

Author's Reply

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Reply to J. E. Roemer's Review of Kolm, S.: *Macrojustice: The Political Economy of Fairness*. *Journal of Economics* 86(3): 301–304.

In his review of my book *Macrojustice: The Political Economy of Fairness*, John Roemer raises a few points which are fundamental for the ethics and economics of distribution, but about which I do not recognize what is written in this volume. Let me note here the use of the concept of responsibility; the reason for holding people distributionally accountable (not responsible!) for their preferences and capacities to enjoy in the overall distribution in macrojustice (hence not for all issues); the reason why this distribution should be based on the value of people's given productive capacities; accounting of chosen formation as a dimension of labour; the derivation and meanings of the central proposal as equalities in the two related dimensions of income and labour; theories of the original position; and moral epistemology.

Someone can be held responsible for something only if she can or could (past) create this thing, or prevent its existence, by her (free) choice and (free) action. This, of course, differs from the notion of the simple assignment of something to someone. Assigning according to responsibility is a particular moral principle. It is intrinsically related to the value of freedom. But, a priori, there may be other reasons for assignment (e.g., needs, or equality). Assigning responsibility for something to someone means that this person is held responsible for that; it is the assignment of this particular type of item (and it is constrained by the above noted condition for being held responsible).

In particular, this study says nowhere that "individuals should be held responsible for their preferences" (as Ronald Dworkin said about tastes). In fact, I so little "exhibit no sensitivity to whether the process of preference formation might relieve a person for full responsibility for his or her preferences" that three pages of this book (pp. 102–104) are devoted to the analysis of this issue (I discuss not only formation, influence, genes, and the limits to self-formation, but also the particular nature of this question and issues such as weakness of the will for which one may be held responsible or

not according to the choice of the concept of the will – I have even published another book about the limits of self-formation).

However, general opinion holds this question to be irrelevant for overall distributive justice in macrojustice when it holds that no person should pay a higher income tax than someone else because she is more able to derive pleasure from the remaining euros or less able to derive pleasure from the euros taken away (these two cases refer to equality in satisfaction and to utilitarianism, respectively, but also cover intermediate cases – it only deems capacities to enjoy to be irrelevant for this issue). And general opinion cannot be opposed in a democracy. This discarding of eudemonic capacities in macrojustice policy results not from responsibility but from unanimity (Chap. 6, this is an aspect of endogenous social choice). Of course, these capacities are relevant for other distributive issues. In particular, expressions such as “I give you this because you enjoy it more than I do” reveal a utilitarian-like ethic.

Pareto efficiency or freedom from forceful interference with one’s action (the “social freedom” of the basic rights or of Kant-Mill-Berlin’s “negative freedom”) imply that distributive policy be based on valuable inelastic items, that is, on “natural resources”, and consists of rights in them. And the largest part, by far, of these resources in economic value is constituted by the human *given* productive capacities (Chap. 5, as guessed by Locke, Ricardo and Marx).

An equal initial allocation of the two goods people value, income (freely spent on other goods) and labour or leisure, plus the free choice to work and earn more (or less), derive a distribution from these two moral values of liberty and equality. This freedom of action and exchange is the noted standard basic right. The bidimensional equality, with budget balance, implies transfers that constitute the distributive scheme. This scheme is presented both in a complete form with multi-dimensional labour (duration, formation, intensity) in Chap. 12, and in the simplest form with unidimensional labour which can be duration adjusted for the other characteristics of labour (defined in Chap. 8). In the simplest form, if w_i is individual i ’s competitive wage rate and \bar{w} the average wage rate, this distribution amounts to take the income kw_i of some labour k from individual i and to give her the average $k\bar{w}$ instead – a net subsidy of $t_i = k \cdot (\bar{w} - w_i)$ (a tax of $-t_i$ if $t_i < 0$). The equalization labour or coefficient k denotes the degree in which the society in question is a community of resources. This result can be seen under a number of angles which show different – although equivalent – notable meanings, such as the following ones:

- (1) Equal wage for equal labour, for labour k (this wage is the average \bar{w}).
- (2) Universal equal basic income financed by equal sacrifice (in labour). The equal basic income is $k\bar{w}$ and each individual i pays her income kw_i earned with equal labour k .
- (3) From each according to her capacities, to each equally.
- (4) People receive an equal allocation of income and leisure, from which they freely choose to work, earn, and spend.
- (5) General equal labour reciprocity: each individual transfers to each other the product of the same labour (this labour is k/n and individual i yields $(k/n)w_i$ to each other, where n is the number of individuals).
- (6) Each person yields to each less productive one an amount proportional to the difference in their productivity (like $(k/n)(w_i - w_j)$ from person i to person j if $w_j < w_i$).
- (7) Equal freedom of choice (opportunity) with social freedom (hence with different domains of choice for individuals with different wages).
- (8) The redistribution of the total incomes (income plus the value of leisure) by the tax/subsidy scheme can be said to have the most equalizing structure given its level (it is a uniform concentration to the mean – see Kolm in Silber (ed.), 2000).

In contrast, Roemer imagines another proposal (a tax of $kw_i^2/(w_i + 1)$ on individual i) which does not seem to be derived from any tangible equality and to have a necessary property and meaning (if one wants to take more from well-endowed people, this is what a larger coefficient k is made for).

Classical moral epistemology holds that a moral principle should be appraised from all its angles: the principle, its properties and their meanings, its consequences, and its applications (see, for instance, Plato's *dialectics* in the *Republic*, or John Rawls' reflective equilibrium). The presentation of a sufficient set of simple properties is a respectable part of this process but a priori not all of it, and the moral meaning of these axioms should be examined. Its relative importance can only be appraised in each specific case. Both the deduction and all the logical properties of the distributive scheme obtained in this volume seem quite clear. The above noted simple form is only an approximation more or less valid according to the case. As Roemer has noticed, I refer – but without discussion – to a work of François Maniquet (1998) who derives, from a set of such axioms which a priori seems different from the simple “free choice from equality” noted above, a final allocation which is about the same as the one individuals would choose given the noted transfers. Maniquet had even been so kind as to accept to write this in a chapter for the book. However, in spite of the formal similarity of the *final* allocations, it turns out that the intended ethics – which is my main concern

here – a priori seem very different, because the proposal of the volume provides people with a liberty, it is a liberalism in this sense, that is, rights in given resources are allocated to people who are free to choose and act from that, and we do not need to know or care for people's preferences.

Indeed, Roemer notes that freedom is of “supreme importance” in this work. Yet, freedom is important because people think it is (this is another aspect of endogenous social choice). Our societies rest on social freedom expressed in the constitutional basic rights – which, at any rate, I cannot change. The point is that this is not necessarily interpreted as an absence of distributive transfers, as classical liberalism has it (it is the particular case $k = 0$). Yet, this freedom implies some condition on these distributive transfers.

It should also be answered that various ethical theories or concepts about which John Roemer complains that he did not know them before are quite ancient and often used (and their definition is given); that if one wanted to classify the analyses of this volume as “philosophy”, they could hardly fall elsewhere than in its its most analytical end; and that good modern social science is certainly characterized by its carefulness about meaning and rationality (“first think, then compute”).

Finally, Roemer proposes, for determining coefficient k given the variety of the w_i , a Harsanyi-like theory of the original position when all individuals have an identical von Neumann-Morgenstern utility function. However, people's preferences do differ about risk and about the rest. Hence, in a partially original position where each individual considers that he could have the wage rate of each with equal probability, there is one original position preference for each individual. Among the volume's proposals for solving this problem, one is to consistently continue to apply the theory of the original position to these (first order) individual original positions, and so on recursively (Chap. 21). However, Roemer and I doubt that to reduce a moral choice to a selfish choice in uncertainty is ethically valid (I added: except perhaps if people endorse this theory, which seems to happen in one very important other case). But a number of other proposed methods may help the social determination of the degree of redistribution in each society (actual or notional fair dialogue is one of them) (Part 4 of the volume).

References

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