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The Difference Principle in Rawls: Pragmatic or Infertile?

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CERTIFICATE OF APPROVAL

“The Difference Principle in Rawls: Pragmatic or Infertile?”

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Abstract

This thesis attempts to provide a coherent view of the idea of ‘justice as fairness’ and, in particular, the ‘difference principle’ expressed by John Rawls in *A Theory of Justice*. The main focus of the thesis is the difference principle and its limits. Rawls’s conception of ‘justice as fairness’ is based on the thought experiment of the ‘original position’ in which people, considered as free and equal, deliberate under an imagined ‘veil of ignorance,’ i.e. not knowing which social roles or status they would occupy in their society. Rawls then argues that in the original position people come up with two major principles of justice, understood as principles that would be acceptable to people treated as free and equal. The second principle entails the so-called ‘difference principle,’ according to which the inequalities of, say, wealth and authority are just and fair only if they lead to compensating benefits for everybody and particularly the least advantaged.

The thesis proceeds, then, by probing whether compared with other theories, including a discussion of Dahl’s theory of democracy, Rawls’s difference principle could be a proper answer to one of the main questions of social justice. The question is: how the economic fortune in a society should be distributed among citizens. However, despite Rawls’s aim to develop the difference principle as a practical normative theory, it fails to give us a pragmatic answer. The reason is: the statement of the difference principle fails to take into account one crucial point: to wit, the matter of time. The thesis develops two empirical economic scenarios to illustrate that there is a trade-off between the interests of the poor in short and long period of time. However, this important issue is not considered and discussed by Rawls which makes the theory inapplicable.

Introduction

The subject matter of political philosophy is people living in societies, governed by institutions. It studies topics like politics, property, liberty, humans' rights, justice, laws, government, etc. It attempts to find a reasonable and logical answer to questions such as: what makes a government legitimate, what kind of rights and freedom people should have, whether laws should support animals' rights, whether the government has any right or duty to determine how the wealth should be contributed among citizens, or whether the government should determine what goods and how they should be traded, etc. Therefore, the main task of political philosophy is not merely a descriptive enterprise, but it is also normative. One of the issues that political philosophy discusses is distributive justice.

Distributive justice concerns the nature of a socially just allocation of goods in a society. The discussions of distributive justice narrowly focus on the distribution of income and wealth. As long as unfair inequalities in outcome do not arise in a society, that society is considered to be guided by the principles of distributive justice. Distributive justice occurs when the rewards and costs are allocated according to a kind of fair distributive norms and standards.

Therefore, one of the main questions of distributive justice is how the rewards and wealth should be shared by members of a society or a community. Should those with more authority receive more rewards than those in a lower level status? Or should the most resources be given to those who are most in need? Do those people who have the most have any "social responsibility" according to which they should share their wealth with those who have less? Should people gain money based on their input; the more one invests and contributes, the more one receives? Or should people all receive an equal share of the resources, no matter how much they contribute to society or to their community?

Among all the contemporary dominating political theories, John Rawls's theory, as he calls it 'justice as fairness' is considered as the most accepted one. In his 1971 book *A Theory of Justice*, Rawls presented the main idea of justice as fairness which, he claims, is "a theory of justice that generalizes and carries to a higher level of abstraction the traditional conception of the social contract."¹

In this thesis, I have attempted to bring together into one coherent view of the idea of justice as fairness and some comments or a theory on the difference principle expressed by Rawls in *A Theory of Justice*. The further questions and cases required to complete the comments are also discussed. The exposition falls into three parts:

- (i) The first part covers with much greater elaboration on Rawls and his theory, viz. justice as fairness. In the course of doing so, I will develop his account of the two principles of justice such that the normative core idea of political liberalism becomes more clear. I go on to explain the original position put forth by Rawls; justice as fairness takes the initial situation of absolute equality to be just and then raises the question of whether it would still be unjust to deviate from it even if everybody's expectations would be promoted.

Even though the focus of this thesis is on the second part of the second principle, namely the difference principle, I will expand upon both principles. The reason is the overall framework as a normative defense of a liberal democratic regime should be articulated. That is, focusing in the end on the difference principle, I shall first talk about the two principles of justice so that the function of the difference principle in

¹John Rawls, 1971, p viii.

the context of a normative theory of conception of justice based on free and equal citizens gets clearer.

- (ii) Then in the course of presenting my theory, for the sake of simplicity, I utilize one conception of democracy, namely that of Robert A. Dahl. I explain Dahl's opinion on democracy and the contradictions between his statements cited for democracy. On the one hand, he holds that people in a democratic society ought to be enlightened and informed to be in control of the agenda, and on the other hand, whether or not people are enlightened and in charge meaningfully, depends on their economic situation. Though the relevance of education to democracy is a huge topic which is beyond the scope of this thesis, I briefly explain the relationship between being in control of the agenda, education, and the influence of the economic background on them. Then I explain how supposedly Rawls's difference principle, if implemented in a society, can be considered as a solution. At the end of the thesis, I describe, unlike what Rawls claims, his difference principle is not sufficiently applicable.
- (iii) The third part of the thesis is comprised of the main theory presented by offering two empirical hypotheses. The theory holds that, despite its claim, the difference principle, as a normative theory, is not adequately applicable. The reason which is backed by two empirical hypotheses is that the statement of the difference principle ignored or did not take into account a crucial point, namely the matter of time. That is, assuming that the purpose of the difference principle is to improve the interests of the worse off, it should be noted that there is a trade-off between the interests of the poor in short and long period of time. A lack of the considerations of this important point makes this principle not too fertile, or rather not too pragmatic.

The point is not that the difference principle or any theory on social justice, however good in principle, is not probable to be realized in practice, but rather the purpose of this thesis is to point to the limits of the difference principle in practice. That is, the statement of the difference principle to be intended to be efficacious with regard to empirical policy decisions as how to improve the situation of individuals and especially that of the worse off which here is meant to be the working class. The limits or problems mentioned and discussed in this thesis are not conceptual but practical. At the end, I mention that the theory developed in this thesis, may come under criticism. Alluding to the criticism, I attempt to address it.

Chapter. I

Justice as Fairness

In his book, *A Theory of Justice*, John Rawls presents his theory which is considered a unique contractarian approach and develops an approach to the methodology of political theorizing.

Like other liberal theories, Rawls' liberalism is the view in which the ideas of justice, fairness, and people's rights play a crucial role; a point of view in which the most fundamental and important role of the state is to secure *justice* for people. As Rawls claims:

Justice is the first virtue of social institutions, as truth is of systems of thought. A theory however elegant and economical must be rejected or revised if it is untrue; likewise laws and institutions no matter how efficient and well-arranged must be reformed or abolished if they are unjust.²

Rawls claims that people have an inviolability found in justice that nothing else in society can override; that is the reason why injustice can never be tolerable. The only reason that allows people to accept a wrong and unjust theory is the lack of a better one. Rawls put it this way “an injustice is tolerable only when it is necessary to avoid an even greater injustice. Being first virtues of human activities, truth and justice are uncompromising.”³ Society, according to Rawls, is like a “cooperative venture for mutual advantage.”⁴ That is, everyone would benefit from

² John Rawls, 1971, p 3

³John Rawls, 1971, p 4

⁴ John Rawls, 1971, p 4

living in a society so that they have a better life by cooperating with others than they would otherwise have. Since people are different and have different ends and goals, there is always a conflict of interests. Put in another way, in a society comprised of members with disparate aims and interests, every person will be pursuing their own ends and everyone would rather get a larger to a lesser share.

Finding themselves in the world in a given stratum, endowed with given mental and physical assets, and espousing diverse conceptions of the good, humans set about establishing institutions to ensure, primarily, that no one is unjustly advantaged or disadvantaged by these social and natural contingencies. An institution here is understood to be “a public system of rules which defines offices and positions with their rights and duties, powers and immunities and the like.”⁵ A proper law or institution is intrinsically just.

Now a set of principles is demanded to secure the justice of the institutions; the principles of justice. The principles of social justice define a way of assigning duties and rights and a proper way of distribution of the benefits and the responsibilities of the social cooperation. People’s desire for justice prevents them from pursuing other ends. Therefore, although people have different ends and interests, they desire to cooperate together since they share a conception of justice. That is, despite their disagreements, people share a conception of justice and understand that they need a characteristic set of principles to determine what a proper distribution of benefits is.

In Rawls’s theory of justice, the primary subject of social justice is the basic structure of society. That is, the concern of social justice is the way the major social institutions decide how

⁵ John Rawls, 1971, p 55.

to divide the fundamental rights and duties and advantages from social cooperation. The major institutions are meant to be “the political constitution and the principal economic and social arrangements.”⁶ Therefore according to this account, private property, protection of freedom, liberty of conscience, and monogamous families, etc. are the examples of major social institutions.

The primary subject of justice is the basic structure of society because its effects are deep and vital. In the basic structure of society, there are different social, economic, and cultural positions in which people are born. That is, everyone finds herself placed at birth in some specific position in a particular society, and this affects her life. The fact that the situations in which people are born are different effects people’s initial chances and also their expectations in life. However, any difference in people’s initial chances cannot be justified by an appeal to the idea of desert. That is, nobody can be said to deserve a special situation. The initial idea is that income and wealth, and the generally good things that people wish to have in life should not be distributed according to moral desert since no one can be said to deserve what they have.

Therefore, if someone were born in a better situation and has advantages, it is not correct to say that she deserved this privileged background. Or if someone were not born in a situation with most benefits, it does not mean that she did not deserve to have special advantages or more chances to do something that some people are able to do.

In short, inequalities are inevitable in the basic structure of any society and that is why the principles of social justice must first and foremost apply to the basic structure. The principles of justice set for the society have to nullify the accidents of natural endowment and chances of social circumstance and should leave aside the aspects of the social world that are arbitrary from

⁶ John Rawls, 1971, p 7

the moral point of view. These principles, then, regulate the primary elements of economic and social system in society and can be used as a standard by which the distributive aspects of the basic structure of society should be evaluated.

The distributive aspects of the basic structure of society ought to be just, meaning that the primary goods that the basic structure distributes must be based on just principles set by people. The primary goods are meant to be some basic things that everyone, regardless of their plan in life, is assumed to desire to have. Rawls holds:

For simplicity, assume that the chief primary goods at the disposition of society are rights and liberties, powers and opportunities, income and wealth... other primary goods such as health and vigor, intelligence and imagination, are natural goods; although their possession is influenced by the basic structure, they are not so directly under its control.⁷

In his theory, as Rawls mentions, the primary good of self-respect also has a central place. Therefore, it is really significant that people in a society decide once and for all what should be considered among them as just and unjust. Due to their conception of justice, people appreciate the importance of the principles of justice. As free and rational beings, people concerned to protect their own interests choose together to agree on some principles that assign the basic rights and duties and to settle the division of social benefits in society.

Being intent upon striking an agreement concerning the most fundamental aspects of a social scheme, parties have to position themselves outside the society and discuss the terms of the contract as persons who have not yet entered into it. However, they already have. They are cognizant of their particular social status, mental and physical capacities as well as their conception of the good, hence they have proclivity to enact biased principles. Being aware of

⁷ John Rawls, 1971, p 62

their position is society, people are apt to be guided by their prejudice and to design principles to favor their particular condition and to further their own interests.

For example, if someone knows that she is affluent, she probably will think that it is rational to promote the principle that different taxes for welfare measures should be counted unjust. Or if someone is aware that she is indigent, she may find the contrary principle more acceptable and appropriate.

Consequently, in order to render the aforementioned social and natural contingencies impotent from the vantage point of justice, the principles regulating the institutions are to be adopted in 'the original position'. The original position is a purely hypothetical situation with some special features which leads to a certain conception of justice. Among the significant characteristics of this position is that, in this position, people do not know anything about their position or social class in society. Nor do people know their fortune, abilities, strength, intelligence, natural assets, etc. Furthermore, it is assumed that in this position, people do not know their conceptions of the good, their specific psychological tendencies, their political and economic situation or the level of civilization and the culture of their own society, and which generation they belong to.

People are to choose the principles of justice for the society in the original position. In this position, parties are able to set some just and fair principles which will establish the basic structure of the society in which they will live. The features of the original position make it an ideal situation to determine just and fair principles for society. That is, when people are ignorant of their social status, intelligence, psychological propensities, etc. they are not able to establish principles that are biased and favor their own situation. Therefore, in the original position, the principles of justice are chosen, Rawls holds, behind 'a veil of ignorance'.

The veil of ignorance deprives parties of some information concerning their special attributes; the features that, according to Rawls, are arbitrary from the moral point of view and should not be taken into account to select the principles of justice. This ensures that nobody will be advantaged or disadvantaged by the principles chosen. Put in another way, behind the veil of ignorance, people are not cognizant of their social situation and they do not know whenever the veil lifts, which social status they will end up having in society.

If parties are to be at the same level with respect to their acceptance of the justification of the conception of justice governing their society, the only admissible basis of reasoning would be those common among all citizens regardless of social position, conception of the good, intelligence, etc.

Then an intelligent person who is a physician with a high social status does not know who she is behind a veil of ignorance, and accordingly she is unable to choose principles that make her, as a doctor, more privileged. Thus even if someone is apt to compel others to agree on the principles that are advantageous to her, she cannot do so due to the fact that there is no way that she can find out which principles are particularly in her interests.

The parties, in the original position, are allowed to know some limited pieces of information. For instance, parties know about the principles of economic theory, the basis of social organizations, the laws of human psychology, and the fact that their society is subject to the circumstances of justice. Therefore, it seems rational to presume that the parties in the original position are free and equal.

People, in the original position, are free meaning that they are not given antecedent principles external to their own point of view to which they are bound. They are not motivated by natural and social contingencies or any manipulative forces which might be externally upon

them. The interest they try to advance need not be derived from some prior duty and obligation, either to other persons or to the society. Nor do the parties recognize certain intrinsic values as known by rational intuition.

People are equal in the original position which means that the differences among the people are unknown to them and they are on a par with each other and have the equal rights to play a vital role in choosing principles of justice for the society. That is the reason why it is adequate to call the original position a situation of absolute equality.

Consequently, parties can decide on the principles impartially in such a way that nobody benefits from these principles in society, nor does anybody suffer from them. Deprivation of all the relevant facts would help parties put themselves in the position of a person who is freely and voluntarily choosing what society to enter. In this way, Rawls's venture can be viewed, in his own words, "a society satisfying the principles of justice as fairness comes as close as a society can to being a voluntary scheme, for it meets the principles which free and equal persons would assent to under circumstances that are fair."⁸

This original position of equality and the decisions of the parties therein will be the yardstick of justice. These principles which are the outcome of a contract between persons, then, are considered to be fair and stable and can be applied to the members of society whom these principles govern. Rawls expresses it this way:

Assuming that the original position does determine a set of principles, it will then be true that whenever social institutions satisfy these principles, those engaged in them can say to one another that they are cooperating on terms to which they would agree if they were free and equal persons whose relations with respect to one other were fair.⁹

⁸ John Rawls, 1971, p 13.

⁹ John Rawls, 1971, p 13

The whole idea of the original position is to establish a fair procedure which leads to fair and just principles.

Two Principles of Justice

The most defensible suggestion to be proposed in the initial situation of equality, Rawls believes, is as follows:

- First: each person is to have an equal right to the most extensive basic liberty compatible with a similar liberty for others.
- Second: social and economic inequalities are to be arranged so that they are both (a) reasonably expected to be to everyone's advantage, and (b) attached to positions and offices open to all.

Before I go over the two principles of justice and explain them in detail, I need to mention some points that should come to light:

(i) The first point is that, according to Rawls, people would accept and honor or abide by these principles because these principles are rational and agreed on under conditions which categorized people as free, equal, and rational beings. The legitimacy of these principles comes from the fact that they are chosen in the original position and hence are the result of a fair agreement. In other words, the justness of these principles is owing to their having been accepted in the original position.

In the original position, as mentioned before, people are excluded from knowing some pieces of information which make them equal. The point is that the attributes of people appeared

in the original position are the only ones relevant from the standpoint of background justice. Just as everybody is equal before law and persons' social class, intelligence, beauty etc. are not supposed to make them basically different from a legal point of view, such attributes of theirs are totally irrelevant also from the standpoint of justice and are not supposed to be taken into account when designing the principles governing the background institutions of society.

(ii) The next point is that the principles of justice that Rawls examined would regulate and apply in a well-ordered society. In a well-ordered society governed by a shared conception of justice, there is a public understanding of what is considered just or unjust, and everyone is assumed to do her part and act justly. Rawls describes a well-ordered society as a society that is:

not only designed to advance the good of its members but also it is effectively regulated by a public conception of justice. That is, it is a society in which (1) everyone accepts and knows that the others accept the same principles of justice, and (2) the basic social institutions generally satisfy and are generally known to satisfy these principles.¹⁰

Now I will shed light on the two principles of justice, pointing out that the first principle takes absolute priority over the second one. It means that a just society, first and foremost, assures that the citizens have equal rights and then the second issue that a just society ought to address properly is inequalities. Under no circumstances, the violation of the first principle that protects the equality of individuals' rights is justified. After the equal liberties being guaranteed, the basic structure ought to consider the inequalities in society and take care of them in a way proposed by the second principle of justice. Then broadly speaking, any inequality of riches and

¹⁰ John Rawls, 1971, p 5

authority infringing the equal liberties stipulated by the first principle is to be sanctioned. Thus the first principle is to safeguard the equal liberties of citizenship. Rawls defines the basic liberties of citizens, roughly speaking, as:

political liberty (the right to vote and to be eligible for public office) together with freedom of speech and assembly; liberty of conscience and freedom of thought; freedom of the person along with the right to hold personal property; and freedom from arbitrary arrest and seizure as defined by the concept of the rule of law.¹¹

The first principle protects the liberty of citizens which is considered as one of the most basic features of a just society. All the liberties mentioned in the previous paragraph have to be equal for all people. Because people in a just society should have the same basic rights. Any departure from the system of equal liberty, according to the first principle, cannot be allowed and justified.

The second principle applies to the distribution of income and wealth and consists of two parts. It assumes some state of parity as just, and then warrants departing from it and allows differences provided that everybody's condition would thereupon improve.

The second part of the second principle claims that all positions of authority and offices of command must be accessible to all. This principle is named the principle of fair equality of opportunity. It requires that all offices and positions should be set so that everyone has access to them. Although some offices may attract superior talent, audacity, good performance, etc. the principle of equal opportunity holds that it is unjust to restrict people's access to social positions.

¹¹ John Rawls, 1971, p 61

To assure that the offices and positions are open to all, the arrangement of the basic structure should be evaluated from a general standpoint. That is, there is no need to focus on the various relative positions of people in society and to order that every assignment or change should be just, but rather the social institutions should be judged from the standpoint of justice; as long as the arrangement of the basic structure is just, there is equality as careers open to all and people have fair equality of opportunities and free choice of positions and occupations. Thus what kind of positions people hold and what they do is not the matter of justice, but rather the concern of justice is to evaluate the correctness or the justness of the social system to assure that the distribution of everything, including the social positions is just and fair. The distribution of positions and offices cannot be judged in isolation from the social system since that distribution is the outcome of the social system.

As understood from the statement of the principle of equal opportunities, it is not adequate to aim to set a social scheme which attempts to increase people's expectations. For a society to be just, it should set a system that (i) gives everyone equal opportunities and (ii) allows inequalities as long as they benefit everyone especially the poor as required by the second principle of justice. It is really crucial to assure that both factors mentioned are fulfilled. The reason is it is possible to improve people's situation in a society by assigning special advantages to certain positions in spite of excluding some groups from them. For instance, the basic structure of society may permit some people with more wealth and resources to accumulate their shares more and more while the least advantaged are still in a bad condition. Put another way, a social system which benefits the most advantaged and ignores or holds the destitute back does not satisfy the principles of justice.

The Statement of the Difference Principle

Now I shall move to the other part of the second principle which is the primary focus of this thesis. The first part of the second principle holds that the distribution of income and fortunate is not required to be equal, but rather it must be in everyone's interest. This principle is called the difference principle which deals with differences and inequalities in society.

Difference is a prima facie vice since differences usually make up a hierarchical society in which interest and power are concentrated within a small segment. People live together; why would some be richer than others?

In regard to inequalities, socialist theories hold that the social systems ought to provide people with truly equal positions, exploit technology and resources to help them maximize their abilities. The focus of socialist theories is not only the economic situation of individuals, but rather they also take into account people's political and cultural situation. They do not promise only equality of wealth, but they consider also the equality of respect, prestige, and dignity as a primary good. So in a society which is run by a socialist government, as socialist thinkers claim, not only people are economically, more or less, equal, but also they are treated equally. So the black or foreigners considered inferior in other societies, for instance, are presumed to be honored equally as other people in a socialist state.

Of natural liberty, liberal equality, natural aristocracy, and democratic equality, the most preferable interpretation, Rawls maintains, is the last one which is comprised of the difference principle and equality viewed as equality of fair opportunity.

There must be a direct relationship between the expectations of different strata. That is, a surge in the expectations of one of the social classes should not be a concomitant of a reduction in the expectations of the others, notably the worse off.

In this interpretation, in Rawls's opinion, the advantages of the least favored take precedence. The expectations of those who are better off are to contribute to the expectations of the less fortunate, otherwise the difference principle would count the society as unjust, authorizing changes that might lower the expectations of the upper class.

To put it in a nutshell, the difference principle holds that the inequalities of, say, wealth and authority are just provided that they lead to compensating benefits for everyone and particularly the least advantaged. That is, it is acceptable if some people earn more as long as by dint of that, the situation of the least advantaged will also improve. The intuitive idea is that a suitable system of cooperation is necessary for the welfare of all, to wit, the well-being of people in a society depends, to a great extent, on a system of proper cooperation of everyone taking part in it, including both the least-advantaged and the well-situated people.

Rawls explains the difference principle by offering an example: suppose if an advantage can rise the expectations of the lower positioned, it can also raise the expectations of all positions in between. For instance, if the greater expectations of the members of the entrepreneurial class can benefit the unskilled workers, they also benefit the semiskilled. However, this chain connection does not say where the least advantaged do not gain, thus it does not mean that all effects move together.

Assume further that it is impossible to lower or raise the expectations of any social class without lowering or raising the expectations of any other class. Now presume that there are three

representative people; x_1 is the most advantaged one and x_3 is the least advantaged and x_2 is in between. In figure 1 and 2¹², the expectations of x_1 is showed along the horizontal axis, and the expectations of x_2 and x_3 are marked off along the vertical axis. There are a lot of points on the curves that can be chosen as a proper standard of distribution of income and wealth. Of all those points the best one, according to the difference principle, is the point where the curve for x_3 reaches its maximum. Therefore, the difference principle chooses point a.

As shown on the curves, at any point where x_3 is raising, the x_2 is also raising until the points a and b. The curves and the assumption do not tell where the x_3 curve is falling to the right. Nor does it say where x_2 curve rises or falls as marked by the dashed line x'_2 .

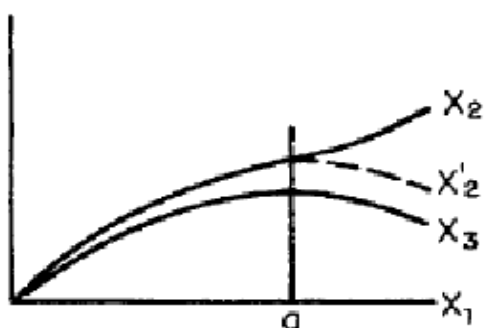


Figure 1

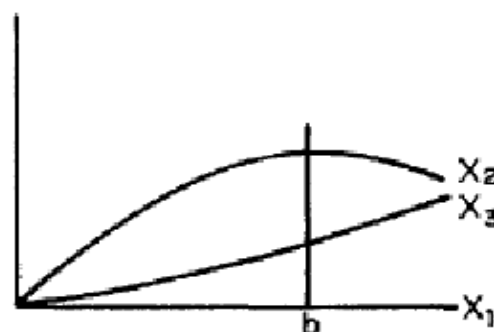


Figure 2

At any point to the right, the expectations of x_1 and x_2 will raise. In figure 1, beyond the point a, the average expectations may increase, however the expectations of x_3 , namely the least advantaged, will fall depending on the weights of the various groups. The difference principle's

¹² John Rawls, 1971, p 81

first choice is point a since the first thing that this principle takes into account is the benefits of the least advantaged.

It should be kept in mind that figure 1 and 2 and the assumptions based on which these figures and curves were explained are only an example presumed to simplify the statement of the difference principle. The difference principle does not depend upon whether these curves or assumptions are satisfied.

So to express the difference principle in a more general and simple way, we shall say: in a basic structure with several social groups, first maximize the welfare of the worse off; then maximize the benefits of the second worse-off representative group, and so on until the last one which is maximizing the expectations of the best-off representative group.

Chapter. II

The Features of a Well-Ordered Society and the Implementation of the Difference

Principle in a Democratic Society

Rawls claims that the difference principle is not like a limited allocative principle that can be applied in existing institutions to redistribute the preexisting wealth and income in society, but rather it is more like a “macro principle” that organizes the economy of basic structure of a well-ordered society. As mentioned before, he claims that the two principles of justice chosen in the original position of equality; apply to a well-ordered society which can represent a democratic society or, broadly speaking, the government of a democratic society since “the aim of the branches of government is to establish a democratic regime.”¹³

With regard to applying the difference principle to a democracy, there are questions that need to be addressed, such as: what is the situation of a democracy and how people in a democratic society are characterized? Which model of democracy fits best or should be applied to Rawls’s conception of justice? It also should be clear why and how the difference principle can apply or, rather, solve the problem of distributive justice in a democratic society.

To address these questions, for simplicity, we need to focus on one definition or account of democracy. Among all models of democracy presented, the one that can best fit the purpose of this thesis is that of Robert A. Dahl.

In his book, *Democracy and Its Critics*, Dahl presents his idea of democracy. In this book, Dahl starts off by explaining the conventional definition of democracy as the rule by

¹³ John Rawls, 1971, p 280

people. Like Rawls, Dahl believes that all people should be given equal rights and opportunities to effectively participate and vote in a decision making process. He assumes:

All members are sufficiently well qualified, taken all around, to participate in making the collective decisions binding on the association that significantly affect their good or interests. In any case, none are so definitely better qualified than the others that they should be entrusted with making the collective and binding decisions.¹⁴

So it is crucial to precisely interpret and define the interests of every individual who is subject to decision, during the process of decision making.

Then Dahl introduces some features of democracy which are, in his opinion, vital. Here are the five crucial features that he enumerates:

- voting equality at the decisive state
- effective participation
- enlightened understanding
- inclusiveness
- control of the agenda

First, I go over two conditions that Dahl mentions for democracy and then spell out the problems with these condition. Among the conditions that he lists for democracy is that a society should have citizens who (i) have enlightened understanding and (ii) are in control of the agenda

¹⁴ Dahl, 1989, p. 98

of the state¹⁵. The former defines a democratic society as a society in which citizens are aware and enlightened. Put in another way, the more aware and enlightened the people are, the more democratic the society is. The reason why Dahl argues for people's awareness and emphasizes its importance is that, without enough knowledge, people do not really have a choice. Dahl believes that if people do not have enough pieces of information about a set of options, they do not have any choice at all. So no option, no choice.

To make the point more pellucid, I will give an example. Suppose someone has been told that a kind of stock is worth \$40 today. She chooses to buy that kind of stock and then she realizes that the stock is worth only \$20. In this example, it is not really correct to say she had a choice or she *chose* to buy that stock. Had she known the real price of the stock, she would have not bought that stock. Therefore, she cannot be said to have had a choice, due to the fact that it was not what she believed she had chosen. Where there is no enlightenment or awareness, there is no choice.

The other necessary condition that Dahl cites for democracy is having citizens who are in control of the agenda of the state. It demonstrates that the participation in the decision making process in a democratic society ought to be open to all. Dahl put it this way "a democratic government provides an orderly and peaceful process by means of which a majority of citizens can induce the government to do what they most want it to do and to avoid to do what they most want it not to do."¹⁶ One of the main ways that citizens can have the opportunity to be in control of the agenda or to play any role in that seems to be the formal freedom of speech. Freedom of speech is meant to be the statute saying, more or less, that nobody is allowed to restrict

¹⁵ Dahl, 1956, p.84;1989, p.221

¹⁶ Dahl, 1989, p.95

anybody's freedom of expression. However, freedom of speech which is established by laws in democratic societies cannot assure that all people are able to express their different perspectives. That is, the existence of the law of the freedom of speech does not, on its own, guarantee that you can positively express your opinion or can have a voice. Without expressing opinions freely and having your voice heard by others, you cannot really say that you have any role in the control of the agenda. Dahl is not the only thinker who talked about it. Rawls also has the same opinion:

All citizens should have the means to be informed about political issues. They should be in a position to assess how proposals affect their well-being and which policies advance their conception of the public good. Moreover, they should have a fair chance to add alternative proposals to the agenda for political discussion. The liberties protected by the principle of participation lose much of their value whenever those who have greater private means are permitted to use their advantages to control the course of public debate. For eventually these inequalities will enable those better situated to exercise a larger influence over the development of legislation. In due time they are likely to acquire a preponderant weight in settling social questions, at least in regard to those matters upon which they normally agree, which is to say in regard to those things that support their favored circumstances.¹⁷

Here are the three main problems with Dahl's above-mentioned conditions of democracy explained briefly, though I realize that there may be more problems with this account.

(i) According to Dahl, to be enlightened, people need to have enough knowledge. That is, enlightenment requires appropriate knowledge which can be brought about, to a large extent, by proper education and media outlets.

¹⁷ Rawls, 1971, p.225

However, any access to the proper education required to be enlightened needs money. Consider a democratic society in which all people are given equal rights. But many people, due to their financial situation, cannot afford to enroll in higher education. Especially private schools are burdened by extremely high costs, but even at public universities the tuition and living costs often transcend what many can afford.

Also it is really probable that people with lower income drop out of school since they have to work or care for their family. It does not suggest that the least advantaged are doomed to be uneducated or ignorant, but the point is that the chances are low that people in this situation can register, for example, in a law school and make a professional career as a lawyer, a congressman, etc. For people with low income need to work to take care of themselves and probably their family so they do not have adequate money and time to get to school. The majority of people in poverty are not even aware of their social opportunities, let alone being able to participate in agenda-setting.

Accordingly, the economic background has a major influence on education and thus on abilities to process and to access information that are required to participate meaningfully in a democratic decision-making process. Since without sufficient economic resources, there is no proper education and enlightenment and accordingly not much influence on the agenda of the political process of a state. The lack of adequate economic resources may thus be an impediment to having any control of the agenda in the state. In this situation, it is questionable whether citizens have politically equal roles.

So the conditions mentioned for democracy seem to be circular: On the one hand, Dahl argues that a democratic society is a society in which citizens are in control

of the agenda, meaning that the distribution of wealth is determined by the enlightened citizens. It means that people could change the distribution in any way they want. On the other hand, whether or not people are enlightened and in charge, to a large extent, depends upon their economic situation. This suggests that these conditions need to meet a certain unchangeable standard, to allow for proper education, which means they are not up for grabs by the agenda. There seems to be a contradiction between these statements.

Someone may argue that all the conditions that Dahl enumerated for democracy depend upon the economic structure of the society. However, these conditions the way Dahl introduced them, to wit without a hierarchy among them, are enough to support the preceding argument.

(ii) The second problem with this account is that even when people vote, it does not mean that they are meaningfully participating in public life. Because even in a democratic society the politicians may change people's mind through media, advertising, etc. That is why proper education as a basis for democratic participation is so crucial; it is paramount that people should be informed about social issues and participate not only by voting, but also by monitoring what their political leaders do and how they use their power. However, should they work to get paid a subsistence wage, people do not spend enough time to listen to political debates and follow the news. In this situation, people do not care even about the local issues. For instance, it is really hard to expect a low-income family in the U.S. to understand or to be able to analyze the influence of their government's foreign policy on what is taking place in the Middle East and to do something about it. So if such a family votes for a president candidate,

not considering her foreign policy, nobody can blame the family too much, but rather it means there is something amiss in the education process and the media.

Sometimes in an actual democratic society, not an ideal one, the people with the economic clout are able to change the rules to benefit their own situation. That is, they can determine what they like to spend their money on and decide what others should do. That is, the people who are richer are actually given added weight or power in society and are able to lobby. This fact has a major impact on the distribution of influence on decision-making process since those who have more fortune and power can change the political agenda or exclude some issues from it.

(iii) The third problem is that, given that people in a democratic society may have different opinions on the same issue, how can we listen to their voice without ignoring others? Imagine in a society, there are some specific rules regarding, say healthcare, established by group A or its representatives as required by democracy. There are, as it is in reality, definitely some people, let us call them group B, who do not approve of the laws for some reason. Now group B, not content with the established rules of healthcare, attempt to change them. Do we have to respect group B's opinion and counter their move? If we do, it will be against the will of the enlightened people of the group A which is anti-democratic. According to Dahl, the characteristic of democracy is "the continuing responsiveness of the government to the preferences of its citizens, considered as political equals."¹⁸ It would be anti-democratic because, in our example, the rules of healthcare are agreed on by group A or its representatives. Changing these rules because of the wants of the group B, which is not necessarily a minority group, would

¹⁸ Dahl, 1971, p.1

be against the consent of the group A whose vote set the rules. If we change the rules set by group A, we are ignoring the voice of group B, and vice versa. Either way, some people are not in charge, then there is no democracy. What this amounts to is that Dahl's theory is not sufficiently clear about how the will-formation of a public with equally enlightened citizens but different opinions about an issue is to take place. Merely enumerating the basic principles in a formal way does not suffice. He would need an argument about a mechanism or process how democratic will-formation can proceed to be democratic. Such a mechanism has been presented by Rawls's original position, but my argument in this thesis is that this approach also remains too formal to give on its own sufficient guidance for application.

As another example, consider a situation in which the half of the population of a society does not approve of the rules that allow spending a lot of money on military-related expenditures. However, the other half of the population supports the high military budget. Given that according to the account of democracy, we have to give people equal rights, do we have to set the rules based on the former group's opinion or the latter one's? Either way, some people will not be in charge. That is, either way, we are ignoring some people's opinion. Also how can we judge which group is more enlightened according to which the rules should be established?

In a true participatory democracy, the participants themselves have to come to a consensus, utilizing an idealized orientation towards what would be in everyone's interest in the original position, stated by Rawls. My point here is only to suggest that such an elaboration is needed to make his theory consistent, and my general point is that such a theory itself requires a combination with empirical knowledge of the context to be relevant.

Now we are done with the problems of Dahl's account of democracy, it is slightly more clear to see how abstracting a set of principles for democracy from real-life social contexts may

lead to these contradictions and also fall short of applicable answers. It makes Dahl's account of democracy formal which leads it to be unspecific. The objection to the vagueness of such overly formal theories like Dahl's can be found in Aristotle's writing. In the third book of Politics, Aristotle argues that formal concepts such as the rule of law cannot be helpful to characterize a state. He argues "but someone may say that it is wrong to let man have the supreme power and not the law, as his soul is subject to so many passions. But if this law appoints an aristocracy, or a democracy, how will help us in our present doubts?"¹⁹ So Dahl's account of democracy is also a formal concept which merely suggests the idea of social justice to us; it simply tells us that people should be in charge, but it does not clarify how they should be in charge and what they need to do to overcome the obstacles.

We need a more certain and detailed theory which is beyond the formal limitations; a theory that does not present only some general normative principles, does not have any circularity or contradiction, and can be practically applicable; a theory based on which we can set some kind of pattern of the distribution of wealth in a democratic society; a theory that can show us a way out of these problems of application.

Can the Difference Principle Offer a Solution?

Now the questions that need to be answered are: whether the difference principle can be the theory that we are looking for? Whether it may have a solution? And how Rawls's theory, in particular the difference principle, can be applied in a democracy?

¹⁹Aristotle, Politics, Book 3, chapter X

According to the difference principle, a democratic government must be defined as a government that maximizes the expectations of the least advantaged group. In Rawls's theory, the least advantaged group in a society is, more or less, meant to be the representative of the unskilled workers where Rawls argues that inequality in life prospects, according to the difference principle "is justifiable only if the difference in expectation is to the advantage of the representative man who is worse off, in this case the representative unskilled worker."²⁰ Or somewhere else, indicating who represents the better-off or the worse-off class of society, Rawls says "those starting out as members of the entrepreneurial class in property-owning democracy, say, have a better prospect than those who begin in the class of unskilled laborers."²¹

Before I go over the difference principle, I should answer the question of why it seems that the difference principle is the theory that satisfies the Dahl's requirements of democracy. The difference principle, Rawls argues, fulfills the parameters that political theorists set for democracy because it is chosen in a situation in which there is political equality which is the democratic ideal. As we saw, Rawls calls this situation the Original Position.

Someone may ask what a world satisfying all Dahl's requirements of democracy will look like. How would, that is, a world in which all citizens are politically equal be? The original position is meant to exemplify the ideal world that Dahl stipulated. As Rawls explains:

Since all are similarly situated and no one is able to design principles to favor his particular condition, the principles of justice are the result of a fair agreement or bargain. For given the circumstances of the original position, the symmetry of everyone's relations to each other, this initial situation is fair between individuals as moral persons, that

²⁰ Rawls, 1971, p. 78

²¹ Rawls, 1971, p.78

is, as rational beings with their own ends and capable, I shall assume, of a sense of justice. The original position is, one might say, the appropriate initial status quo, and thus the fundamental agreements reached in it are fair.²²

It is not a coincidence that these two theories are connected. Rawls makes references to Robert Dahl, presenting the original position which, he believes, is essential to achieve political equality.

Outlining the requirements for democracy, Dahl admits that the requirements are too strict so that no country in the world satisfies the requirements. It is hard to know what people in a democratic society would vote for when there is not any democracy to refer to. That is why Rawls tries to build the world of political equality in theory. People in this theoretically complete world, or the original position, make decisions based on game theory and rational choice theory. The principles chosen in this world, one of which is the difference principle, are the guidelines of a democratic society.

In this thesis, I do not evaluate the original position, but rather I focus on the difference principle and argue that this principle cannot be a very practical solution. As impressive and appealing as the difference principle may appear, however, it is not much better than any other economic policy that may be considered as a serious and substantive option. The reason is the difference principle ignores the crucial element of time. The idea is that as long as the difference principle does not tell us when the expectations of the worse off should be maximized, it does not favor any policy among contemporary rivals. In order to clarify my point, I will first present an argument for the political theory of my thesis and then go over two empirical theories.

²² Rawls, 1971, P. 12

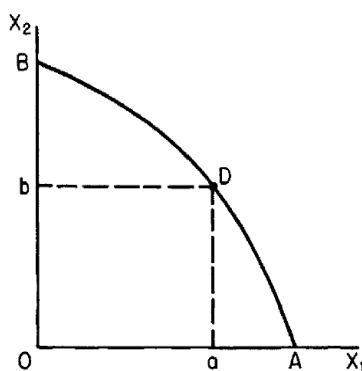
Chapter. III

Does the Difference Principle Favor any Policy?

To understand why the difference principle does not actually favor a policy, I shall add some points about this principle related to the theory. First, as mentioned briefly before, it should be noted that the difference principle is based on the existence of a state of Pareto optimality in society. “Pareto optimality or Pareto efficiency is a distribution policy which holds that it is impossible to make anybody better off without making at least one person worse off due to the scarcity of the available resources.”²³ That is, it is impossible to do anything to increase the share of A without decreasing the share of B, and after that it is impossible to increase the share of B without decreasing the share of A. Both of these states are Pareto-optimal. So theoretically there are infinite number of Pareto-optimal distributions of income since there are infinite ways to increase and decrease people’s allocations.

Consider figure 3. Suppose we have to distribute a fixed amount of resources between two people, x_1 and x_2 . The line AB is the position of all the points at which we can distribute to x_1 and x_2 . Whatever the share of x_1 is, it is impossible to redistribute to x_2 beyond the point designated by the line AB. That is, there is no rearrangement that will make one person better off and nobody worse off. Therefore, if we want to give x_1 resources equal to a, the best we can do for x_2 will be b. All the points on AB line will satisfy the Pareto optimality condition. That is, at each point on AB line the allocation of, say x_1 can increase by lowering the allocations of x_2 or the allocations of x_1 can decrease by raising the allocation of x_2 . To decide, among all these infinite points, which one is better or more proper, we need a judge.

²³ Pareto, 1909, ch. VI, §53, and the appendix §89

Figure 3²⁴

The difference principle is the judge to help us find out, of all the Pareto-optimal distributions, which one will help increase the expectations or the allocation of everyone in society particularly the expectations of the worse off. The difference principle is viewed as the arbitrator which determines which point will do the best for the worse off.

Now assume that in a well-ordered society consisting of diverse people with manifold expectations and interests in life, people decide to set about a social system with surrounding institutions according to the two principles of justice, including the difference principle. That is, people decide to implement the statement of the difference principle in the basic structure of society.

Assume further that in this well-ordered society, each person has an equal right to the most extensive total system of equal basic liberties compatible with an identical liberty system for all under the conditions of the first principle of justice. Also, all social and economic inequalities, as required by the principle of fair equality of opportunity, are arranged in a way that they are attached to positions and offices open to all.

²⁴ Rawls, 1971, p. 68

It is essential to keep the above-mentioned assumptions in mind because, as mentioned before, the major subject of this thesis is the difference principle and by mentioning these assumptions, I tend to make it clear that since now on whenever I discuss the practical implementation of the difference principle in a society, I mean a well-order society in which other principles of justice presented by Rawls are fulfilled. Therefore, no one can voice an objection to the following arguments, claiming that the difference principle cannot be applied practically because the first principle of justice, namely equal liberties, is not satisfied, or the difference principle is not workable because the positions and offices are not open to all. Developing my arguments, I mention these assumptions to make it lucid that when I talk about how practically helpful or workable the difference principle is, it does not matter whether other principles of justice are fulfilled. The reason is the background supposition is that the other principles of justice are satisfied, though the question of whether the principles are satisfied is not the issue and the answer to this question does not really make any change in the process of reasoning and justification of the arguments.

The only principle that is left to be applied to the above-mentioned well-ordered society is the difference principle. This principle can be expressed and applied as an answer to this simple question: in the example of figure 3, If x_1 is the worse off, how much should be given to him to make him better off? Since there are infinite number of distributions that will satisfy the difference principle, answering this question requires a deep analysis of *how* to improve everyone's benefit, which is a matter of discussion and research.

In the following paragraphs, I will discuss that despite its claim, it is doubtful whether the difference principle is able to answer the question of which distribution would help people and especially the worse off more. Before I start off talking about that though, I shall distinguish two

approaches to the political theory that are relevant to the discussion; to wit normative approach and empirical approach.

Empirical Approach vs. Normative Approach

The crux of the matter of every political theory is to understand how and why various aspects of the world operate and what should be done to make things work better. Each of these approaches aims to answer some specific questions. The empirical approach attempts to answer empirical questions, like what happened and how and why; it explains why the social phenomena behave the way they do. The findings of this method are based on objective, systematic, impartial observations and are verified by social and careful examination.

Normative theories utilize the normative method which is based on empirical assumptions and try to answer the question of how the world or a society should be. This approach uses the information or facts provided by empirical observation to develop normative instruction to make the society or its basic institutions operate better. This approach can be viewed more like an attempt to determine and prescribe values using the empirical data; an approach that, broadly speaking, tends to mix fact with values.

So political theories can be claimed to use a methodology composed of these two approaches. A theory of justice or any theory with the subject matter of social justice is subject to the same rules of method as other political theories. Analyses and theoretical definitions examined and discussed to set up normative principles do not have a special place; they are but one device used to establish the general framework of theory. Except for the general theoretical ideas, empirical thoughts and assumptions are also required since it is not possible to develop a

substantive political theory founded merely on truths of abstract logic and definition. The analysis of general conceptions, such as justice or fairness is too slender a basis for a political theory. That is, it is not sufficient to base a political theory solely upon general analysis of logic and moral conception, but rather the whole framework of a theory is more feasible and valid enough to be discussed when it is also founded upon empirical analysis. So both empirical and normative approaches are necessary to develop a valid theory.

By saying that, I do not mean that political theory is not free to use assumptions or rules of logic and intuition as it desires, but rather, I mean that to find an accurate account of a political theory, including a theory of justice, empirical assumptions are also required. The reason is the purpose of presenting any political theory is to apply it to society, accordingly it is very crucial to keep in mind the economic and political rules that apply to social norms and humans when developing a theory to improve a society.

The questions of general normative theories and their justifications may prove much easier to answer provided that they are backed up by empirical experiments. The fundamental questions of social justice, like what is justice, or how can a society come up with principles that regulate institutions and even individuals' life justly, can be addressed and justified easier or more valid when empirical assumptions and experiments are also involved. A political theory is a series of attempts to state a rule or a principle developed by the major intuitions of reason which can be systematized and corrected by scientific application of this reasoning.

For instance, introducing his account of socialist theory, Marx uses some empirical pieces of information. He developed his political theory by criticizing the political and cultural establishments of the day on the grounds that the dominant culture created by the capitalist

system leads to alienation of the proletariat and exploitation of the poor by the rich. In *The Communist Manifesto*, after attacking the dominant social system, Marx announces that his theory can be summed up as an attempt to the abolition of the existing class culture leading to elimination of poverty. Marx's economic and political explanations, the common understanding of which is known as communism, consist of a normatively informal social theory backed by empirical data and developed with the intent to better the situation of the poor.

So there is a mutual relationship between normative theories and empirical assumptions; normative theories use or are based on empirical assumptions to give us guidelines to change or better the social facts, and on the other hand, empirical experiments lead to revisions in our philosophical reflection. To develop a political theory, a general knowledge of the fundamental structures of logic and abstract thoughts is necessary, however the empirical assumptions should be also taken into considerations otherwise the theory would not be adequately feasible or applicable.

Rawls's difference principle is not excepted from this general point; meaning, the difference principle gives a normative guidance as how to regulate policies, namely the difference principle established the normative requirement that any policy discussion ought to take the well-being of everyone, including the worse off, into account. To develop his normative idea, Rawls utilizes some empirical experiments as when he argues that inequalities exist in society and it is incumbent upon social justice theories and policy-makers to nullify the influence of natural chances and endowments as much as possible. He claims that the statement of the different principle puts some constraints on what people can do in a policy. However, the difference principle requires further empirical analyses to determine how it is best realized.

This thesis demonstrates that the whole idea stated by the difference principle does not present an efficient system, in practice; it simply suggests, in the process of making policies for the basic structure of society, the well-being of the worse off is very crucial and should be taken into consideration, however, it does not have any proper answer for the question of *how* to do that. In political theory, as mentioned before, two kinds of query should be answered: what phenomena happened and why and what should be done to make everything operate better. As a normative theory, Rawls's difference principle is an attempt to answer the latter question, to wit, how a society can set up fair and just principles to regulate the basic structure of society.

However, if we want to apply the difference principle to society to make social and economic policies, that is, if we desire to use the principle as a judge in practice, it fails to answer some of our questions. I shall discuss this to a greater degree, and in the course of doing so, I mention two empirical hypotheses to account for why the difference principle fails to produce the intended effect.

The reason which makes the difference principle inadequate to judge and to evaluate the several options in Pareto optimality condition is that this principle is missing something since in the statement of the difference principle, the empirical experiment is not given much weight. The important element that is ignored is the matter of *time* and its influential role in the discussions on the subject of people's well-being and improving it. The matter of time is crucial because the Pareto optimality can be applied across time which changes some considerations. Rawls loses the sight of the fact that we can apply the rule of Pareto optimality across time. That is, we can divide individuals in society into different categories or groups based on their economic and social situation and keep each group fixed and change the moment in time, namely we can compare their economic situation across time. Rawls has ignored this because economists have.

It seems that there is no clear discussion about a Pareto- style optimality curve across time in economics.

Applying Pareto Optimality across Time

The following example illustrates how a Pareto optimality across time works and how it is related to the difference principle and why it is extremely crucial to take this point into account while evaluating the difference principle.

Imagine there is a social class C in a society. We can consider the income of the class C, today, one year later, 30 years later, or one century later, changed for inflation. By the same class, I do not mean the same people. The people who make the working class of a society today may be, and often are, different from those who make the working class forty years later.

One may inquire why it is important to apply Pareto optimality across time. The answer to this query is that depending on a lot of factors such as the policies of the government, the situation of the people in the same class may change over time. People's well-being or standards of living may get better, worse, or may be the same over time. So there is a slight chance that the situation of the members of a class does not change or be the same over time. Even in stable growing countries, there is rarely a smooth upward curve for the income of the working class. For example, in Figure 4 you can see the hourly wages in manufacturing in Germany between 1986 and 2015.



Figure 4

Since the subject matter of the difference principle and all social justice theories is, more or less, improving economic situation of individuals, it is crucial to take this into account that people's economic situation changes over time while discussing this theory. Any social justice theory ought to be able to answer the questions of what kind of policy may make the situation of worse off better, or what may lead to people's impoverishment over time so it can be avoided.

Considering the importance of the matter of time in our discussion, we can say that we have two kinds of optimality curves: (i) one curve used for two people at the same time (Pareto Optimality) (ii) one curve used for one person at different times. Also we can combine these two curves and have a curve that is for two people across time. Let us call this curve *temporal optimality*. Figure 5 shows this 3-dimensional chart. In this chart, the situation of two people across time is luminously shown which makes the comparison easier. The vertical axes indicate the situation of two persons as 0, -2, or 6 etc. and the horizontal axes show the amount of time passed as 7 or 8.

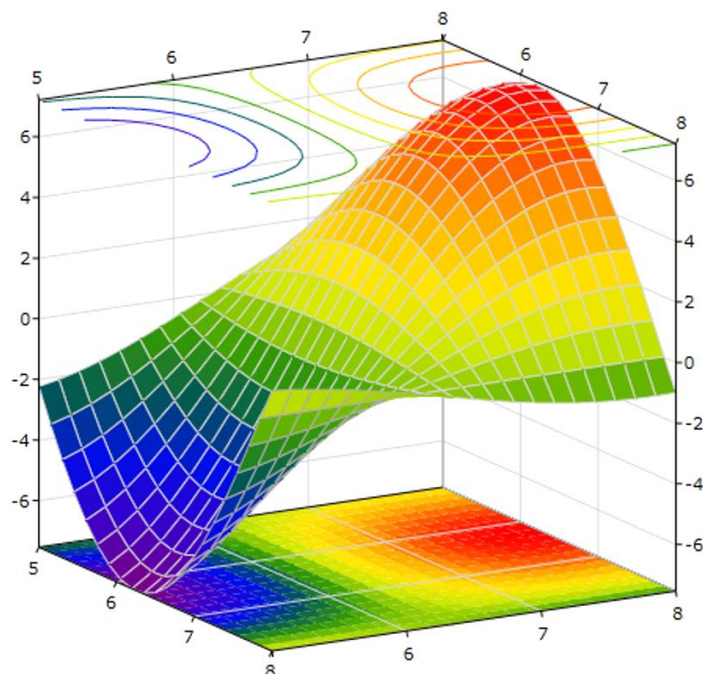


figure 5

Figure 5 is only intended as one example of the complete 3-dimensional curve. The numbers can change depending on the government policy and other economic factors. The temporal optimality curve tells us that the level of income of a specific social group in two periods of time are not independent of each other, meaning that we can have a trade-off between the interests of a social group in different periods of time. That is, a social group may have higher prospects in the short run which can lead it to have lower prospects in the long run.

Expressed another way, as shown above, people's income may increase fast or slowly or be the same. For example, one of the ways to raise the income of the working class is spending the capital of the country to such a level as not to leave much wealth for investment. In this situation the income of the working class increases temporarily, however there is a high probability that their well-being will decrease in the future. That is, it is not impossible to

increase people's income, especially the income of the worse off, in a short period of time. However, raising and keeping the income high for a longer period of time takes more effort and research. The reason is as long as there is not much wealth for investment in a society or enough capital to do new business, there will be a stagnating economy. Economic stagnation is a long period of slow economic growth, one of the consequences of which is low GDP rate and high unemployment. This condition, of course, leads to lower income and a decrease in people's well-being. Therefore, it is accurate to say there is a trade-off.

This trade-off is not applicable only to different social groups over time, but rather it can be applied to well-being of individuals too since very likely there also is a trade-off between the interests of individuals in different periods of time. Someone, for example, can spend all of her money and not save up anything or can alternatively save, invest, and accumulate her money over time. In this situation, she faces a trade-off between spending her money on, say, good food, traveling, and fancy clothes, etc. and saving up the money and reaping benefits in the long run. The economic reasons of the trade-off vary from person to person, from a social class to another social class.

Therefore, we, either on a social level or individual level, face a trade-off. Thus, there is no doubt that there should be a threshold beyond which the democratic society should start to face a trade-off between the long-run and the short-run interests of its worse off. Where the threshold exactly should be, depends on the economic theory that the society subscribes to.

The threshold in question may be the market price of labor, or something above that. The idea that there *must be* a threshold does not suggest that this or that specific threshold is good or better compared to others. For example, it does not support that this threshold is \$ 7.25 minimum

wage that is currently set in the United States. It is one thing to indicate that there *is* a threshold, and it is something different to argue a particular figure is the proper threshold. Which figure can be a better threshold for a society to choose depends on the society's political and economic theory.

One may deny the existence of such a threshold if one believes that the best way to maximize the long-term and short-term interests of the worse off is to set up absolute equality of condition in society. If we hold that there is no trade-off between the long-run and short-run interests of the worse off, we should also believe that increasing the share of the worse off will not lead to its decrease in the long run. Thus if we want to follow the difference principle, we should increase the share of the worse off until it is equal to others' share.

The reason why the share of the worse off cannot increase beyond that of others is when people are absolutely equal, increasing the share of the people who used to be the worse off makes them better off and then we have to increase the share of the new worse off. In pursuance of making the point more pellucid, I offer an example. Imagine group A is the representative of the worse off in a society and group B is considered as better off compared to group A. According to the difference principle, it is necessary to help group A. If we maximize the share of group A until it is totally equal to that of group B, the total equality condition will achieve. In this condition, increasing the share of group A more than that of group B will make group B worse off and then it is necessary to maximize the interests of group B.

On the other hand, if we believe that it is impossible to increase the share of the worse off without worrying about the long-term consequences, we in fact believe that there is a threshold

beyond which we have a trade-off between the long-term and short-term interests of the worse off.

In light of empirical hypotheses, the importance of the trade-off in question can be shown. I shall use the empirical hypotheses to stress the central place of the study of experimental observations in developing pragmatic theories; these observations can reveal the outline of a theory and can tell us if the theory has any grave defect and also how far the theory is wrong. As a normative idea whose alleged aim is to better the situation of the poor, the difference principle should be applicable, that is, it should be capable of being verified or disproved through experiments and experience. It is possible that convincing answers to questions of statement and justification of theories of social justice can be found in no other way other than appeal to experiential cases.

Empirically Testable Hypothesis 1

One of the empirically testable hypotheses of my thesis is about redistribution. Redistribution can be seen as a way of increasing the well-being of the worse off; it is a social process to transfer wealth from some people to others by means of some social plans like monetary policies, welfare, mostly taxation, etc. Democratic governments usually do it by taxing people and organizations with higher income. Redistribution is a sample that can be utilized to show the trade-off between people's long-term and short-term benefits since it increases the well-being of the worse off in a period of time and decreases it in another period of time, such as three decades later.

The reason behind the argument that redistribution is able to increase the well-being of the worse off temporarily and not usually in a long run is that redistribution, to a large extent, can slow down the growth process. There are arguments for growth from expenditure and from motivation, such as high levels of consumer spending are both a cause and the consequence of economic growth. But to exhaust the capacity of all such arguments, there should be one level of redistribution. After that level, increasing the salary of the worker would hinder the economic growth. This level plays the role of the threshold mentioned before. Beyond that level, the low growth rate would put the life standards of the future generations and even the future of the current generation in jeopardy. The low growth will lead to low GNP which lowers the ability of the country to pay high wages in the long run since the bigger the economy of a nation, the more each citizen can gain.

To prove this hypothesis, I put forth some empirical evidence since the point becomes clearer by examining a democracy: Imagine a contemporary democracy, India. According to World Bank's indices and calculation methodology to define and measure poverty, India with 17.5% of total world's population, had 20.6% share of world's poorest in 2011.²⁵ So it is a necessity for the Indian government to make policies to plummet this rate.

To alleviate poverty, the Indian government can apply different kinds of policies. The government, for instance, can institute a strong social security system and allocate a big part of the budget to the huge population of homeless people in India. Following this policy, given the scarce resources and the government budget, the government will not have enough money and should cease most of its investment in engineering, transportation, insurance, real state, and some

²⁵ source: https://en.wikipedia.org/wiki/Poverty_in_India

other major sectors which have played a crucial role in boosting the economy and supporting the growth. Investing in each one of these sectors costs a lot of money. Therefore, despite the fact that this policy may seem appealing, it is not economically that helpful to better the situation of the least advantaged due to the fact that it will slow down the pace of India's economic growth.

Another policy that the Indian government can do in pursuance of helping the poor and diminishing poverty, is keeping the current economic policy. At the current pace, as it is shown in figure 6, Indian economy is planned and predicted to pass the Chinese economy and to become the fastest growing economy in the world. This rapid growing economy produces the kind of environment in which people can take chances, start businesses, and invent new things. This economic situation will improve the condition of every Indian since the bigger the pie is the bigger piece everybody can get.

However, of course, the economic growth cannot happen overnight. Boosting the economic growth for a country like India that does not have any noticeable amount of natural resource like oil takes time and more effort. That is, if Indians pay the price of this fast growth, they can eliminate poverty fairly soon. Probably the most essential price of this swift growth is one poor generation which is certainly better than all generations of poor people. Therefore, it seems correct to claim that the Indian government is doing its best for the least advantaged.

IMF: India will better China in 2016

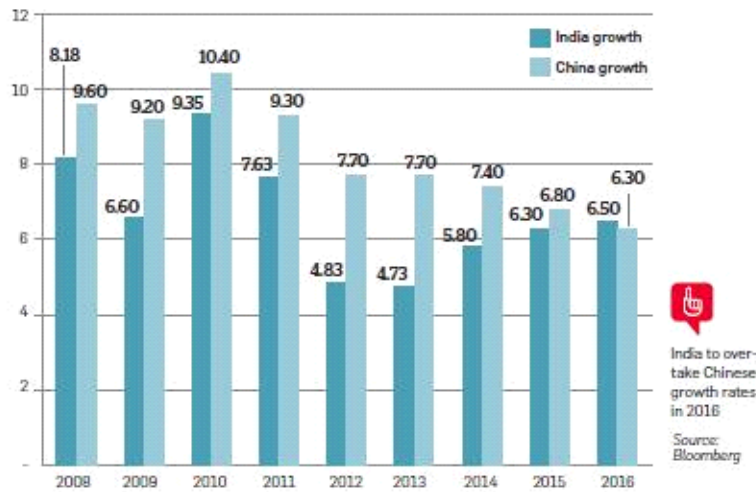


Figure 6

Critics may, however, criticize the timeframe that Indian government planned to provide important stimuli to the economy and to improve the situation of the worse off. They may say, for instance, that the Indian government should set up only a weak social security system to diminish indigence a little for now.

As I argued, this policy may lead to the budget deficit. In this financial situation, when government expenditures exceed revenue, economic growth slows down. The result of this condition will be more generations of Indians worse off than they would otherwise be. Therefore, in the case of a country like India which compared to the U.S or Germany is not very affluent, setting up such a strong social security system may augment the well-being of the worse off in a short period of time, however it will not protect their interests in the future.

Now imagine a spectrum of economic policies, going from the strong support for a very weak social security system all the way to an extreme welfare state. As argued before, at the left end of the spectrum, the well-being of the worse off is maximized today on the basis of a strong welfare state so that most low-income families will be provided with free education, healthcare, food, etc. As we go to the right end of the spectrum, the social security becomes weaker and the government is able to budget the money mostly for more investment. Thus, it is accurate to claim that the well-being of the worse off is taken into account and can be fulfilled in several points in the spectrum of economic policies. That is, the majority of economic and political theories claimed that their first and primary aim is to help everyone's situation especially the least advantaged in society. Most political and economic theories, from the most socialist to the most radical theory on the right side of the economic spectrum, claim that their intention and their normative guidelines will ultimately lead to the well-being of the poor.

The political theories on the left side of the spectrum believe that to help the worse off, some wealth ought to be allocated to social programs to provide poor with free education, food, healthcare, etc. They claim and promise that their policies are able to raise the poor's living standards dramatically so no worker would live under the fear of, say, being laid off or being coerced to have more than one job to be able to make ends meet.

On the other hand, the political theories on the right side of the spectrum maintain that whatever the definition and constraints of justice are, it is not unjust that some people have a bigger share of wealth. To understand the reasoning behind this doctrine, imagine a two-person society one of whose members is an entrepreneur who is willing to invest her assets, pecuniary or otherwise, and reap the revenues, while the other can aid her. The latter would benefit from assisting the former so much as she would never otherwise have. Due to the connection between

their profits, the success of this enterprise would be to the benefit of both, while it would not be thought of as unjust if the investor earns more. Though this example is barely analogous to the reality and oversimplified the real-life social context, it is meant to make the point a little bit clear.

Considering that all these policies and theories claim that they present the right or probably the best approach to help the least advantaged, the question that should be answered is which one of these theories is really the most proper one. That is, given that the economic normative guidelines put forth by the different political theories are totally different, it is impossible to believe that all of them are right and can be accepted at the same time. Put another way, all of these different theories together cannot be considered as right and appropriate for a society. So, as mentioned before, assuming that the difference principle might be used as a judge, how can this principle answer the above question? How can we utilize the difference principle to evaluate different social and economic theories presented during history? Among all the economic approaches in the wide spectrum, which one is feasible or better? What does exactly the difference principle tell us or suggest? The answer is: not much.

The difference principle just gives the worse off priority and says that the situation of the poor should improve to the extent that it allows some inequalities as long as they lead to the ideal goal of bettering the situation of the worse off. As understood from the statement of different principle, this principle does not intend to allow or legitimize any inequality in society, but rather it claims that inequalities are justified if and only if they benefit of the worse off. So the final goal of the difference principle is, in a nutshell, helping the poor and inequalities that can lead to this aim are justified.

As mentioned before, a large number of political theories alleged that their ultimate intention or mission is, more or less, the same, namely helping the poor, yet the policies presented by them to achieve this aim are, most of the time, totally different or opposite. So with no doubt, to evaluate political policies, there need to be some criteria. As Rawls claims:

Just as in inductive logic we are concerned with discovering reasonable criteria which, when we are given a proposition, or theory, together with the empirical evidence for it, will enable us to decide the extent to which we ought to consider it to be true so in ethics we are attempting to find reasonable principles which, when we are given a proposed line of conduct and the situation in which it is to be carried out and the relevant interests which it effects, will enable us to determine whether or not we ought to carry it out and hold it to be just and right.²⁶

The difference principle is claimed to offer a reasonable principle which, when we are confronted with a question of justice, can suggest a proper answer or help us evaluate our judgements; it is claimed to be a judge which can tell us what exactly needs to be done to develop the situation of the poor particularly in cases in which there are conflicting alternatives and for preferably a longer period of time. However, the difference principle loses the sight of the matter of time and its importance.

²⁶ Outline of a Decision Procedure for Ethics, 1951, John Rawls

Empirically Testable Hypothesis 2

Another implication of the thesis is about a democratic state's policy on the country's debt. Governments usually borrow money to finance their operations. In different societies and different periods of time, depending on the national priorities, the government debt is used for different expenditures; e.g. healthcare programs, warfare, etc. Countries also utilize and rely on national debt and borrowing to hire more people, to raise wages, and to ameliorate the situation of the worse off. According to the difference principle, as long as national debt better the situation of the least advantaged, it may be used.

The downside of the government debt is that when a country is unable to pay off the debt, it will be in a serious trouble. The debt crisis has been a major public policy issue since the World War II because when a country is deeply in debt and unable to meet the payments on its foreign debt, great demands will be placed on the government and people. Therefore, while borrowing money, governments ought to take a lot of things into considerations to make sure that they can pay the debt in full. For example, governments should consider the population projections to calculate the working population in like a few decades later to check out if the percentage of the future working population is big enough to pay taxes to pay off the debt.

Therefore, if we admit the risk assessment principle that there is a threshold beyond which it is not likely to repay the debts, we should accept that there is a threshold beyond which enlarging government debt will put the economic situation of the future generations in jeopardy. Expressed another way, even if depending on national debt is a good idea provided that it helps to better the situation of the least advantaged, there are some limitation on the amount of money that the government should borrow. Since if a country fails to repay its debt, the investors will

lose their faith in economy and will cease the investment, which makes the situation of the future generation worse than it could otherwise be.

The threshold in question is also logically undeniable since no one can amass debt indefinitely without running the risk of default. It is impossible for a country to borrow 100, or a million times its GDP without making a risk of default. If a country borrows money beyond this threshold, it will end up being heavily in debt and go bankrupt.

The assumed threshold probably changes some things about the debt, but it will not change the fact that even after passing the trade-off threshold, debt still can be used to improve the situation of the worse off for a period of time, like a decade or one generation's lifetime or more. After passing the threshold, the debt does not cause a national crisis immediately, but rather it may take some years to break out a crisis. Going beyond the threshold does not make the country go bankrupt immediately but rather makes it so usually after some years because: (i) investors do not want their money back when a credit rating agency decreases the credit rating of a country a little. (ii) Credit rating agencies are too slow to react to the changes in the world and usually plummet the credit rating of a country when everyone knows that the country is bankrupt and it is already late.

As an example, consider insignificant Eurozone countries, like Greece. It is claimed that Greece's debt started to reach the perilous level with the introduction of Euro, even before the Great Recession. But it was 2009 that "Moody's places Greece's ratings on review for possible downgrade". This story is not special to Greece. As reports say:

For several years prior to 2010, countries in the euro area periphery engaged in heavy borrowing from foreign private investors, allowing domestic spending to outpace incomes. Now these countries face debt crises reflecting a loss of investor confidence in the sustainability of their finances. The result has been an abrupt halt in private foreign lending to these economies.²⁷

It can hardly be doubted that the intention of Greek government was to better the situation of the worse off. Probably the major part of the national debt was meant to help the poor. One can claim that Greek government could achieve this aim, although in a certain period of time; Greek government had solid budget surpluses between 1960 and 1973. Greece accumulated foreign debt to hire more people and to expand the salaries which also increased the expectations of the working class. The Greek government kept momentum by borrowing more money, making it one of the rapidest growing countries in the Eurozone. Its annual growth rate reached 4.2% between 2000 and 2007.

The increase in the well-being of the workers in a certain period of time was made by a gigantic debt, led to a huge decrease in their well-being in another period of time. This change was sharp enough which made some Greek workers starve or commit suicide.

Someone may say that the reason for the collapse of Greek economy was not only its debt. To address this objection, I shall mention two points that this objection fails to consider:

- (i) There would still be a trade-off even if the foreign debt were a contributory factor. Debt alone is not able to crush the economy, but debt, taking other economic factors into account, is a very crucial cause.

²⁷ Higgins, 2011

- (ii) The objection ignores that *something* was done in Greece that increased the well-being of the workers in a certain period of time and lowered it in another period of time. The objection in question claims that the thing that happened was not the foreign debt. But that thing could be debt or anything else, however it does not change the general thesis that there is a trade-off between the well-being of the least advantaged across time.

Figure 7 shows the statistics on government debt of eminent Eurozone countries as a percentage of the GDP. This attests that there is a relation between the government debt and a country's liability to be crushed harder by financial crises.

Debt to GDP Ratio for Selected European Countries

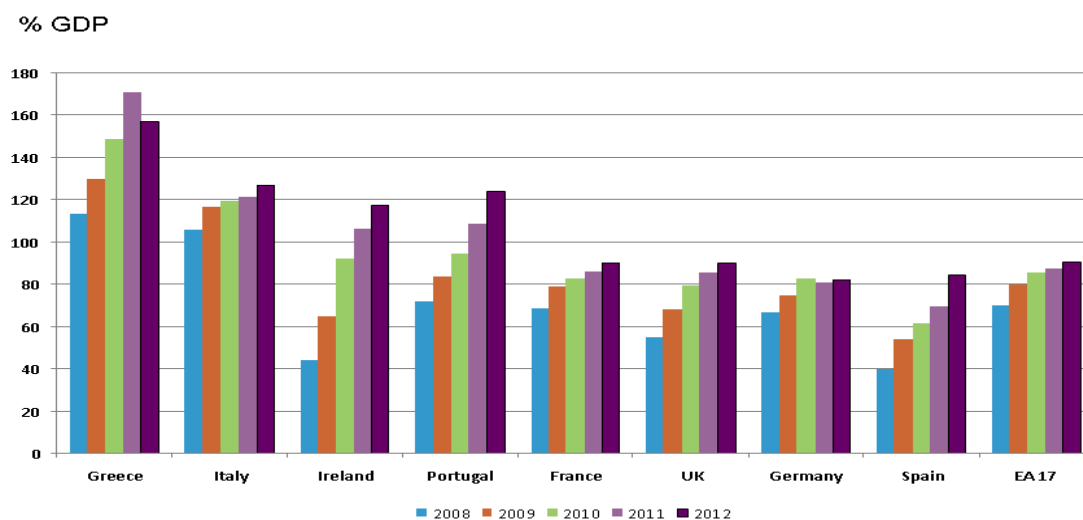


figure 7

There is another point that I shall mention that may warrant serious consideration. Regarding the government debt, someone may object that we do not face such a trade-off because of the amount of the debt per se, but rather because of the reasons why governments borrow money. That is, borrowing money of itself does not make any trouble, how the borrowed money is used can cause problems. Thus if the debt is utilized for, say, investment, it will help foster growth and maximize people's well-being including that of the worse off over a longer term since investment is capable of creating more job opportunities and raising the employment rate which is often followed by higher salaries.

However, if the money borrowed is used for programs such as a strong social security, it may slow down the raise of job opportunities due to the lack of enough fortune required for investment, and increase the expectations in the short term at the expense of the future generations. The reason is, in this situation, the government that is deeply in debt cannot control the rise of the inflation or the public spending, and then cannot ensure that it can meet its liabilities when they fall due. A good example that can depict this is Greece:

After joining the Eurozone in the year 2000, Greece got tied to stronger economies which allowed Greece more access to low-interest loans. Therefore, the Greek government's borrowing and public spending soared so that Greece's debt became higher until this country went bankrupt. The result of this out-of-control spending is a huge debt burden on the Greek nation.

Therefore, debt, as a whole, *can* be a positive factor for all periods of time. How positive or helpful the debt is, depends upon how the money borrowed is employed and what we want to use the debt for. However national debt comes under heavy criticism when it exceeds the threshold and is not being used in proper way to help people.

There are three points about these two empirically testable hypotheses that should be mentioned and kept in mind:

(i) Albeit I laid out only two empirically hypotheses, this model applies to almost every policy making. We can, for instance, examine the implications of this model for the policy of the government that concerns the productivity level or the level of unemployment.

(ii) These two hypotheses are empirically supported by some schools and research, but definitely contested by other schools, as most economical and political theories accepted by some and come under criticism by others. As mentioned before, the matters in reality are more complicated and oversimplifying them may be seen as a way to help handle them better.

(iii) The hypotheses are utilized to explain the point with some real cases, so any criticism of each of the cases cannot reject or question the general theory. That is, these hypotheses are possible scenarios that can help illustrate the problem of Rawls's theory, but they are not meant to evaluate the difference principle or anything else normatively. Nor are these hypotheses mentioned as any philosophical thought experiments used to reject the rightness of the difference principle. But rather these hypotheses are required to show that, to make principles to regulate the basic structure of society, whatever the ultimate goal or plan is, there are several vital factors that ought to be taken into considerations one of which is the matter of time. These hypotheses show the importance of the matter of time and of the answer to this question: for how long the budget planning should be set to better the well-being of the poor most? They demonstrate that if the purpose of the difference principle is to improve the interests of the poor, it should be noted that there is a trade-off between the interests of the poor in short and long run. This point is very crucial that the difference principle fails to see which makes it lack specificity.

Conclusion

Now that I am done with the empirical hypotheses, I put forth a general model about the relation between the place of policies, in the left-right political spectrum, and the period of time it takes the interests of the working class into account. According to this model, to increase the interests of the worse off in a period of time in the future, it seems that some policies particularly the policies in the right part of the political spectrum are more promising and achievable in the long run. That is, those policies mostly require more time and effort to better life standards and may not be achievable shortly, yet the increase in people's well-being resulted from the implementation of these policies will last for a longer period of time.

The point that should be kept in mind is that this general model that there is a trade-off between individuals' interests in short or long run, applies only after a country passes the threshold; there should not be a trade-off before the threshold in question. Hence, raising or lessening salaries may not make people face the trade-off as long as the country has not passed the threshold. Under the threshold, the worse off *may* have a better prospect in the future by increasing the wages.

Therefore, the spectrum of the commands of the difference principle can generally be represented on a chart along a temporal spectrum. The following axis shows different periods of time in the future. The extreme left of the axis indicates the immediate or closer future. We can extend the axis to include more periods of time in the future. Once I explain the argument on this axis, it will be easier to see how it applies to larger axes.

The commands of the difference principle can be observed in figure 8. Moving from the present to the future on the following axis, we can see that the policies change. For example, if the goal is to maximize the expectations of the worse off in one year, the difference principle mandates strong intervention. After all, the only way to maximize the interests of the worse off in only one year is raising taxes, namely taking as much from the better off as possible and giving it to the worse off if the only thing that matters is maximization in 1 year. Trying to achieve this aim, the redistribution should be like that until the rich become equal to the poor, because beyond that the rich will be the new worse off whose interests should be, according to the difference principle, maximized.

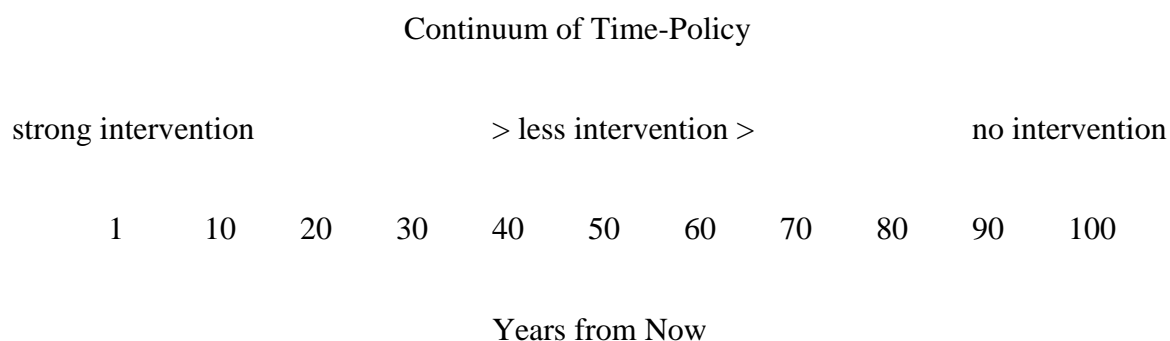


Figure 8

However, if the goal is to maximize the interests of the worse off in, say, 20 years, the probability of reaching this goal is pretty strong by giving weight to growth instead of redistribution; the main focus should be on increasing GNP or GDP as high as possible within 20 years so everybody can benefit from it.

If the ultimate goal is to maximize the interests of the unskilled workers in 40 years, some other economic policies should be adopted. The rate of the growth should increase more. Expressed another way, except for some general economic goals generally desired by a society, such as stability or full employment, there are some specific goals that a society attempts to achieve which are different from country to country. Depending on the economic target, the policies that should be applied vary.

Someone may view a properly planned education as a necessary investment required to maximize the interests of the least advantaged members of a society. As explained before, a proper education is necessary for a democratic society to have socially responsible citizens. It increases the public understanding so that people can make wise and informed decisions. Also education can help people flourish and share their abilities with other citizens and their government. The role of education and skill training, as human capital, is so paramount so that any discussion about improving people's well-being without considering enhancing their education would not be complete. Among some other factors, education is a necessary antipoverty tool. Everyone concurs that education boosts earnings since modern economies place a premium on educated workers. The reason is although the personal life and culture of the family impact, probably as much as anything else, on a child's ambition and life expectations, education also is vastly crucial and has immense benefits. This view requires more investment in education.

However, from the justice point of view, no expenditure is justified unless there is convincing evidence that the expenditure will lead to a higher growth in the future. If education is considered as very essential for higher growth, there should be some investment in it.

Therefore, the difference principle is like a function that varies depending on time. On the time axis, as we move to the right, more investment or growth is required and when we move further to the left, more redistribution seems to be compelling. All of these political and economic policies on the wide right-left spectrum aim and claim to better the situation of the worse off in society. The difference principle, as a judge, fails to answer our social justice questions adequately.

Someone may maintain that Rawls takes the time matter into consideration presenting the idea of justice as fairness. To support this view, one may point to Rawls's opinion on improvement in the expectations of different generations where he holds that, in any generation, people's expectations should be maximized which is the reason why people may put aside savings. That is, the subject of the condition of putting aside the savings between generations, according to Rawls, should be acknowledged since different generations have obligations and duties to other generations just as contemporaries do.

Accordingly, the present generation ought not to do whatever it pleases or to cause irreversible damages, but rather it is obligated not to perpetuate serious offenses against other generations according to the principles chosen in the original position which define justice between people at different periods of time. The statement of the first principle of justice holds that people are not allowed to weigh the well-being of future generations less and view and treat various generations differently only because they are earlier or later in time. Rawls put it this way:

The mere difference of location in time, of something's being earlier or later, is not in itself a rational ground for having more or less regard for

it. Of course, a present or near future advantage may be counted more heavily on account of its greater certainty or probability, and we should take into consideration how our situation and capacity for particular enjoyments will change. But none of these things justifies our preferring a lesser present to a greater future good simply because of its nearer temporal position.²⁸

Furthermore, as mentioned before, parties in the original positions are assumed to be ignorant of what generation they belong to. Therefore, the principles agreed upon in the original position do not benefit or belong to a particular generation; these principles do not alter over time and it is not justified to change them or treat them differently because of different transitory positions of people and generations. Owing to their being subject to the veil of ignorance, parties do not choose the principles that lead to a social system in which people are allowed or are able to give any weight to mere position in time.

Also the parties know that their well-being depends upon or is tied to a proper cooperation with other generations as much as their contemporaries. For there is no reason for the parties to make a distinction between present and close or distant generations or hold that present matters are more important than the future ones since they are closer.

This criticism loses the sight of some points: the time issue discussed in this thesis in detail, is related to the difference principle not to the Rawls's general theory, namely Justice as Fairness. That is correct that Rawls mentions the time issue in his theory when he holds that the first principle of justice does not apply merely to contemporaries, but rather it ought to be applied to all people even in different periods of time. So, just as nobody can violate the rights of anybody else, people are not allowed to violate the rights of people in another period of time,

²⁸ Rawls, 1971, pp. 293,294

namely the future generations. However, the subject matter of this thesis is that when applying the difference principle, there is a trade-off between the interests of people in different periods of time.

Also when Rawls holds that, in the original position, people do not have to know which generation they belong to, it puts people in the same situation so that nobody can make any decision based on bias in favor of their situation. In this way, all people are free from any prejudice and can decide on principles of justice as free and equal people.

Therefore, the fact that Rawls endorses the equality of rights of people in different generations, or believes that in the original position, people should not be aware of which generation they belong to since it is arbitrary from the moral point of view, does not make any change to the major theory of this thesis. The point is that the difference principle, as a normative theory, claimed to answer the question of social justice of the modern democracies but failed to present a pragmatic answer. Rawls holds:

Offhand it might seem that the difference principle requires a very high minimum. One naturally imagines that the greater wealth of those better off is to be scaled down until eventually everyone has nearly the same income. But this is a misconception, although it might hold in special circumstance.²⁹

As understood from this quote, Rawls's difference principle does not suggest that more wealth should be given to the poor to make them equal to the better off. Nor does it disapprove

²⁹ Rawls, 1971, p. 285

of the idea that making the situation of the poor and the better off equal, rather in some situations, it even allows that. The reason is that Rawls's account of well-being is not only economic status and his attempt is not simply to set a policy to shift money around. However, he acknowledges the importance of the economic well-being to improve the lives of the worst-off.

Rawls draws on figure 9 and 10³⁰ to luminously account for the difference principle, begging the question of the applicability of the curve. In these figures, let x_1 represent the most advantaged person and x_2 the least favored man. The point O denotes the hypothetical state in which all goods are distributed equally. Figure 9 depicts an indifference curve; a situation in which both x_1 and x_2 are equal, meaning that there is no gain for anyone unless the other one earns too. In figure 10, the curve OP demonstrates that the contribution to x_1 's shares is more and made by the less contributions of x_2 . In this case, x_1 is always better off. Clearly according to the difference principle, the best option is the point a where the OP curve best improves x_2 's contributions.

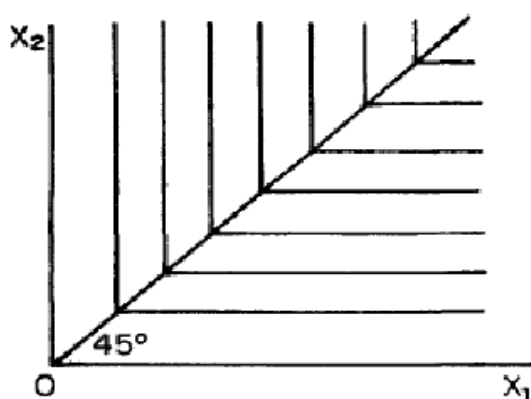


Figure 9

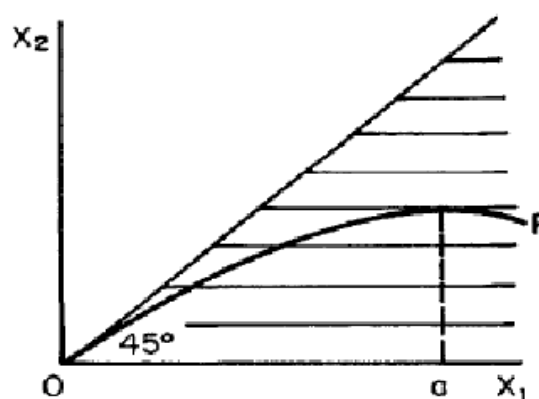


Figure 10

³⁰ Rawls, 1971, P. 76

It is dubious, however, whether this reasoning stands to settle any practical issue. For in a win-win situation where the prospects of all the litigants stand or fall by each other, no dissenting voice would probably be heard after all. It is only when the interests of the parties are at odds that the question of justice arises. What Rawls argues for is not questionable, but it seems more like a truism. Moreover, there has, presumably, been no country in the world to which such a curve applies. Histories of economies are riddled with recessions and crises. Consider the following prevalent case.

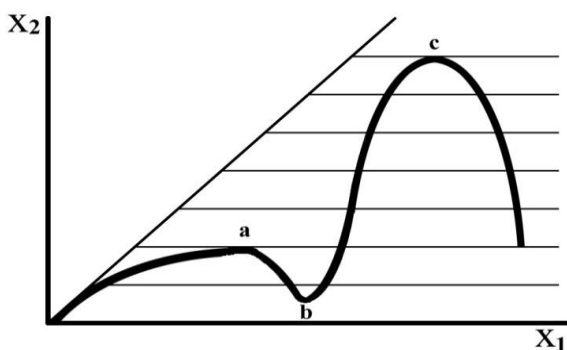


Figure 11

In figure 11, the point a denotes the onset of a recession. Suppose the shortest and most trusted road to recovery, that necessitates a bailout for major corporations and austerity measures for the working class, would lead ultimately to an unprecedented level of expectations for the whole society, viz. point c. This is, however, tantamount to raising the expectations of the better endowed while decreasing the expectations of the disadvantaged in the short run. Scrapping the plan, on the other hand, could make the country fall into the abyss of economic ruin. Does the plan warrant execution from the standpoint of justice? What does the difference principle suggest

us in such a situation? The difference principle would not be much of an adjudicator when the circumstances really call for one.

One may claim that this thesis can be viewed as an attempt to defend or justify some ideas, such as utilizing all the capital and human resources to raise profit as much as possible. These kinds of policies may lead to dramatic consequences; as the GDP may increase in total that serves the interests of some individuals in society, however the majority of people are left out.

The matter that should be borne in mind is that the theory pinpointed in this thesis is not that the difference principle is vacuous. Also this thesis does not aim to reject the whole theory of justice as fairness. Nor does this thesis try to suggest that any kind of theory on social justice is good or bad or favor any specific social policy. But rather it is an attempt to allude to the importance of such theories since the difference principle creates a normative space on the basis of which many other options are excluded, although it does not offer a silver bullet to decide between various alternatives regarding social policy. That is, as a normative theory, the statement of the difference principle is value-laden, meaning that, it reveals the economic world absolutely different from value-free economics. Included in an economic assessment, it offers a normative framework that suggests that some economic policies, like the ones not concerned about the poor, are ruled out from the justice point of view. According to this normative framework, any kind of social theory that justifies absolute profit oriented economy whose only focus is on a raise of profit should be banned. For instance, the difference principle clearly does not allow any kind of policy that justifies exploiting human resource and people's abilities to raise profits benefiting a small percentage of people in the name of social purposes. This fact shows how

important such a theory is, since it helps set the framework for the question of social justice, while not providing itself the answer.

The reason why the difference principle is not able to affirm a concrete policy that alleviates the fate of the worse off is due to its drawback; it requires a contextually sensitive application approach which can help us find a threshold of immediate and long-term improvements of the worst off. The problem lies with the difference principle ignoring or not taking into account some vital detailed considerations and empirical accounts. For legal and social justice concerns, political processes and institutions, and generally political theory, any judgment based only on a normative approach is limited. The reason is when the theories are merely normative, there is no way that they can be inspected and proved or disproved, and accordingly they will be some normative principles never utilized in practice. In this case, even if any normative political theory proves to be moral or correct, it will remain as a question of values versus reality or facts. For instance, in the case of this thesis, the moral value of helping the poor is in question. Almost everyone concurs that this value of improving the situation of the poor should be spread throughout society. However how people observe this moral principle and which social policy is able to execute this best is one of the major questions of distributive justice.

Thus considering or paying attention to the rules, norms, and economic elements deeply embedded in society is sine qua non of any meaningful analysis of justice of social processes. This is how a social theory can be assessed to be workable or impractical. It does not indicate that a social theory should be merely descriptive, explaining the social phenomena. It rather means that the principles offered by social theories to improve a society or the least advantaged should also take some empirical vital factors into account, such as the limits of a society, how the

economic institutions operate, how a society's annual budget should be to better the situation of the worse off., etc.

In the case of the difference principle, the discussion on this principle in this thesis subtly demonstrated the importance of the role that such normative theories play in political theory. The difference principle also proved not to be contradictory as Dahl's account of democracy is. But it would be more helpful if Rawls also verified, when applied to the basic structure of society, how the difference principle was supposed to help to set the rules or to give us some useful hints on how to balance the budget in a way that would lead to improvement in the situation of the worse off.

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