



Property-Owning Democracy

Rawls And Beyond

Edited by **Martin O'Neill** and **Thad Williamson**

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Acknowledgments

This book has its origin in a panel organized by Thad Williamson in collaboration with Nien-hê Hsieh, Waheed Hussain, and Martin O'Neill on the topic of “property-owning democracy” for the 2007 annual meeting of the American Political Science Association (APSA), held in Chicago. Each collaborator presented original papers on the subject, and we received insightful responses from panel respondents Corey Brettschneider and David Schweickart. The papers from that initial conference were eventually published as a symposium in a 2009 issue of the *Journal of Social Philosophy* (edited by Carol Gould).

The collaborators for the APSA panel simultaneously decided to go forward with a more ambitious book project on the topic of property-owning democracy, judging that the topic deserved a more thorough treatment from a variety of disciplinary, philosophical, and political perspectives. O'Neill and Williamson took primary responsibility as editors, but we would like to acknowledge and thank Hsieh and Hussain for being integrally involved as we collectively shaped the book's table of contents and recruited authors. To our delight, we found a great deal of interest in the project, and were able to assemble an outstanding set of authors who were willing to join with us in engaging seriously with the idea of property-owning democracy. Our thanks go to all of the authors for their contributions, their wise input, their enthusiasm, and their patience throughout this process. It has been an enormous pleasure working with such a wonderful group of political philosophers.

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Our greatest intellectual debt is to John Rawls, whose work provides the impetus for this book (as for so much recent political philosophy). Each of us first encountered Rawls's work as undergraduates at a time in which he was seen as rather mainstream, if not staid – unlike many of our students today, who (quite rightly!) view his ideas as radical. But like many others before us, our respect for Rawls's work, and his accomplishment in working out a conception of a just society that gives expression to our commitments to freedom and equality, has only grown over time. To be sure, each of us also has been shaped by rival trains of thought drawn from both inside and outside of philosophy. But we remain convinced that Rawls's approach to social justice, and the ideals that it embodies, remains a compelling starting point for both the critical analysis of contemporary society and for disciplined inquiry into how

our societies might be made substantially more just. While we do indeed think it necessary to move far “beyond” Rawls's own work in considering the justification, structure, and political plausibility of a “property-owning democracy,” we see this inquiry as in continuity with Rawls's commitment to the hope of creating a just society of free and equal citizens.

Martin O'Neill and Thad Williamson
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Foreword

Joshua Cohen and Joel Rogers

In *A Theory of Justice* (1971), John Rawls proposed a conception of justice he called “justice as fairness.” A synthesis of liberal and egalitarian political values, justice-as-fairness comprises two principles of justice – principles that require our institutions to ensure equal basic liberties, provide genuinely equal opportunities, and limit socioeconomic inequalities to those that maximally benefit the least advantaged (Rawls, 1999). Recognizing the distance of such institutions from current realities, Rawls nevertheless says that justice-as-fairness presents a *realistic* utopia – a utopia because it meets the demands of our fundamental political values, realistic because it is politically feasible, taking people as they are and institutions as they might be (Rawls, 2001, p. 4).

This concern for realism, for institutional feasibility, was central to Rawls's idea of the aims of political philosophy. Political philosophy, an exercise of practical reason, aims, inter alia, to play a role in the political world by “provid[ing] guidance where guidance is needed” (Rawls, 1999, p. 18) – in particular, by guiding our judgment on large, open questions about the demands of justice. A very large open question is how, if at all, we can balance the demands of liberty and equality in the institutions of a modern political society. Given this aim, a case for institutional feasibility cannot be relegated to a “from-theory-to-practice” appendix, treated as a supplemental application of principles fully justified prior to such argument. Instead, that case is an ingredient of “reflective equilibrium” – of the justification of a conception of justice (Rawls, 1999, pp. xix, 171, 577–578).

Rawls's own account of just institutions has several features, including democracy, both constitutional and deliberative. But one especially striking part was the idea of a *property-owning democracy*, drawn from ideas of Nobel Prize-winning economist James Meade (1964). A property-owning democracy is defined by its broad dispersion of private productive assets. Already present in *A Theory of Justice*, this idea plays a large role in Rawls's later *Justice as Fairness: A Restatement* (Rawls, 2001, pp. 135–140). There he expresses skepticism that justice-as-fairness can be realized in a capitalist welfare state, which he assumes to rely principally on a tax-transfer redistribution of market incomes to achieve fair distribution. Capitalist welfare states do not, as Rawls describes them, worry about the dispersion of income-generating assets – human and nonhuman capital. But asset inequalities threaten a concentration of economic and political power damaging to democracy and equal opportunity. Achieving a reconciliation of liberty and equality in a private ownership economy requires, then, a broad distribution of those assets.

But Rawls did not say much about property-owning democracy: that is the purpose of this volume, the basis of the “Rawls and Beyond” in its subtitle. The essays collected here provide a serious, critical exploration of the appeal and potential of property-owning democracy. Beginning with Martin O'Neill and Thad Williamson's illuminating and instructive introduction, the volume is historically grounded, philosophically informed, and inspiringly alive with good practical and moral sense.

One of the lessons of the book is that property-owning democracy is a complex theme with many variations and a rich history. Rather than briefly sketching (thus simplifying) that complexity, we propose to locate the argument on a wider political-philosophical canvass.

First, the book focuses on a problem of *just institutions*. This focus – embraced by Rawls in his emphasis on the “basic structure of society” – belongs to the central traditions of political theory: from Plato's *kallipolis*, ruled by philosopher-kings, to Locke's case for the rule of law and separated powers, to Marx's communism, with common property and free cooperation without subjection to a state. But post-Rawlsian political philosophy has been less concerned with institutions, concentrating instead on alternative principles of justice (as in the vast literature on responsibility-sensitive variants of egalitarianism), or on the complexities of justifying principles of justice under conditions of pluralism, or on the importance of outcomes or “realizations” rather than institutions (Sen, 2009, pp. 5–6). These philosophical challenges raise important questions about the precise role of institutions in an account of justice. But even if a concern with just institutions is less fundamental than political theorists have traditionally supposed, even if they are only a tool for producing independently defined just outcomes, they are an important tool and command close attention. As Amartya Sen, a sharp critic of an exclusively institutional focus, says, “Any theory of justice has to give an important place to the role of institutions . . .” (Sen, 2009, p. 82).

Second, the book focuses on *domestic* justice and institutions. For the past 15 years, much political philosophy has focused on global justice, especially global distributive justice – important subjects in view of the extraordinary importance of globalization, global politics, global inequality, and global poverty. Still, justice in a domestic society is a subject of great importance, and a focus on domestic institutions has much to be said for it. To be sure, it *might* be said that we simply cannot work out what a just domestic society is except as part of a larger argument about global justice; perhaps, for example, a global difference principle

makes concern for the least advantaged in wealthier societies less pressing. But most reasonable ideas about global justice permit us to reflect, as a distinct practical matter, on principles and institutions for domestic justice. The discussion here accepts that invitation. Without minimizing the importance of global justice, the authors are betting that they can make progress understanding just domestic institutions while abstracting from the global setting.

Finally, the book focuses on economic justice and *class* – a central focus of modern politics and of the Rawlsian concern to respond to radical democratic and socialist criticisms of liberalism. To be sure, a focus on these issues abstracts from other important concerns – race, gender and family, ethnicity, nationality, culture, and language – that raise large issues of justice and have provided a focus of much work in political philosophy since the mid-1980s. Here again, the editors and contributors do not slight these other issues, but lay a bet – like Rawls's in *A Theory of Justice* – that they can make headway in analyzing certain institutions of economic justice while abstracting from the more complete picture of a just society that fuller engagement with those issues might permit.

Readers will decide for themselves if this bet – like the bets on a domestic and institutional focus – is likely to pay off. We like the odds and happily join them in their wager.

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Sen, A. (2009) *The Idea of Justice*, Harvard University Press, Cambridge, MA.

. . . there is a question about how the limits of the practicable are discerned and what the conditions of our social world in fact are; the problem here is that the limits of the possible are not given by the actual, for we can to a greater or lesser extent change political and social institutions, and much else.

Rawls, Justice as Fairness, p. 5

Introduction

Martin O'Neill and Thad Williamson

Justice as Fairness and Property-Owning Democracy

Forty years have passed since the publication of John Rawls's *A Theory of Justice* (1971), an event that has literally set the agenda for contemporary political philosophers and political theorists on both sides of the Atlantic throughout the intervening years. In the decades of debate that have followed, Rawls's basic framework for thinking about justice has acquired many strong adherents, as well as attracting the widest range of criticism – from relatively friendly early critics such as H.L.A. Hart to, more recently, the fundamental critique of the entire project of “ideal” political theory articulated by Amartya Sen (himself once a reviewer of *A Theory of Justice* for Harvard University Press). Rawls's aim was to articulate principles of justice for a society committed to the idea of free and equal persons engaged in a system of social cooperation for mutual advantage. The pursuit of this aim placed Rawls simultaneously in a multitude of debates: the debate between liberal egalitarianism and utilitarianism; the debate between liberal egalitarianism and libertarianism; the debate between liberalism and Marxism; the debate between liberalism and communitarianism (and, later, civic republicanism); the debate between “political” liberalism and “comprehensive” or perfectionist liberalism; and most recently, the debate between “ideal theory” and approaches to politics anchored in “nonideal” assumptions about both

the circumstances of highly imperfect modern societies and the nature of the political condition itself.

Much attention in these varied debates has been devoted to interpreting and developing Rawls's liberal egalitarian position, with Rawls himself an active participant in those debates, right up until the publication of his *Justice as Fairness: A Restatement* in 2001 (Rawls, 2001). Over the years, Rawls made numerous revisions – some technical, some more far-reaching – to his theory, but never gave up the project of specifying an internally consistent conception of *social* justice appropriate for modern democratic societies, in which commitment to religious beliefs or other “comprehensive” life ideals are viewed as an impossible basis for achieving political unity.

In his recent work, *The Idea of Justice*, Amartya Sen, Rawls's colleague and frequent interlocutor, suggests that Rawls's contributions to thinking about justice have more or less run their course. Instead of attempting to specify principles of justice that would be adopted under ideal conditions, and then crafting institutional arrangements designed to realize those principles, Sen suggests that we need to focus on developing a clear metric that will allow us – actual persons in actual societies with actual histories – to judge whether marginal changes of policy and resource distribution do or do not lead to more just outcomes. Sen argues that knowing that point A is the ideal gives no clear guidance to the person at point D regarding whether it is better to move toward point B or point C, given that point A is unattainable (Sen, 2009).

Speaking for ourselves (and not necessarily for all the contributors to this book), we believe that, while it *is* critically important to move the terrain of debate from purely ideal theory to discussion of institutional arrangements, nevertheless Sen's epitaph for Rawls's project is quite premature, for (at least) two reasons. First,

the proposed move from institutional analysis to comparative policy analysis threatens to obscure what is perhaps Rawls's greatest contribution to social thought: the commitment to viewing questions of justice as holistic *institutional* questions, and not simply as questions of either individual ethics or piecemeal political reform. Contrary to the views of a figure like F.A. Hayek (1984), who argued that conceptions of “social justice” were flawed because no individual agent within market society intends to produce the particular distribution of goods that actually obtains, Rawls secured a great breakthrough by insisting that the proper locus of attention in evaluating justice is critical examination of a society's institutional arrangements – including the market itself. Put another way, Rawls's theory draws moral attention not just to the consequences of capitalism, but to its foundational institutions. Rawls does not accept that existing forms of capitalism are the best that we can do, and that advocates for justice must simply push for incremental changes within the existing institutional framework. While we agree with Sen that being able to judge which sort of *policies* promote justice is important, we see no need – and much to be lost – in allowing a focus on policies alone to obscure or distract from fundamental institutional questions.

Second, for all the debates about Rawls's theory of justice, attention to the mechanics of Rawls's “point A” – the preferred institutional arrangements of a just society under modern conditions – remains underdeveloped, particularly with respect to its political economy. For all the ink spilled and academic careers devoted to the finer points of Rawls's theory, the core question of how Rawls's theory of justice can be realized institutionally under contemporary conditions has received only intermittent attention. A primary aim of this volume is to take a big step toward correcting that imbalance through critical and constructive

discussion of Rawls's idea of a “property-owning democracy.”

What is “property-owning democracy”? In *Justice as Fairness* (2001), Rawls contrasts it to four other institutional alternatives: laissez-faire capitalism, command economy socialism, welfare state capitalism, and liberal democratic socialism. It is not surprising that Rawls quickly rejects the first two alternatives as inconsistent with his principles of justice. A command economy violates personal liberty by allowing the state to dictate where a person works, and also in all likelihood will violate or severely compromise political liberty as well (by concentrating political and economic power in the same hands). A laissez-faire market economy with private control of capital will tend to produce nearly unlimited inequality of outcomes as well as systemic inequality of opportunity, and will also severely compromise political liberty by allowing the rich and powerful disproportionate influence in politics and government.

The most surprising contrast Rawls makes, however, is between property-owning democracy and welfare state capitalism. This contrast is surprising because Rawls often has been understood – to this very day – as providing the definitive philosophical argument for the systemic redistribution of resources (“primary goods”), by means of the institutions of the traditional welfare state, operating within a market system. The idea of “limiting inequalities to those that benefit the least well off” has often been conceptualized as using the tax and transfer system to provide all with a minimum income. Indeed, Rawls can be seen as doing this himself in *A Theory of Justice* (1971, p. 276), and in *Political Liberalism* (1993, pp. 228-229) where he argues that a minimum income should be a constitutional right. Yet, while Rawls does want to maximize the position of the least well off, and does think minimum incomes should be provided as a matter of right, he does