

Causes of increasing inequalities and of neglect of the idea of social justice

Opening remarks on theme 1

Seminar on “The Moral and Political Foundations of Social Justice in an Interdependent World”, Cambridge/Mass 16 September 2005

1. I feel very honoured to have been invited to join this illustrious circle as a newcomer and then even be the first one to offer opening remarks. I have arrived at Cambridge just a few days ago to teach at the HDS as William Henry Bloomberg Fellow. Until the end of 2003 I served as General Secretary of the WCC in Geneva. Earlier I taught theology, ethics and ecumenics at the Ruhr University Bochum in Germany. In retirement I have established myself in Berlin.
2. While serving as General Secretary of the WCC I met Jacques Baudot during the preparations for the Social Summit at Copenhagen (1995). The WCC has strongly supported the political thrust and orientation of the summit and has drawn insight and inspiration from the reflections during the Copenhagen Seminars for Social Progress which were also convened and coordinated by Jacques Baudot. Against this background I have gladly accepted the invitation to participate in this seminar and to join the discussion about the moral and political foundations of global public policy.)
3. There is no need in this circle to provide evidence for the observation that there has been an aggravation of inequalities both on the global level and within most countries nationally. This is true with regard to available income and effective participation in economic life, as well as regarding access to health-services, education and particularly opportunities for work and employment. While – as the background paper indicates - during the decades immediately following WWII industrialized countries had followed policies aiming at general welfare and providing social security for their citizens, there has been a noticeable shift of political orientation since the 1980s which has since then become a global reality. What are the causes for this change that has apparently pushed to the background the concern for social justice?
4. There are a number of general and external causes which have brought about this change in policy orientations. The most important among these is the departure among economists from the previous welfare economics to the monetarist approach, placing the main emphasis on the money supply by the central banks and the fight against inflation using interest rates in order to maintain the value of capital. This new orientation in economic theory was introduced into government policy first in Chile in the early 1970s, then in Britain after 1979, and in the US after 1981. A second cause is the collapse of the communist system after 1989/90 which had constituted the main challenge to a capitalist order in terms of equality and social justice. A further cause are the rapid and revolutionary changes in the forms of production which have eroded the value of labour over against capital and introduced new inequalities in terms of knowledge and capacity for technological innovation.
5. Meanwhile, these changes have contributed to the emergence of the process of financial and economic globalization which is further stimulated by policy objectives like liberalization, deregulation and privatization. It is not necessary here to enter into an analysis of the process of globalization beyond the observation that it has begun to change the role of governments and politics from serving the common interest of citizens into a service function for the primary interests of capital and business. It should be underlined, however, that these developments were facilitated through decisions on the political and legislative level and that

most governments continue to affirm that there is no alternative to this overall policy orientation. In France it has been characterized by the term “pensée unique”, i.e. one-dimensional thinking. What are the deeper reasons for this fundamental change of public culture?

6. In political and social philosophy there has been a longstanding debate about the relative value to be attached to liberty and equality. While both the French and American Revolution cherished liberty and equality as interrelated basic values, an underlying tension began to emerge in situations where the effort to restore equality in terms of social justice called for certain restrictions of the exercise of individual liberty. Where the main emphasis is placed on the defence of individual liberty, as in the main stream of American social and political philosophy in the tradition of John Locke, the demand of equality is limited to equality before the law and justice is understood as legal justice, i.e. conformity with the law regulating the human behaviour and interaction, and the role of government and the state is limited to establishing and enforcing the law. Where, on the other hand, the primary concern is the cohesion and viability of society, as in much of European thinking, individual liberty is conditioned by responsibility for social justice and the state is called to correct gross inequalities through policies of re-distribution. The two lines of thinking with roots in the enlightenment find clear expression in the two covenants of human rights, i.e. on civil and political rights on the one hand and on economic, social and cultural rights on the other. The European counterpart is found in the sequence of the convention for the protection of human rights and basic liberties and the European social charter.

7. A more recent manifestation of this tension between the emphases either on liberty or on equality is the debate between John Rawls (*A Theory of Justice*, 1971) and Robert Nozick (*Anarchy, State, Utopia*, 1974). Rawls develops an understanding of justice as fairness which implies that social and economic inequalities are acceptable only to the extent that they are “reasonably expected to be to everyone’s advantage”, in particular those most deprived. Nozick on the other hand argues against any notion of distributive justice on the basis of his “entitlement theory” which focuses on the rights and entitlements connected with justly acquired individual property. Behind the conflict between the social orientation of Rawls’ theory and the defence of the liberty and rights of individuals against intervention by the state in the case of Nozick we discover a basic difference in the understanding of the conditions for human life in society.

8. The line of thinking represented by Nozick had found a particularly clear expression even earlier in the writing of Friedrich A. von Hayek for whom the idea of social justice in the sense of equality to be achieved through distributive policies of governments represents an “atavism”. For him equality is strictly limited to equality before the law; distribution is a consequence of market forces and not a question of justice. Governments should only watch over the respect for the law and the rules for human behaviour but refrain from intervention in the economic process or pursue policies of re-distribution in order to achieve equality. An imposed criterion of social justice would inevitably interfere with the rightful exercise of individual liberty. This understanding of liberty, equality and social justice gained political influence during the Reagan administration in the USA and has meanwhile entered into the mainstream of neo-liberal policy orientation.

9. We are, therefore, dealing with a fundamental change regarding the values and objectives shaping public policy. Individual self-interest, defending one’s rights irrespective of the implications for others, accumulation of wealth and power, competitiveness and steadily increasing levels of consumption have become the values associated with good life, whereas

the values of equality, solidarity, mutuality, and responsibility have been downgraded as “soft”. It is obvious that this value orientation which accompanies the “pensée unique” of globalization stands in stark contrast to the moral and ethical wisdom represented by the “golden rule” which is common to all major religious traditions.

10. The time may, therefore, have come to mobilize, as Hans Küng is attempting, the moral resources of the world’s religions in favour of a “Global Ethic”. Among the four irrevocable directives which are at the centre of the “Declaration toward a Global Ethic” we find the “Commitment to a culture of solidarity and a just economic order”. The explanation states: “To be authentically human in the spirit of our great religious and ethical traditions means the following:

We must utilize economic and political power for **service to humanity** instead of misusing it in ruthless battles for domination....

We must cultivate **mutual respect** and consideration, so as to reach a reasonable balance of interests, instead of thinking only of unlimited power and unavoidable competitive struggles.

We must value **a sense of moderation and modesty** instead of an unquenchable greed for money, prestige and consumption! In greed humans lose their ‘souls’, their freedom, their composure, their inner peace, and thus that which makes them human.”

Nothing less than a change in the consciousness of individuals and in society is required, if we are to regain a true understanding of social justice and equality in society.