



# Global Faculty Initiative

**The Faculty Initiative  
seeks to promote the integration  
of Christian faith and academic disciplines  
by bringing theologians into conversation with scholars  
across the spectrum of faculties  
in research universities  
worldwide.**

[www.globalfacultyinitiative.net](http://www.globalfacultyinitiative.net)

Disciplinary Brief

## **ECONOMIC JUSTICE AND THE POLITICS OF REDISTRIBUTION**

Peter Sloman

Senior Lecturer in British Politics at the University of Cambridge

Fellow of Churchill College

---

Nicholas Wolterstorff's Theology Brief on 'Justice and Rights' offers an exceptionally rich and stimulating analysis of how Old and New Testament might shape a Christian approach to these topics. Prof. Wolterstorff argues, persuasively, that a strong emphasis on social (or systemic) justice not only pervades the Mosaic Law and the prophetic tradition in the Old Testament, but continues into Jesus' ministry and the teachings of the early Church, in a way that is often obscured by the common translation of *dikaosuné* as 'righteousness'. I welcome, and share, the defence of 'rights-talk' which Prof. Wolterstorff develops in the second half of his paper. It is always salutary to remember that the western liberal tradition has been profoundly shaped by Christian thought, even if the connection has waned somewhat over the last century.

### **First-Order Justice in Economic and Social Policy**

In this Disciplinary Brief, I write from my perspective as a political historian of modern Britain, working at the interface between history, economics, and political science. I want to suggest that the distinction Prof. Wolterstorff draws between first-order and second-order forms of justice offers a powerful tool for understanding some of the tensions which plague contemporary western societies. My interest is particularly in issues of material or distributional politics (or, as Harold Lasswell put it many years ago, 'Who gets what, when, and how?'). Even in an age of 'post-materialism' and 'cultural backlash', debates over work, public finance, and economic security still play a major role in structuring democratic politics.

Prof. Wolterstorff uses the term 'first-order justice' to describe 'the type of justice that consists of agents acting justly in their ordinary affairs', including (but not restricted to) 'justice in the distribution of benefits and/or burdens' (p. 7). As I understand it, this conception of just *action* is deeply rooted in a vision of a just social *order* – a world in which human beings are treated fairly and in which their rights are respected by other individuals and social entities. First-order justice, in this sense, 'is structurally basic', whereas second-order justice is designed to redress violations of it. Public policy, Prof. Wolterstorff suggests, can be directed *both* towards the achievement of 'first-order justice among individuals and social entities' *and* to the development of 'laws and procedures' which ensure that punishment and restitution are carried out consistently and fairly (p. 7). Prof. Wolterstorff's conception of second-order justice is primarily a judicial one, exemplified by 'police, court proceedings, punishment, prisons, and the like' (p. 7). However, he is clear that second-order justice can

be *restorative* as well as *punitive*, and I think the concept might productively be extended to the forms of compensation, restitution, and redistribution which the state carries out in the economic sphere.

Though I am not a biblical scholar, it seems to me that the vision of economic justice which the Old Testament gives us is set out primarily in first-order terms. The Mosaic Law provides for economic security through the distribution of the land, underpinned by the principle of the Jubilee, which acts as a safeguard against both excessive concentration of agricultural property and permanent alienation from economic resources (Leviticus 25). The prophet Micah, too, relates economic security to property ownership, looking to a time when 'everyone will sit under their own vine and under their own fig tree, and no one will make them afraid' (Micah 4:4). At the same time, the provision for gleaning, which gives 'the poor and the sojourner' an implicit right to food (Leviticus 19: 9-10), shows a frank recognition that not everyone will enjoy such material security. Throughout the Bible, the people of God are also enjoined to be just, impartial, and generous in their economic relations, particularly towards those in need. In other words, economic justice is to be achieved *both* through the structure of the social order *and* through a distinctive social ethic, grounded in respect for other human beings and a recognition of one's own dependence on God.

The agrarian subsistence economy of ancient Israel is, of course, a world away from the highly globalized, industrialized, and financialized economy of modern western states. Well into the modern era, however, I think it is fair to say that economic rights have been conceptualized in *concrete* terms which would not have been wholly unfamiliar to the biblical writers. Land reform has been a perennial subject of political debate, and remains so in many parts of the world; even in the UK, it is barely a century since David Lloyd George's plans for land taxation provoked a constitutional stand-off with the House of Lords, and during the ensuing 1910 elections Liberal meetings resounded with the Land Song ('God gave the land to the people'). Likewise, cheap food was a major theme of British politics right up to the 1970s, held up as one of the main benefits of free trade (as Frank Trentmann has shown in *Free Trade Nation* (2008)) and allegedly imperiled by the UK's entry into the European Economic Community. [ 1 ] The notion of 'a fair day's wage for a fair day's work' was central to trade union activity, often equated (in a male-breadwinner era) with a 'family wage' – an income sufficient to support a man, his wife, and three children. Notions of a 'just wage' and a 'just price' structured what E.P. Thompson called a 'moral economy', rooted in everyday custom and practice but often also reflected in government policy. [ 2 ] Catholic social theorists and economists (such as Michael Fogarty in Britain) were particularly active in translating these concepts of economic justice into an industrial context. [ 3 ]

Until the middle of the twentieth century, then, economic rights were largely understood in academic as well as popular discourse in terms of a specific set of human needs: food, fuel, housing, clothing, education, and health care. Access to these goods could be guaranteed either directly or by ensuring that citizens had sufficient resources to pay for them. Indeed, the expansion of social provision and trade union rights in the UK and other western democracies during the first half of the twentieth century was strongly informed by this line of thinking. Governments sought to make the real economy 'fair' in a way that their citizens understood through policies such as price subsidies, rent controls, centralized systems of wage bargaining, and direct forms of social provision such as council housing.

## From First-Order to Second-Order Economic Justice

Since the Second World War, however, this 'first-order approach' to achieving economic justice has been steadily eroded by the influence of neoclassical welfare economics and the growth of increasingly abstract conceptions of poverty and inequality. Post-war liberal thinkers have generally held that collective provision of goods and services is economically inefficient and morally paternalistic (except in specific fields such as health and education) and that cash transfers are therefore preferable. [ 4 ] With the onset of deindustrialization since the 1960s and 70s, governments' ability to meet expectations of 'fair work' – particularly for male manual workers – have also waned. As a result, social policy has increasingly been structured by a logic of *compensation* in which cash transfers bridge the gap between what citizens or policy-makers think is 'fair' and what the market economy delivers. [ 5 ] John Kay has characterized this approach as 'redistributive market liberalism', and I have suggested in my book *Transfer State* (Oxford, 2019) that it explains much of the popularity of proposals for a Negative Income Tax or Universal Basic Income, which would provide a guaranteed minimum income for the whole population. [ 6 ] The parallels with Rawlsian conceptions of distributive justice – focussed on establishing what degree of inequality can be ethically justified – are, I think, quite clear. [ 7 ]

The practical implications are perhaps best illustrated by the way the Blair government framed its child poverty strategy in the early 2000s. Child poverty was conceptualized in relative income terms (a child was 'poor' if he or she lived in a household whose equivalized income was less than 60 per cent of the median equivalized income), and Gordon Brown's strategy for eliminating it by 2020 revolved around an expansive system of tax credits for low- and middle-income families with children. [ 8 ] Such policies have helped to take the edge off the sharp rise in inequality which the UK has experienced in recent decades as a result of deindustrialization and free-market economic policies. Whilst the Gini coefficient (which measures the degree of inequality in a country) for *market* incomes rose from 0.38 in 1975 to 0.52 in 2010, the Gini coefficient for *disposable* incomes rose only from 0.27 to 0.34. Despite historically high employment levels and a spate of austerity measures over the last decade, cash transfers have come to play a major role in supplementing earned income not only for the unemployed and the disabled but for many low-paid workers, especially those in households with children. [ 9 ] The logic of the US Earned Income Tax Credit and Child Tax Credit – the latter recently, if temporarily, expanded under President Biden's American Rescue Plan – is very similar.

From a policy perspective, the shift from a first-order to a second-order approach to economic justice makes a good deal of sense. After all, the practical record of state intervention in labour and product markets has been distinctly uneven, so if politicians can achieve their social objectives without risking heavy-handed forms of government failure, that is bound to be appealing to many policy-makers. The decoupling of economic security from paid work may also be welcome on moral and ethical grounds, since the Fordist labour-market model of the mid-twentieth-century was premised on a male-breadwinner family structure and tended to reinforce gendered patterns of dependency within the household. Finally, we might welcome the fact that cash transfers expand citizens' autonomy and choice, whilst insisting that a Christian conception of moral agency will always entail much more than control over private consumption.

## Contemporary Debates and Concluding Questions

A strong current of recent scholarship has argued, however, that the politics of compensation or redistribution is politically weak and is liable to face a growing legitimacy crisis. [ 10 ] The problem is threefold:

- 
- Firstly, once economic rights are untethered from the concrete goods required for subsistence (or flourishing) and from people's daily experience of making a living, they are likely to seem increasingly abstract and arbitrary: a matter of political fiat rather than the expression of a deeper moral economy.
  - Secondly, the pattern of production, prices, and rewards produced by the market is likely to appear increasingly normal and natural – at least to its beneficiaries – since citizens cannot easily see the ways in which market outcomes are shaped by government policies.
  - Thirdly, the process of redistribution requires constant government activity: if at any point the transfer machine is turned off, the market is likely to produce quite extreme concentrations of wealth and economic power.

The practical result is that liberal and social-democratic politicians have found themselves increasingly struggling to justify and explain patterns of redistribution, especially in periods of actual or perceived fiscal crisis. This can be seen not only in the contested politics of 'welfare' (where the current UK government has tightened conditionality rules and encouraged tabloid attacks on perceived 'scroungers') but also in debates over foreign aid spending. The UN target of spending 0.7% of gross national income on overseas development assistance appears arbitrary because it is arbitrary. On the other hand, it is not easy to see how a first-order vision of global economic justice might be operationalized as a basis for public policy in the UK and other affluent countries.

This paper has moved some way beyond the focus of Prof. Wolterstorff's *Theology Brief* in an attempt to think about how the categories he uses might be applied to contemporary issues in economic and social policy. I conclude, then, by inviting readers to consider two questions:

- Firstly, is it meaningful and useful to apply the distinction between first- and second-order justice to the economic sphere in this way, or am I stretching the concept too far? (Perhaps I am.)
- Secondly, is there any *theological* reason for Christians to prefer policies which seek to achieve economic justice by acting directly on the real economy rather than by the 'second-order' means of redistributive transfers, or is this choice simply a matter of economic judgment and political strategy?

**Further reading**

Peter Sloman, *Transfer State: The Idea of a Guaranteed Income and the Politics of Redistribution in Modern Britain* (Oxford, 2019), explores how attitudes to redistribution have changed in Britain over the last century and how these ideas have shaped policy responses to poverty and inequality.

Malcolm Torry, *Citizen's Basic Income: A Christian Social Policy* (2016), develops a Christian case for a Universal Basic Income.

Tim Rogan, *The Moral Economists: R.H. Tawney, Karl Polanyi, E.P. Thompson, and the Critique of Capitalism* (Princeton, 2017) examines how moral and ethical concerns permeated twentieth-century critiques of capitalism.

Jim Tomlinson, 'Distributional politics: The search for equality in Britain since the First World War', in Pat Hudson and Keith Tribe (eds.), *The Contradictions of Capital in the Twenty-First Century* (Newcastle-upon-Tyne, 2016), offers a lively analysis of approaches to equality in UK public policy.

---

## End Notes

- [ 1 ] Frank Trentmann, *Free Trade Nation: Commerce, Consumption and Civil Society in Modern Britain* (Oxford, 2008); Robert Saunders, *Yes to Europe! The 1975 Referendum and Seventies Britain* (Cambridge, 2018), pp. 278-96.
- [ 2 ] On this topic, see especially E.P. Thompson, 'The moral economy of the English crowd in the eighteenth century', *Past & Present*, 50 (1971), and Jim Tomlinson, 'Re-inventing the "moral economy" in post-war Britain', *Historical Research*, 84 (2011).
- [ 3 ] For Fogarty's work, see especially M.P. Fogarty, *The Just Wage* (1961) and Michael Fogarty, *My Life and Ours* (Oxford, 1999).
- [ 4 ] This point is perhaps best illustrated by comparing the discussions of social policy in A.C. Pigou's *The Economics of Welfare* (1920) and James Meade's *Planning and the Price Mechanism* (1948). Pigou favoured a collectivist approach to welfare provision because he worried that cash transfers would discourage work and that parents would not know how best to spend money on their children; Meade, on the other hand, writing from the other side of the socialist calculation debate and the Second World War, was more sceptical of collective provision and more sympathetic to cash transfer schemes.
- [ 5 ] The idea of compensation, of course, lies at the heart of new welfare economics in the form of the Kaldor-Hicks criterion.
- [ 6 ] John Kay, 'Staking a moral claim', *New Statesman*, 11 Oct. 1996. Milton Friedman and George Stigler devised the Negative Income Tax as a way of using the income tax system to provide a targeted income supplement for families with low incomes. By contrast, a Universal Basic Income involves a universal, non-income-tested benefit paid by the state to every individual.
- [ 7 ] It is true that John Rawls was primarily interested in enabling citizens to interact as social and political equals, and so was more concerned about the structure of social institutions and access to 'primary goods' (including civil liberties and 'the social bases of self-respect') than the distribution of material resources. Yet Rawls' famous 'difference principle' was frequently conceptualized in income terms, and in *A Theory of Justice* (1971) he explicitly suggested that the state should use a Negative Income Tax to establish a 'social minimum' outside the labour market. Indeed, Katrina Forrester's recent book *In The Shadow of Justice: Postwar Liberalism and the Remaking of Political Philosophy* (Princeton, 2019) has highlighted the affinities between Rawls' work and the market liberalism of economists such as Friedman.
- [ 8 ] Jane Waldfoegel, *Britain's War on Poverty* (New York, 2010); Peter Sloman, *Transfer State* (Oxford, 2010), pp. 177-202.
- [ 9 ] For a fuller exposition of this argument, see Peter Sloman, 'Redistribution in an age of neoliberalism: Market economics, "poverty knowledge", and the growth of working-age benefits in Britain, c. 1979-2010', *Political Studies*, 67 (2019).
- [ 10 ] The most influential arguments in this vein have been Elizabeth S. Anderson, 'What is the point of equality?', *Ethics*, 109 (1999), and Jacob Hacker, 'The institutional foundations of middle-class democracy', in Policy Network, *Priorities for a New Political Economy* (2011). Hacker's work famously inspired Ed Miliband's interest in 'pre-distribution'.

**For more information**

**[www.globalfacultyinitiative.net](http://www.globalfacultyinitiative.net)**