

UNDERSTANDING
STATE WELFARE



SOCIAL JUSTICE or SOCIAL EXCLUSION?

Brian Lund

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Contents

<i>Acknowledgements</i>	<i>vii</i>
1 State Welfare: Distributive Principles	1
2 The 'Invisible Hand' and the Emerging State	27
3 The Rise of Collectivism	57
4 Collectivism Contained	85
5 The Welfare State and Social Justice	107
6 Redistributive State Welfare?	132
7 State to Market: Market to State	159
8 New Labour, Social Exclusion and Social Justice	186
<i>Bibliography</i>	<i>213</i>
<i>Subject Index</i>	<i>242</i>

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State Welfare: Distributive Principles

WHAT IS STATE WELFARE?

'Welfare' has numerous meanings but it has been co-opted to refer to specific elements of public policy. In the United States, the term is construed narrowly as relating to the means-tested, residual, 'assistance' dimensions of state provision whereas, in the United Kingdom and most other European countries, it has acquired a broader meaning. Here, the policy areas most frequently encompassed under 'welfare' – sometimes called 'social welfare' – are income security, health, 'social' housing, education and the personal social services. The rationale for this delineation is opaque but seems to be based on the notion that these five services share a common orientation towards meeting individual needs (Taylor-Gooby and Dale, 1981: 3, Goodin, 1988: 11).

The term 'welfare state' came into use in the 1940s and embodied a British tradition in political philosophy born in the late nineteenth century. This tradition regarded the state as the embodiment of the 'common good' with the corollary that its specific welfare programmes must be in the interests of every citizen. Over time, the tradition developed a welfare discourse – a theory *for* welfare aimed at promoting efficient, fair, state-directed 'social administration'. In contrast, theories *of* welfare developed since the 1970s, try to explain 'how the organisation of social relations ... comes to express the particular pattern that it does, what social forces and struggles underpin ... particular distributions, inclusions and exclusions' (O'Brien and Penna, 1998: 4). Theories *of* welfare usually adopt a broader definition of 'welfare' than theories *for* welfare. Included, for example, are employment programmes – aimed at promoting work and thereby reducing the requirement for income maintenance – plus the fiscal system with its capacity to redistribute income and encourage desirable behaviour. Theories *of* welfare also embrace the idea of a welfare society (Robson, 1976; Rodger, 2000). They explore the roles of the voluntary sector, the family, for-profit organisations and friends and neighbours, not as adjuncts to state welfare, but as welfare systems in themselves. When focused on the activities of the state, theories *of* welfare choose to refer to

‘state welfare’ because the term avoids the assumption of benevolence locked into the expression ‘the welfare state’ (Gough, 1979).

THE MARKET AND SOCIAL JUSTICE

The nineteenth century ... was concerned with the creation of wealth: the twentieth century will be concerned with its distribution. (Archbishop Lang, 1911, cited in Hay, 1978: 74)

In the late nineteenth century, a number of political movements emerged in Britain each demanding greater collective involvement in the distribution of the ‘social product’. Their demands were made from the baseline of the shares in income and wealth generated in the nineteenth century when a template of property ownership, forged in earlier times, was permeated by market principles of distribution. The promoters of social justice wanted to mend the old order by modifying the entrenched links between acquisition and distribution. At the core of their programmes was the identification of the ‘social product’ – the economic gains accruing from a co-operative and harmonious society – as belonging to the ‘community’ and hence legitimately available for *redistribution*. Progress towards social justice, they claimed, would yield greater social harmony and hence faster economic growth (Webb and Webb, 1913; Hobhouse, 1974 [1911]; George, 1979 [1879]).

The advocates of social justice held different views on the role of state welfare in promoting a fairer society. The Fabian Socialists awarded the state the major role in redistribution of wealth and income through the direct provision of welfare services aimed at delivering ‘national efficiency’ alongside social justice. The ‘new’ Liberals were more circumspect in their support for the state and tended to portray government as the remover of material obstacles to full participation in the civic life of the community. Nonetheless, both streams of thinking regarded the state as the primary mechanism for promoting social justice. In contrast, the followers of Karl Marx believed the state would ‘wither away’ when, in the transition from capitalism to communism, people produced goods to satisfy human needs including their need to work to master nature. Under communism, the process of production would be organised to satisfy human needs so there would be no requirement for a *redistributive* state (Heller, 1974; Young, 1990: 15). Thus, a tension developed between ‘socialist’ supporters of the common ownership of the means of production and the ‘social democrats’ – an amalgam of Fabian Socialism and ‘new’ Liberalism – who believed state economic management plus a redistributive welfare state were sufficient to deliver a fair society. By the late 1950s the application of Keynesian demand management techniques to deliver full employment had swung the debate on the left towards the social democratic approach. The willingness of the Conservative Party to accept state intervention to

secure full employment and the basic elements of a 'welfare state' produced a period of alleged consensus on the primary institutions of British society lasting from 1945 to 1976 (Pimlott, 1989; Marlow, 1997).

John Rawls: justice as fairness

John Rawls' *A Theory of Justice* (1971) – described by the Commission on Social Justice (1993: 6) as the 'most famous' account of social justice – supplied a philosophical rationale for this consensus. Rawls, claiming his theory encapsulated universal 'intuitive' understandings of a fair society, set out to justify the 'patterned' approach to distribution that had animated social democratic programmes during the twentieth century. 'Although a society is a co-operative venture for mutual advantage,' says Rawls, 'it is typically marked by conflict as well as by an identity of interests' (Rawls, 1971: 4). Social co-operation makes possible a better life for all by enlarging the social product, but there are potential conflicts about how shares in the enhanced social product are to be distributed. Thus 'a set of principles is required for choosing among the various social arrangements which determine this division of advantages and for underwriting an agreement on the proper distributive shares' (Rawls, 1971: 4). These are the principles of social justice. They provide a way of assigning rights and duties in the basic institutions of society and define the appropriate distribution of the benefits and burdens of social co-operation.

The original position To establish basic principles of justice Rawls asks us to imagine ourselves as our society's founders. He constructs a hypothetical 'original position' in which individuals are placed in a situation of impartiality – behind a 'veil of ignorance' – when discussing their potential participation in society.

It is assumed, then, that the parties do not know certain kinds of particular facts ... no one knows his place in society, his class position or social status; nor does he know his fortune in the distribution of natural assets and abilities, his intelligence and strength, and the like. (Rawls, 1971: 137)

In this 'original position' potential participants in society construct principles for the allocation of what Rawls calls 'primary goods' – those necessary for the pursuit of a plan of life whatever the specifics of that plan may be. Primary goods include rights and liberties, opportunities and powers, income and wealth and a sense of one's own worth (Plant, 1991: 99).

Principles of distribution Rawls claims that the distributive principles agreed by the participants in the debate on the just society will be, in priority order.

First Principle: each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all.
Second Principle: social and economic inequalities are to be arranged so that they are both:

- (a) to the greatest benefit of the least advantaged ... and
- (b) attached to offices and positions open to all under conditions of fair equality of opportunity. (Rawls, 1971: 102)

The agreement on the primacy of liberty is defended by Rawls with the argument that all individuals desire self-respect, liberty is necessary to self-respect and hence equal liberty is necessary if human beings are to 'express their nature in free social union with others' (Rawls, 1971: 543). The second principle – the 'difference' principle – arises because, under the conditions of the 'original position', participants will adopt a *maximin* strategy. They will attempt to optimise the worst possible outcome in case they are in this position in 'real' society. Rawls starts with the assumption of an agreement on an equal distribution arguing that structuring a society to produce inequalities will be regarded as legitimate only if such inequalities work to the advantage of the worst off. An individual with natural talents will be allowed to utilise these talents and become unequal but the *maximin* principle provides insurance against the possibility an individual may not be endowed with natural abilities.

'Rational' social allocation of the kind advocated by Rawls was the predominant force in academic and political discourses on social justice in the twentieth century. Using established techniques of political theory, such as the notion of a 'social contract', Rawls produced a justification for a market-capitalist economy but one extensively modified by state intervention to supply 'property rights' in the collectively created 'social' product (Rawls, 1987). Such a system had evolved in most western industrial democracies after 1945 but, according to Rawls, had lacked a systematic rationale.

Hayek and the mirage of social justice

Soon after Rawls' justification of 'welfare capitalism' was published it was challenged by an academic and political movement labelled the 'New Right'. Friedrich Hayek was the New Right's most important guru.

At the heart of Hayek's thinking was the rejection of the application of the notion of 'social justice' to a market system. Hayek believed the market to be a 'spontaneous order', characterised by the maximisation of individual liberty, wealth enhancement and the achievement of 'greater satisfaction of human desires than any deliberate human organisation can achieve' (Hayek, 1976b: 33). Justice, Hayek argued, can be applied only to 'situations which have been created by human will' (Hayek, 1976b: 33) hence the concept is 'entirely empty and meaningless' (Hayek, 1976a: 11) when related to the particulars of a 'spontaneous' order such as the market. In a market there are no principles of *individual* conduct available to produce a pattern of distribution that can be called 'just'. Individuals engaged in market exchanges make their decisions in ignorance of their general outcomes because general outcomes depend on the behaviour of a myriad of others. So, said Hayek, although

it has of course to be admitted that the manner in which the benefits and burdens are apportioned by the market mechanism would in many instances have to be regarded as very unjust if it were the result of a deliberate allocation to particular people. This is not the case. (Hayek, 1976b: 64)

If Hayek's notion of the market as a 'catallaxy' or spontaneous order, untouched by human design, is accepted then the idea of 'social' allocations designed to alter the outcomes of market mechanisms is at best misguided and at worst dangerous. 'It must lead to the extinction of all moral responsibility' (Hayek, 1976c: 129) and is a grave threat 'to most other values of a free civilisation' being 'the Trojan Horse through which totalitarianism has entered' (Hayek, 1976a: 66–7, 136). This is so because the achievement of social justice involves imposing a predetermined pattern on the *unintended* outcomes of market processes and the passing of laws affecting *specific* forms of behaviour. According to Hayek the only laws compatible with freedom are general, abstract laws concerned with procedures such as 'the rules of the law of property, tort and contract' (Hayek, 1976b: 109). Specific laws designed to produce particular outcomes must infringe liberty.

In Hayek's discourse the philosophical justification of redistribution via state welfare disintegrates. However, as Kley (1994: 24) has indicated, Hayek runs together the idea that social justice has no meaning in a market system with the notion that social justice is an illegitimate concept to apply in *any* type of society. Hayek assumes the market order is the 'natural' order but, because we know about the general outcomes of markets and because we can construct alternative systems, there is no reason why we should accept market outcomes. Shklar makes this point

succinctly in stating 'It is evident that when we can alleviate suffering, whatever its cause, it is passively unjust to stand by and do nothing' (1990: 81). We can choose between unfettered markets, regulated markets, a combination of markets with a welfare state or a communist system. Hayek's rejection of the idea of social justice creates what Hirsch has called the 'tyranny of small choices'.

The core of the problem is that the market provides a full range of choice between alternative piecemeal, discrete, marginal adjustments but no facility for selection between alternative states ... (Hirsch, 1977: 18)

Robert Nozick and rectification

In *Anarchy, State and Utopia* (1974) Robert Nozick starts from a similar position to Hayek but comes to recognise reluctantly how historical injustices in acquisition negate the current legitimacy of market outcomes. Nozick begins with the assertion 'Individuals have rights, and there are things no person or group may do to them without violating their rights' (Nozick, 1974: ix). A minimal state, 'limited to the narrow functions of protection against force, theft, fraud, enforcement of contracts, and so on', can be justified (Nozick, 1974: 10–25). A more extensive state, involved in the redistribution of resources already acquired, violates individual rights because current justice in holdings depends on how they were acquired. Assets secured without coercion – by creation, barter or as a gift – are legitimately the property of the individual who now holds them. Reapportioning this original distribution, according to some 'patterned principle' such as 'justice', violates the rights of the first holders of the resources. Thus, according to Nozick (1974: 169), 'taxation of earnings from labour is on a par with forced labour' and the only legitimate principle of justice is 'from each as they choose, to each as they are chosen'. So far, so Hayek, but Nozick makes some important qualifications to the notion that the market produces legitimate outcomes. He recognises that market distributions:

seem arbitrary unless some acceptable initial set of holdings is specified, or unless it is held that the operation of the system over time washes out any significant effects from the initial set of holdings. (Nozick, 1974: 160)

First, there is the problem of how individuals can acquire rights to natural resources such as land. Nozick tries hard to reconcile market outcomes with established rights to natural resources but, twist and turn

as he does, he cannot find a solution to fit his entitlement theory. He concludes that one is entitled to a part of a natural resource if one leaves 'enough and as good' for others to have some use of it and if the position of others is not worsened by the act of appropriation. This opens the door to extensive state intervention in the distribution of holdings for we must ask 'enough and as good' for what? Since a primary purpose of the use of natural resources is to satisfy basic needs then 'enough and as good' for needs satisfaction must be the answer to this question thereby giving the state a legitimate role in needs satisfaction.

Nozick is also troubled by the compounding impact of resources obtained in the past through force and concludes compensation has to be made for historical injustices in acquisition.

... a rough rule of thumb for rectifying injustices might seem to be the following: organise society so as to maximise the position of whatever group ends up least well-off in the society ... Although to introduce socialism as a punishment for our sins would be to go too far, past injustices might be so great as to make necessary in the short run a more extensive state in order to rectify them. (Nozick, 1974: 152)

Although short on answers to the issues raised, at least Nozick identifies the problem of rectification. Hayek does not even consider the issue. He is what Nozick calls a 'current time-slice' theorist believing that, if a market is created today, then its outcomes are legitimate regardless of what people bring to the market as a consequence of their heritage.

The ideas of Rawls, Hayek and Nozick illustrate the contested terrain of mainstream philosophical thinking on social justice. During the nineteenth century ideas similar to Hayek's were dominant although elements of Nozick's approach can be discerned in the attacks made by the emerging middle class on the rights to the 'unearned income' derived from land. In the twentieth century thinking grounded in the basic structure codified by Rawls became prominent albeit against a background of radicalism generated by Karl Marx's theory of exploitation and working class pressure for social and economic change (Lavalette and Mooney, 2000).

Distributive domains

Hayek and Nozick identified principles of distribution to be applied to all goods and services. Rawls made a distinction between 'primary' and other goods but his 'primary' goods definition – 'rights and liberties, powers and opportunities, income and wealth' (1971: 62) – was so broad that few domains remained in which different principles could be

applied. However, what actually emerged in Britain during the twentieth century was a 'welfare state' – a system that 'decommodified' certain goods and services and allocated them according to criteria at odds with market principles. The establishment of the 'welfare state' thereby produced a situation corresponding to Michael Walzer's notion of 'complex' equality.

Walzer has been described as a 'communitarian' because he is critical of theorists who artificially abstract human beings from their cultural experiences and present a model of human thinking as 'disembodied and disembedded' (Edgar and Sedgwick, 1999: 46). In *Spheres of Justice* (1983) he argues that egalitarianism's origins were in abolitionist politics; its aim was to eliminate the experience of personal subordination and create a society 'free from domination' (Walzer, 1983: xiii). Freedom from domination is achievable by full recognition that different spheres of life generate disparate meanings about their purposes and hence each domain requires a specific principle of distribution. Allowing each separate aspect of life to embody a particular distributive principle ensures that no single source of power (material wealth for example) can dominate society. Hence medical care, if thought of as a special 'needed good' 'cannot be left to the whim, or distributed in the interest of, some powerful group of owners and practitioners' (Walzer, 1983: 89). Likewise education, being 'a programme for social survival' expressing 'perhaps, our deepest wish: to continue, to go on, to persist in the face of time' (Walzer, 1983: 197) will also generate its own distributive principles. Thus, says Walzer, 'No social good x should be distributed to men and women who possess some other good y merely because they possess y without regard to the meaning of x ' (1983: 20). Against Hayek and Nozick, Walzer makes the point; 'A radically laissez-faire economy would be like a totalitarian state, invading every other sphere, dominating every other distributive process. It would transform every social good into a commodity' (1983: 119–20). Certain exchanges are 'blocked' because they belong to separate spheres of justice.

SOCIAL EXCLUSION

The expression 'social exclusion' entered British academic discourse in the early 1990s. Although the meaning of the term is opaque, supporters of its use claim it poses the right questions and is a 'comprehensive and dynamic concept' (Anderson and Sim, 2000: 11). It is 'comprehensive' because, unlike the term 'poverty', it covers different dimensions of integration – civic, social, economic and interpersonal (Cummins, 1993: 4) and 'dynamic' in that it directs attention to *processes* rather than *outcomes*. However, the alleged 'comprehensive' and 'dynamic' nature of the idea has allowed different ideological perspectives to shelter under its wing.

Levitas has divided these perspectives into three 'discourses'. What she calls 'RED' (the redistributionist discourse) posits 'citizenship as the obverse of exclusion', addresses 'social political and cultural as well as economic citizenship' and 'implies a radical reduction of inequalities plus a redistribution of resources and power' (Levitas, 1998: 14). In contrast 'SID' (the social integrationist discourse) 'narrows the definition of social exclusion/inclusion to participation in paid work' (Levitas, 1998: 28) and therefore, according to Levitas, excludes gender and class from the debate. 'MUD' (the moral underclass discourse) has a focus 'on the behaviour of the poor rather than the structure of the whole society' and presents a gendered discourse identifying a 'socially excluded underclass as culturally distinct from the mainstream' (Levitas, 1998: 21). Inclusion by participation in paid work (SID) has been a dominant theme in economic and social policy in the nineteenth and twentieth centuries although the focus has now switched from male to female involvement in the paid labour force. The 'MUD' discourse has also featured strongly in social policy debates. Reoccurring disquiet about 'the pauper class', 'the residuum' and 'the underclass' has resulted in state welfare simultaneously incorporating both inclusionary and exclusionary tendencies.

Distributive 'subjects' and the politics of identity

Levitas' formulation of the RED perspective on social exclusion combines elements of traditional 'left' concerns about the distributive justice of outcomes with the 'identity' politics associated with the growth of 'new' social movements in the 1970s. It directs attention to the structural causes of social exclusion.

Gender Rawls, Nozick and Hayek belong to a tradition of writing on distributive justice, sometimes called 'liberalism' (O'Brien and Penna, 1998), whose 'subject' is 'homo economicus'. The mission of this tradition has been to establish the 'correct' relationship between 'individual economic man' and 'collective economic man'. It developed in response to the pressing demands of organised male labour and has regarded the alliances formed in households, families, groups, friendships and neighbourhoods variously as 'spontaneous', 'voluntary' and 'sentimental'. Such bonds are adjudged to be outside the 'public' sphere and inappropriate for analysis by political philosophy. (Hayek, 1988, 66–7; Goodin and Pettit, 1993, cited in Gray, 1995: 12; Pateman, 1995: 54). In the 1970s a variety of 'new' social movements emerged, each challenging this restricted notion of the 'subjects' of political philosophy. Some identified oppressive distributive systems within seemingly 'voluntary' and 'private' affiliations. Take the family for example. It is possible to represent marriage as a voluntary contract with the partners perceived as a two-person 'firm'

improving their efficiency through a specialisation and voluntary division of labour. On the other hand it can be portrayed as a reflection of the power relationships generated and maintained from outside the domestic sphere 'through marriage law, divorce law, abortion law, day care law, etc' (Eisenstein, 1980: 61). Barrett and McIntosh (1982: 55), for example, claim 'marriage is a form that is sanctified by tradition, not justified by rational social debate. The tradition is one that carries with it the whole historical baggage of male power and patriarchal authority'. Hence, in discussions of social justice, many feminists assert the family must be 'disaggregated' so its impact on men and women can be assessed separately.

'Race' and ethnicity In the 1950s and 1960s the UK government adopted a 'colour blind' approach to the production of official statistics on social difference, a reflection, in part, of a concern with the absorption of 'coloured' immigrants into the mainstream community. The initial government response to immigration was an attempt to assimilate the newcomers into the 'British' culture by dispersal and tutelage in 'identity' within the 'universal' social services with their alleged ethos of promoting equality of status. The notion that these services might require modification to suit the cultural requirements of the new arrivals received scant consideration, indeed, meeting cultural requirements was sometimes viewed as a reaction to 'demand' rather than 'need' and therefore a barrier to assimilation. However, as the newcomers became established, 'they formed communities with their own distinct lifestyles' (Parekh, 1991: 187) and developed the confidence to claim their cultures should be respected and incorporated into welfare provision. The idea that the social services should reflect cultural diversity rather than assimilate 'strangers' gathered momentum in the 1960s and was reflected in Roy Jenkins's definition of integration expounded when he was Home Secretary. 'Integration does not mean a flattening process of assimilation', he said, 'but equal opportunity accompanied by cultural diversity in an atmosphere of mutual tolerance' (1966). Cultural pluralists in the Jenkins mould tend to analyse distributive outcomes in terms of 'ethnicity' – a subjectively assigned category containing 'notions of shared origins, culture and traditions' (Nazroo, 1997: 8). In contrast the 'anti-racist critique', developed in the early 1980s, claimed the institutions of state welfare treated 'racialised' minorities on systematically less favourable terms than members of the white majority. 'Race', usually interpreted to mean a socially constructed category ascribed in terms of biological/genetic determinants, was studied through examining the 'subjective', 'institutional' and 'structural' dimensions of racism (Ginsburg, 1992).

The social movements instrumental in adding new dimensions to studies of distributive outcomes also introduced a 'recognition' factor into the analysis of social justice. 'Recognition' refers to the degree of respect awarded to differences in ethnicity, gender, sexuality, age, and physical

differences. If the dominant culture fails to respect 'minorities', indeed if there is a 'dominant culture' with others seen as 'minorities' (Parekh, 2000: xxiii), then the designated 'minorities' suffer a distortion in self-identity 'as a result of repeated encounters with the stigmatizing gaze of a culturally dominant other' (Fraser, 2000: 109). Thus 'injustice in identity' includes being 'subject to an alien culture, being rendered invisible in one's cultural specificity, and being subject to deprecating stereotypes and cultural representations' (Young, 1990: 52).

STATE WELFARE

Although the quest for social justice has been a major stimulant to the development of state welfare in Britain other factors have also been important. In the nineteenth century, the endeavour to control the 'externalities' produced by urbanisation led to state regulation of building standards and eventually to the municipal supply of 'public utilities' such as sewerage and water. Another strand in the story of state welfare has been 'the continuing endeavour to provide the environment required for industrial progress by ensuring a more efficient labour force' (Donnison, 1965: 16). Marxist historians stress the development of state welfare as a 'recognition by property of the price that has to be paid for political security' (Saville, 1957: 5). The recent 'cultural turn' in social policy analysis has led to an emphasis on the role of state welfare in underpinning a 'national identity' with its associated identification of 'outsiders' to cement the unity of 'full citizens' (Lewis, 1998; Burden et al., 2000). Given these divergent inputs it is not surprising the contemporary welfare state is a complex mixture of different principles of intervention and distribution.

Primary intervention

A tenuous but useful distinction can be made between 'primary' and 'secondary' intervention by the state. Primary intervention involves direct interference in the economy and social life to promote socially desirable outcomes, whereas secondary intervention *redistributes* resources already allocated via market transactions and social and political interaction. The most important forms of 'primary' economic intervention have been demand management, job creation, regional policy, prices and incomes control, employment subsidies and minimum wage legislation.

Economic intervention The foundation stone of the welfare state as constructed between 1942 to 1948 was the attempt to manage demand 'to secure the maintenance of a high and stable level of employment' (White Paper *Ministry of Reconstruction*, 1944: 3). Successful demand management

in the period 1945 to 1974 produced high levels of employment. This shaped the distribution of income by ensuring work was available for people who wanted to work and by allowing organised labour to press for higher wages without fear of generating unemployment. The rising unemployment of the mid-1970s meant work creation returned to the political agenda in the form of the Job Creation programme, targeted at 16–18 year olds (1975), and the Community Industry and Work Experience Programme (1976). The mounting unemployment and high inflation of the mid-1970s also prompted direct state intervention in the labour market in the form of a prices and incomes policy. Although the primary objective of this policy was to control inflation it also embraced 'social justice' objectives by allowing the lowest paid to negotiate the largest pay increases (Ormerod, 1991: 57; Heath, 1998: 416).

Regional policy began in the 1930s when central government gave grants to local authorities and voluntary agencies in designated areas for water supply, sewerage, hospital building and new factories. After the Second World War the policy consisted of advance factory building, the payment of regional development grants to firms setting up in assisted areas and the use of industrial development certificates to encourage new and expanding industries to set up in areas of high unemployment. Direct payments to employers to recruit or retain workers started in the mid-1970s but were abolished in the 1980s only to return in the late 1990s, under New Labour's 'New Deal', in the form of subsidies to employers to hire the long-term unemployed.

The notion of a statutory defined 'living wage' was in wide circulation towards the end of the nineteenth century. The Trade Boards Act 1909 established statutory machinery for the establishment of minimum wages in the female dominated trades of tailoring, box-making and lace-making and in 1912 a minimum wage was set for coal miners. Later, other industries and services were brought within the scope of Trade Boards but, in the 1980s and 1990s, the Conservatives scaled down and then eliminated state involvement in the setting of minimum wages. Under New Labour the National Minimum Wage Act 1998 provided for the introduction of a single National Minimum Wage throughout the United Kingdom. One of the principal arguments put forward in support of this measure was that it would reduce the need for the state to support wages through the 'secondary' intervention of the social security system.

The Politics of 'representation' The primary/secondary distinction can also be applied to the social domain albeit with the same caveat on the fragile nature of the distinction. In *Justice and the Politics of Difference*, Iris Young argues that 'instead of focusing on distribution, a full understanding of social justice should begin with the concepts of domination and oppression' (1990: 3). She is critical of mainstream political philosophy for its tendency 'to focus thinking about social justice on the allocation of

material goods and things, resources, income, and wealth' and its neglect of the social structure that 'helps to determine distributive patterns and influences "non-possession issues" such as culture' (Young, 1990: 16, 23). For Young 'oppression' is produced by:

Systematic institutional processes which prevent some people from learning and using satisfying and expansive skills in socially recognized settings, or which inhibit people's ability to play and communicate with others or to express their feelings and perspectives on social life in contexts where others can listen. (1990: 38)

She insists that decision-making power and procedures, divisions of labour and culture must be the central concern of political philosophy because they influence the self-respect of 'identity groups'.

Primary political intervention is necessary to promote the empowerment of hitherto dominated and oppressed groups. This requires special representation rights plus careful attention to the structures of decision making to ensure the voices of excluded groups have an impact. Young's point finds support in the recent work of Stuart Hampshire who rejects the traditional 'liberal' belief in a definitive, rational account of social justice. 'Fairness and justice in procedures', he claims, 'are the only virtues that can reasonably be considered as setting norms to be universally respected' (Hampshire, 1999: 56). Young also rejects traditional liberal objections to 'strong' versions of 'affirmative action'. Some liberals claim 'group' quotas in employment, education and housing are discriminatory against individuals but Young contends that oppression happens to groups, not individuals and, in the real world, 'merit' plays little part in distributive outcomes (Young, 1990: 192–225). Some feminists have extended Young's case for 'representation' politics by claiming to have located an 'ethic of care', more likely to be adopted by women, that gives personal circumstances more weight than the 'ethic of justice' (Ramsay, 1997: 209–21; Noddings, 1986).

Regulation Primary social intervention can take the form of a legal requirement on people and institutions to behave in a particular way, whereas secondary intervention often involves the state in compensating for the 'diswelfares' generated in 'private' domains. Workman's compensation provides an early example of the distinction. The Employers' Liability Act of 1897 placed a legal obligation on employers to provide compensation to workers for injuries arising from accidents that took place 'out of and in the course of employment'. The legislation placed a duty on an employer to pay a man half his wages if totally incapacitated (Bolderson, 1991: 13) – a liability that, according to some contemporary

observers, meant state compensation was unnecessary. Planning legislation offers a current example of the primary/secondary intervention distinction. In the 1980s the Conservatives reduced the supply of state housing mainly by awarding local authority tenants a statutory right to buy their homes. By the early 1990s, a homelessness 'crisis' had developed with 73,490 households living in temporary accommodation (Wilcox, 1997: 169). In 1991 the Department of the Environment issued circulars suggesting that the willingness of a developer to include affordable accommodation in a planned development should be regarded as a material planning consideration (Barlow et al., 1994: vii). This was an attempt to secure more 'affordable' housing to alleviate homelessness without the involvement of the state in the direct provision of homes.

Secondary intervention

During the twentieth century certain goods and services – education, health care, the personal social services and elements of housing – were 'decommodified'; that is, they were distributed through mechanisms other than the market. By the early 1970s 'need' had become the dominant principle on which these 'decommodified' goods and services were allocated. To understand this supremacy of 'need' as a distributive criterion and its relationship to social justice it is necessary to examine the organic theory of society from which the twentieth century concept of 'need' emerged.

Need At the heart of organic theory was the notion that 'society was a living organism ... and that social efficiency and survival were determined by structural "organization" and the capacity for adaptation to external social change' (Harris, 1993: 226). According to the organic perspective, society had 'needs' that must be satisfied if it was to continue and, in the final harmony, society's requirements and the 'real' needs of the individual were as one. Seebohm Rowntree's famous study of poverty in York illustrates this unity. In *Poverty: A Study of Town Life* (1901) Rowntree declared he wanted to obtain information about 'the true measure of the poverty in the city, both in extent and depth' (1901: viii). He defined 'primary' poverty as 'total earnings insufficient to obtain the minimum necessities for the maintenance of merely physical efficiency' (1901: 87). Because he wanted to protect his definition of poverty from any accusations of generosity (Veit-Wilson, 1995) Rowntree made no allowance for 'expenditure needful for the development of the mental, moral, and social sides of human nature' (1901: 87). His calculation was related to 'the two chief uses of food', that is, 'heat to keep the body warm' and the 'muscular and other power for the work to be done'. As Rowntree explained, people living below his poverty line:

were not necessarily chronically hungry but that the food which they eat (although on account of bulk it satisfies the cravings of hunger) does not contain the nutrients necessary for normal physical efficiency. A homely illustration will make the point clear. A horse fed upon hay does not feel hungry and may indeed grow fat, but it cannot perform hard and continuous work without a proper supply of corn (1901: 303).

Rowntree's equation of individual need with the needs of society for a productive labour force was quickly grasped by those who wanted to relate the poverty issue to the growing concern about national efficiency and the future of the British Empire. Economic competition from Germany and the United States, combined with the military incompetence exposed in the Boer War, produced the cry 'Give us efficiency or we die' (*Spectator*, 16 September 1902, cited in Searle, 1977: 1). Having read Rowntree's book, Winston Churchill wrote to a friend:

it is quite evident from the figures which he adduces that the American labourer is a stronger, larger, healthier, better fed, and consequently more efficient animal than a large proportion of our population and this is surely a fact which our unbridled Imperialists should not lose sight of. (Churchill, 1902, cited in Bruce, 1973: 129)

Fabian socialists also absorbed the organic conception of society. Beatrice Webb's minority report of the 1909 Royal Commission on the Poor Laws 'assumed a highly organic conception of society' (Pierson, 1979: 318). She rejected the notion of unconditional insurance benefits as containing a 'fatal defect'. The recipients of benefit 'had a right to the allowance whatever their conduct' (Webb and Webb, 1909: 304) and thereby the bond between individual and community was broken.

Britain's involvement in two world wars helped to strengthen the organic notion of society (society being represented as the 'nation-state') and, after the Second World War, theorists of the 'welfare state' developed an organic, functionalist approach to justifying state welfare. In *Citizenship and Social Class* Marshall made distinctions between the civil, political and social rights of citizenship – citizenship being interpreted as 'full membership of a community' (Marshall, 1963 [1950]: 72). He defined social rights as 'the whole range from the right to a modicum of economic welfare and security to the right to share to the full in the social heritage and to live the life of a civilised being according to the standards prevailing in the society' (Marshall, 1963 [1950]: 74). Marshall believed the legislation of 1944 to 1948 embodied social rights and this legislation represented the final stage in the emergence of citizenship rights. His explanation of the development of

citizenship rights was expressed in terms of the natural, 'organic' development of society towards harmony and the 'functional' requirements of any social system for bonds to unite its disparate elements (Mishra, 1981: 28). In feudal society the civil, economic and social rights of citizenship were integrated on a geographical basis but, during the industrial revolution, these rights became separated. 'When the three elements of citizenship parted company', Marshall said, 'they were soon barely on speaking terms' (1963: 76) and, during the nineteenth century, social rights became subordinate to civil and political rights. There then followed a functional process whereby the social, economic and political dimensions of citizenship rights were reintegrated in the form of the welfare state.

Richard Titmuss followed a similar line of thought. In *Social Policy: An Introduction* (1974) he set out three models of social policy and identified the 'Institutional Redistributive Model' as the template for state welfare. Titmuss claimed the 'Institutional Redistributive Model' sees 'social welfare as a major integrated institution in society, providing universalist services outside the market on the principle of need ...' (1974: 31–2). He supported his belief in this model with a variety of arguments but, at the heart of his justification, was the notion that the 'Institutional Redistributive Model' focused on:

integrative systems; on processes, transactions and institutions which promote an individual's sense of identity, participation and community and allow him more freedom of choice for the expression of altruism and which, simultaneously, discourage a sense of individual alienation. (Titmuss, 1974: 223–4)

Conservatives also embraced elements of organic theory. After the Second World War the notion of the welfare state as an 'enormous mutual insurance covering us all against ill-health, unemployment and loss of earning power in old age' (Willetts, 1992: 142) had a strong appeal to the 'One Nation Toryism' wing of the Conservative Party. Thus by the early 1970s individual 'need' – interpreted as an objective, finite condition related to the requirements of society for functional efficiency – was established as *the* principle on which certain 'decommodified' goods and services ought to be distributed.

Desert During the nineteenth century the market and the family emerged as the dominant mechanisms of distribution and supplied the normative baselines from which notions of 'desert' were constructed. Classical economics was opposed to any form of intervention in the labour market. Malthus summarised the conventional wisdom in saying:

There is one right which man has generally been thought to possess, which I am confident he neither does nor can possess – a right to subsistence when his labour will not fairly purchase it. (1803: 190–1)

With the exception of Malthus, the classical economists produced few reflections on the nature of the family as a social institution. They seem to have regarded the family in much the same way as their disciple, Friedrich Hayek – as a ‘molecule’ in society created by the natural, moral sentiments of autonomous, atomistic individuals. It was left to religion to codify these ‘moral sentiments’. Under the influence of Evangelical Christianity, the family – seen as consisting of the male breadwinner, female carer and their children – acquired an almost ‘sacred’ status. The 1871 Census declared ‘the natural family is founded by marriage, and consists, in its complete state, of husband, wife and children’ (cited in Harris, 1993: 63). ‘In unity of marriage’, Samuel Smiles declared ‘Man is the brain, but woman is the heart of humanity; he its judgement, she its feeling, he its strength, she its grace, ornament, and solace’ (Smiles, 1871, cited in Searle, 1998: 134).

Notions of ‘desert’ were based on the ability of individuals to acquire their means of subsistence from the designated ‘primary’ mechanisms of resource acquisition. By the sale of their labour, single able-bodied people were presumed to be capable of earning sufficient to maintain themselves. If they failed they did so of their own volition and, after the passing of the Poor Law Amendment Act 1834, were to be incarcerated in a workhouse. On marriage, a man acquired the additional obligation to maintain his wife and children through his labour but this did not imply a corresponding right for women and children to claim maintenance directly from the male head of the household. The Acts of Settlement declared a married woman could not acquire rights of abode or assistance in a different parish from her husband (Lidbetter, 1933a: 76); any woman who left the marital home was liable to be deported to her husband’s parish (Englander, 1998: 18). Unmarried mothers acquired a double stigma. They were to be incarcerated in a workhouse and, to remind them of their status as moral outcasts, ‘many unions put their unmarried mothers into a distinctive yellow uniform, the colour of a ship’s plague flag, the wearers being nicknamed “canary wards” ...’ (Longmate, 1974: 125).

Although the market and the family as the sanctioned mechanisms of distribution continued into the twentieth century they were gradually layered with other normative conventions such as ‘worker’ and ‘citizen’. This allowed additional criteria, including new norms of ‘desert’ such as ‘homes fit for heroes’, to influence distribution. In the 1960s and 1970s, according to some commentators, the market and the family as *the*

distributive mechanisms became subordinate to 'citizenship' rights and hence required reanimation (Murray, 1988; Etzioni, 1995; Thatcher, 1995). Today they remain important normative systems on which 'desert' is assessed (Schmidt and Goodin, 1998) and around which concepts such as 'the underclass' and the 'socially excluded' have been constructed.

Ends and means

Some economists claim the distinction between ends and means marks the separation of the 'normative' from the 'positive'. According to Barr (1998: 4), once the question 'How much redistribution (of income, wealth, power, etc.) should there be?' has been answered, the issue of method is 'more properly the subject of technical rather than political discussion'. However, the form in which redistribution is delivered carries messages to both 'providers' and 'receivers' in the distributive process. Such messages can have implications for the acceptability of the transfer and, in turn, may influence its efficiency as a redistributive mechanism.

Income testing Studies of income redistribution and state welfare indicate that the most efficient way to shift resources from 'rich' to 'poor' is to impose direct taxes on the 'rich' and to transfer these resources to the 'poor' via a test of income. Goodin and Le Grand, for example, found that, of the 13 services and subsidies examined, income-tested allowances were the most 'pro-poor'. They concluded that 'the best way to [produce greater equality] is to give all the resources to the poor and only to the poor' (Goodin and Le Grand, 1987: 226). However, depending on the dominant normative system operating in a particular society, the *method* of redistribution can have important consequences. Two assumptions are implicit in the endorsement of a transfer of income from 'rich' to 'poor' via a specific test of income applied to people with low incomes. It presumes the 'poor' should be grateful for their donation regardless of how the 'rich' acquired their wealth, and that the 'poor' have failed to achieve economic independence by their own efforts. These assumptions may lead to feelings of stigma and injustice within welfare recipients and result in redistributive inefficiency due to the low take-up of benefits (Townsend, 1968: 4).

Social insurance The idea of social insurance evolved in response to the perceived necessity to encourage working people to save plus a recognition that means testing may discourage thrift (Neville, 1838; Blackley, 1906). State 'social' insurance started in Britain in 1911 when an 'insured person' was required to pay a weekly contribution to be stored in a special fund earmarked for the payment of specified benefits. The payment of the contribution entitled the claimant to receive benefit without a