation in contemporary societies are sufficiently congruent to make a system of compensating differentials a practicable standard for assessing the justice of a distribution of income. The shift from preferences to matters of compensation would seem to provide some reason for optimism, since even among

people with diverse conceptions of well-being and sets of preferences there may be considerable agreement over what count as objective benefits and burdens, or at least over the reasonableness of such claims. It seems likely that there would be less agreement over what would count as reasonable financial compensation for such benefits and burdens; but here again it is not, I hope, wholly implausible to expect people's views to fall within a fairly limited range, or to think that they might be prepared to accept certain procedures or arbitrations as fair processes for establishing levels of compensation. We should remember that we are talking about real societies with considerably less real diversity than some versions of liberalism presuppose. But all of these are empirical issues which lie beyond the scope of this paper. My point at present is only that the degree of consensus does matter for the usefulness of compensation as a publicly acceptable criterion of justice. It is also worth emphasizing that what is in question here is the construction of principles for assessing the equality of a distribution of earnings, not the development of institutions for implementing these principles. In what

follows, I will assume that a very precise consensus exists because this makes the exposition easier, but it is important to remember that even this degree of background agreement does not represent identical preferences but only a shared belief that a certain set of differentials constitutes a set of reasonable levels of relative compensation with respect to a reasonable list of objective benefits and burdens.

## II.2 Compensation maps

What can we say, in general, about the nature of such compensation? The first point worth making is that the amount of income necessary to compensate for any form of work will in general be an increasing function of the number of hours of work done: the more work, the more pay. ('In general', because this assumes that more work is always more burdensome, which may not always be the case.) Moreover, since we can in general assume that income has a decreasing marginal value and that time spent on work has an increasing marginal onerousness, we can plausibly suppose that there is an increasing marginal rate of compensation between income and hours of burdensome



work. Finally, levels of compensation will always be relative to points of comparison: adequate compensation for an additional five hours' work will depend on prior levels of work and income.

It might occur to anyone who knows even a little economics that what I have been describing can be represented by means of a kind of indifference map, the curves of which represent equalities of overall benefits and burdens.<sup>8</sup> Figure 1 illustrates such a map for a particular kind of work.

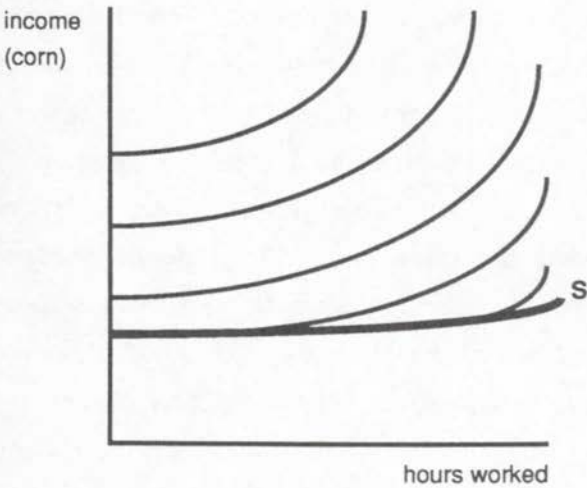


Figure 1. A compensation map for one kind of work

I shall henceforth call this a compensation map and its curves compensation curves. My use of such maps

will be purely informal and heuristic. Note that it makes perfectly good sense for such curves to terminate on the left at points of no work and some income ('no-work points'), a matter to which we will return. It is also worth noting that the map is effectively bounded by some curve  $S$ , not itself a compensation curve, which represents bare subsistence. Below  $S$  the compensation function is (to put it delicately) simply undefined.<sup>9</sup>

Let us now consider how the idea of compensating differentials ought to work in a very simple case, where we have two people producing a single good with a common productivity.<sup>10</sup> The elements of the situation are a compensation map and a production function, as in Figure 2.

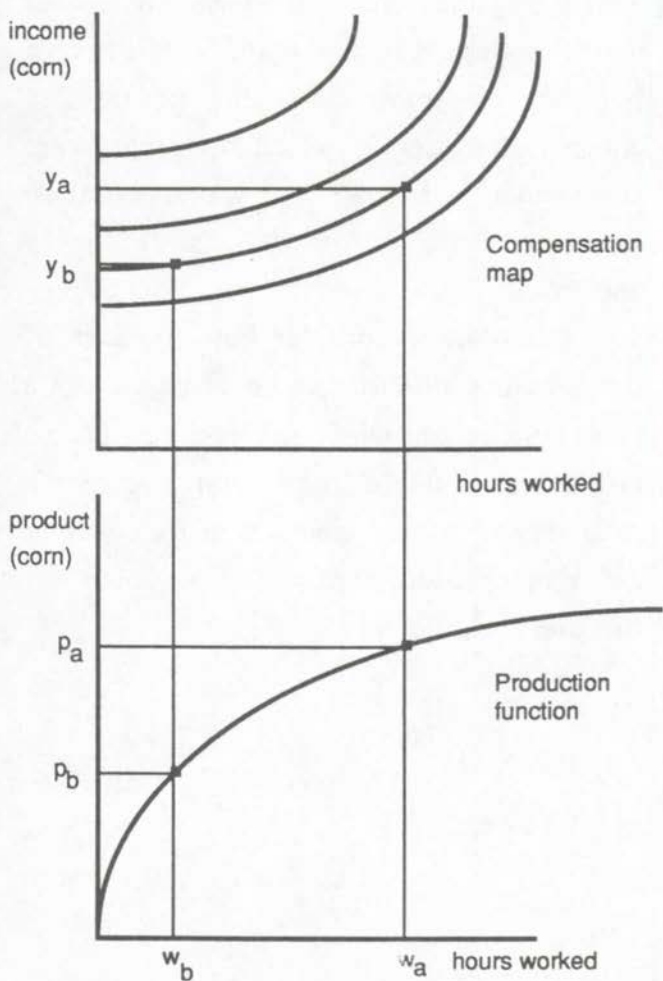


Figure 2. An egalitarian distribution for two people with one kind of work and common productivity

Egalitarian distributions consist in A and B being on the same curve of the compensation map, constrained by total production. Thus, for instance, if A works  $w_a$  hours and B works  $w_b$ , the total product is  $P = p_a + p_b$ . An egalitarian distribution is generated if  $P$  is divided as  $y_a$  and  $y_b$ . We can perhaps see the relationship between product and income more clearly if we superimpose the production function on the compensation map, as in Figure 3.

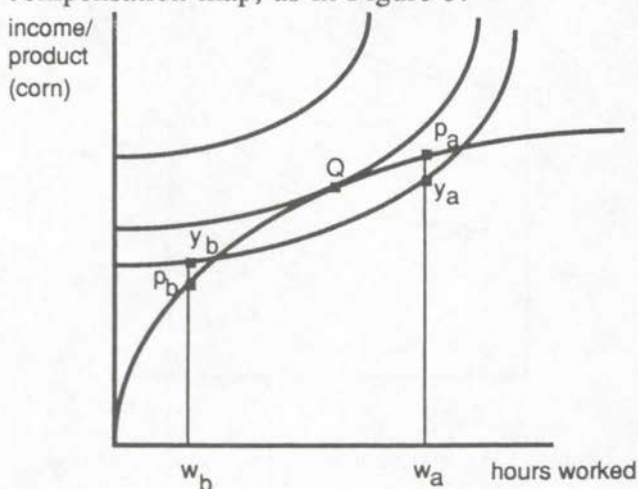


Figure 3. Another representation of Figure 2

In the illustrated case, A's production subsidizes B's consumption so that the two individuals end up equally well off. Note that nothing has been said about what counts as an optimal egalitarian distribution. In particular, it cannot be assumed that an optimal

distribution occurs when both parties are at point Q, unless our aim is to maximize the overall level of objective benefits and burdens for each individual regardless of personal preferences. That, however, is an unlikely aim.<sup>11</sup>

If we extend the example to include two forms of work, we get a compensation map as in Figure 4.

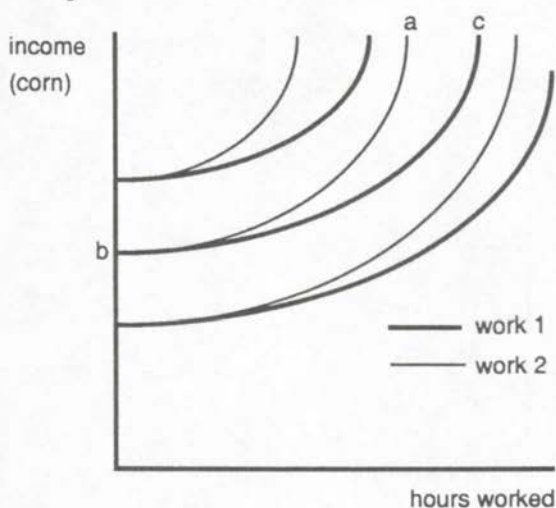


Figure 4. A compensation map for two kinds of work

Here work 1 is generally less burdensome than work 2. Note that the line abc constitutes for our purposes a single compensation curve, since all of the points on this curve are considered equal in overall benefits and burdens to point b. Points on the vertical axis -- no-work points -- thus have a



special analytical role in comparing levels of compensation. Figure 5 represents an egalitarian distribution in which both forms of work are equally productive, A does work 1 and B does work 2. B's income is in this case subsidized by A's less burdensome work.

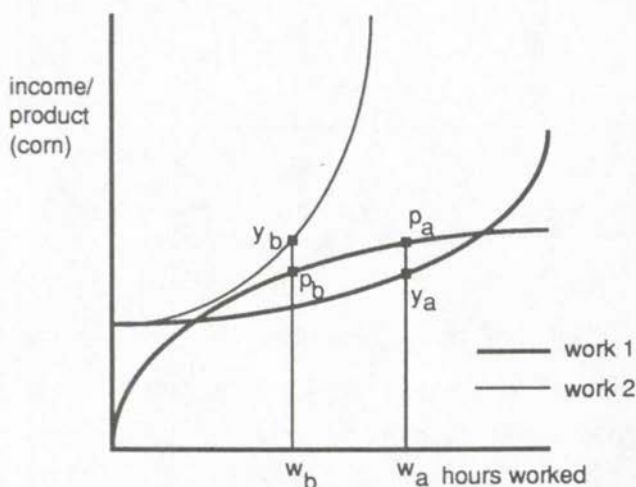


Figure 5. Egalitarian distribution for two people with two kinds of work and common productivity

To complete our survey of the simplest forms of compensation, consider a case (Figure 6) of one form of work with two different levels of productivity, perhaps due to different levels of skill.  $P(a)$  is A's production curve and  $P(b)$  is B's. Here it is A's greater productivity which subsidizes B's income so that A and B are again left equally well off as defined by the compensation map.

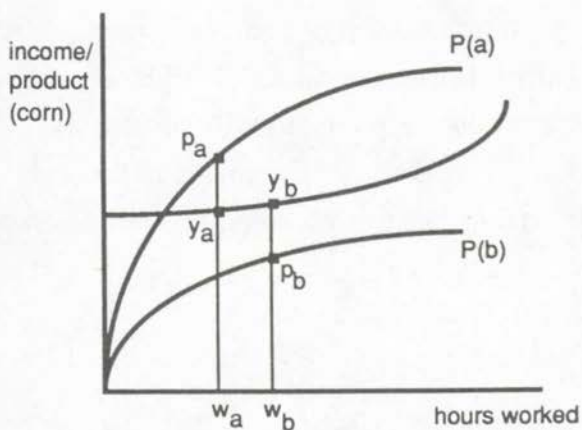


Figure 6. Egalitarian distribution for two people with one kind of work and two productivities

All of this discussion has been for the sake of defining what equality might mean; how to interpret the very idea of an equality of overall benefits and burdens. I have said nothing in this paper about what economic practices (if any) would generate such an outcome.<sup>12</sup> In particular, I want to leave it entirely open whether given certain assumptions the best feasible approximation to implementing a system of compensating differentials would rely heavily on market mechanisms. My aim is to clarify the question of how we should assess the equality of a distribution of earnings, not how we should put one into operation.

### III. Arguing for Economic Equality

In the rest of this paper I want to say something about how to argue for much greater economic equality, as interpreted in Part II. In *Arguing for Equality* I divide the general case for equality into two parts. Part I consists of the basic case for equality. Part II considers some more controversial issues, such as whether equality is compatible with freedom and desert. My question here is too see how well these general arguments apply to the specific issue of a system of compensating differentials.

The basic case for equality, I maintain, relies on the ideas of need, respect, and community, so let us take those in turn. Provision for needs requires, as we have seen, that incomes vary according to need. It thereby justifies one kind of departure from equal incomes. Such departures nevertheless can be thought of as necessary for maintaining an equality of overall condition. Once basic needs are met, however, it may be doubted whether the idea of need calls for so stringent an equality as that defined by a system of compensating differentials. In my view the connection is an empirical one. It is that a society which tolerates substantial

inequality of economic condition -- of overall benefits and burdens -- is unlikely to sustain a commitment to satisfying the needs of everyone. For a start, the better off are likely to lack real sympathy with the worse off; at the same time, they are well placed to influence social policy in a way which institutionalizes this lack of sympathy. Admittedly this empirical belief is at odds with generations of social democrats who believe that it is possible to combine a welfare-state safety net with huge inequalities. All I can say is that there is little evidence that this political programme is sustainable. Certainly it has been substantially undermined in practically every country in which it has been applied.

The argument from respect has a similar character. Practically everybody these days says that they believe in equal respect, but there is precious little evidence of this respect when you look out the window. My argument is that it is utopian to expect people of dramatically superior economic circumstances to sustain any real respect for the worst off. There are various reasons for this, ranging from their inclination to justify their privileges by denigrating the

unprivileged to their susceptibility to using their bargaining power to exploit the vulnerability of the weak.

The argument from community relies, again, on empirical observation, this time about the lack of a sense of social unity and common interest in a highly unequal society. It is a truism of sociology that different classes develop different cultures and tend to see each other as alien and incomprehensible. If we care about a sense of community and a common culture -- and admittedly only some of us care very much about them -- then we have a good reason for creating a society in which the benefits and burdens of economic activity are much more equally shared.

Without intending to rehearse even the central arguments of the second part of my book, I think it would be useful to connect a few of them to the main issues I have been talking about. One set of arguments has to do with desert. Unlike some egalitarians, I am not wholly skeptical about the idea of desert. I am sure that the Center for the Study of Ethics in Society deserves my thanks for inviting me to Kalamazoo, that George Bush deserves to lose the 1992 election, and that the Grand Canyon deserves its reputation.



What I doubt is that the kinds of reason which justify such claims do anything to justify the scale of inequality we have in our society. When I doubt whether the chief executive of General Motors deserves his income, that is not a general skepticism about desert but a skepticism about the validity of the grounds which are offered in defence of that and similar desert claims. More pertinently to rest of this paper, I do believe in one kind of economic desert, namely that people who work hard deserve to be compensated for it. That belief is completely consistent with the idea of compensating differentials: it represents, in fact, a convergence between the basic case for equality and the principle of desert.

Turning to the issue of freedom and equality, let me say first of all that my basic position on this is the standard egalitarian one, namely that people's freedom to control their own lives is very largely dependent on their material conditions, and that the difference between economic equality and inequality is simply the difference between promoting some people's freedom at the expense of others' and promoting the freedom of all. What is special about the idea of a

system of compensating differentials, as opposed to some popular images of equality, is the way that it respects two forms of freedom which opponents of equality claim only to be respected in an inegalitarian society. First, it respects the principle of freedom of occupational choice. It does not enslave the talented; but unlike our society, it does not enslave the poor, either. Secondly, it allows for a wide range of choice over preferences between consumption and leisure. Obviously an egalitarian society would not sustain today's lifestyles of the rich and famous, but on my view it would allow people with champagne tastes to work harder than others for more income, and let people with a preference for leisure work less and have lower incomes. Thus the image of an egalitarian society as a society of dull uniformity is completely contrary to the principles I've been expounding.

Let me finally say something about the argument, popularly associated with Rawls<sup>13</sup>, that inequality can benefit everyone by providing the incentives necessary to ensure that talented people go where they're needed and that workers make a real effort in their jobs. I cannot pursue this question here, but I

will make one point. Egalitarianism is standardly accused of reducing the incentive to work, on the assumption that people will be paid the same whether they work or not. Under a system of compensating differentials, however, that assumption is false. Thus, at the very least, people would have less disincentive to work within such a system than in a system of equal incomes. There is much more to be said about the whole issue of incentives -- some of which I try to say in my book -- but that would go well beyond the immediate concerns of this paper.

#### IV. Conclusion

In this paper I have tried to do something negative and something positive. The negative work was to clear away certain philosophical prejudices which stood in the way of constructing an adequate egalitarian theory. The positive work was to make a small contribution to deciding what we mean when we talk about balancing out income and work, and to say something about the arguments available for supporting that account of economic equality. I hope I have at the least made it clear that once one has discarded simplistic accounts of what equality

is, then the whole process of giving an adequate account becomes rather complicated. We shouldn't find that too daunting. The world is, after all, a rather complicated place.

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## Notes

1. Wittgenstein 1968: sec. 115. It should be obvious that the whole character of part I of this paper is inspired by the *Philosophical Investigations*; such specific cross-references as seem useful are indicated in parentheses by section number, e.g. PI 115.

2. I would like to thank Vincent Browne, G.A. Cohen, and R.M. Hare for their comments on a previous draft of part 1 of this paper, which was presented to the XVIII World Congress of Philosophy. The ideas in part II of this paper have developed through several incarnations and with many people's help. I would particularly like to thank Brian Barry, G.A. Cohen, Keith Graham, Attracta Ingram, Richard Norman, Prasanta Pattanaik, Jennifer Todd and Philippe Van Parijs for their advice and criticism. I also wish to thank the Department of Philosophy at the State University of New York at Stony Brook for granting me a research associateship for the year 1991-92 and the Center for the Study of Ethics at Western Michigan University for their warm welcome and for helpful comments on this paper when delivered. Part II is based on a section of my paper 'An

Egalitarian Case for Basic Income', in Van Parijs 1992 and appears with the kind permission of the editor.

3. The conception of egalitarianism as equal well-being endorsed by Landesman (1983) is more sophisticated than Mortimore's and more sensitive to real-world egalitarianism. But while I see 'equal well-being' or (for preference) 'equality of condition' as a way of summarizing a plurality of views, Landesman sees 'equal well-being' as a 'root' principle which those ideas merely elaborate. This picture of the conceptual landscape seems to me a distortion stemming from the philosophical inclinations criticised in this paper.

4. Recent examples are Arneson 1989 and Cohen 1989. These theories are much more complicated than those discussed in the text and would take much more space to unravel, but I believe that neither fully captures the egalitarian outlook.

5. It was not always so, as J.S. Mill's endorsement of plural voting demonstrates (1972: ch 8). Yet Mill was clearly an egalitarian in his day.

6. A recent exception is Gilbert 1990; see pp. 277-283, 332-332. Carens (1981) uses

strictly equal incomes for analytical purposes, without committing himself to this as a basic principle. In Carens 1985 he argues that there is no practical difference between equal incomes and compensatory ones because under existing and likely conditions both principles imply the same policy of progressive taxation and redistribution.

7. I owe this suggestion to Philippe Van Parijs.

8. I would like to thank Prasanta Pattanaik for kindly leading me towards this point. Let me apologize now to people who find the next few pages unbearably simple.

9. The slight slope in  $S$  represents the assumption that subsistence needs increase with work.  $S$  is not a compensation curve because working longer hours for subsistence is more burdensome than working shorter hours for it.

10. For the sake of simplicity, the discussion here and for the rest of the paper assumes that labour is the only factor of production, and obviously needs refining for an economy with other inputs. Without wanting to anticipate such refinements, it is worth pointing out that most egalitarians are unimpressed by the argument that returns to

capital represent compensation for deferred consumption and thus would resist the use of the principle of compensation to justify such returns. This is, indeed, one of the reasons why egalitarians tend to be socialists. The questions all of this raises for the arrangements for investment in a socialist economy are serious, but well beyond the scope of this paper.

11. It is more plausible to assume that an optimal distribution must at least be Pareto-optimal, although that would need to be argued for, too. It would be easy to show that the simple examples put forward in this section are not Pareto-optimal on all possible sets of preferences, but more difficult, I hope, to show that a complex system of compensating differentials in an actual society would be substantially Pareto-suboptimal.

12. I am thus putting to one side the very serious objections to compensatory justice raised by Carens 1985. I am not sure that these objections can be overcome, but I do think that the ideas in this paper give a stronger sense to the idea of compensation than the treatment in Carens's article.



13. There is a curious anomaly about work and income in Rawls's overall theory. Rawls says that justice has to do with distributing the benefits *and burdens* of social cooperation, but the two principles concern only the *benefits* -- the primary goods. So they only cover half the question, and in particular fail to distinguish inequalities of income which compensate for inequalities of work (or, indeed, of need) from those which represent differences in overall economic condition.

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