

Thoughts on the concept of welfare

Dr. Kartikeya Misra

Dept. of Political Science, University of Allahabad, Allahabad, Uttar Pradesh, India

Abstract

In contemporary political and social thought the concept of welfare is perhaps undergoing its most thorough examination ever: as an intellectual interrogation which is being carried out from a variety of ideological persuasions. The causes of this enquiry are both immediate and long term. the immediate cause is the current dissatisfaction with one particular application of welfare philosophy- the welfare state- and the more permanent source of contention is the appropriate place and moral ranking, of the welfare ideal alongside other evaluative notions such as justice, equality, freedom and rights.

Keywords: welfare, contemporary, political, immediate

Introduction

It is important at the outset to distinguish between the concept of welfare and that array of social and economic arrangements and public policies collected, for convenience, under the general heading of the welfare state. It is so for at least two reasons. First a critical attitude to that version of the welfare state rejection, or even doubt the relevance, of welfare to a fully articulated social philosophy. Indeed, some skeptics of the welfare state might well argue that many of its typical features e.g. its alleged paternalism, coercion and inefficiency are themselves destructive of a proper concept of human welfare. Second, the welfare state, because it is merely a set of institutional arrangements, conceals or dissembles a whole complex of evaluative principles^[1].

The concept of welfare had been the subject of philosophical argument between political theorists and economists a long time before the main institutions of the welfare state were forged in the early part of this century.

The most analysed concept in social philosophy, that of justice, has been inextricably bound up with welfare. the whole notion of the welfare state has often been justified in terms of a concept of justice that is specifically redistributive: it defines fairness not in terms of an allocation of economic resources tied to individual entitlements under the procedural rules of legitimate ownership but as a complex set of institutions designed to take account of 'needs' and 'deserts' that transcend claims based on private property^[2].

these are simply two examples of the intense argument over public policy and its foundations in ethics and political economy, that have emerged from the breakdown of the so-called consensus that ruled Western democracies since the Second World War. Such was the dominance of this consensus over intellectual life that it led to the claim that we have reached the end of ideology that there were no substantive differences of principle that divided people so that intellectual effort should be invested in piecemeal improvements of an existing agreed on paradigm^[3]. the consensus included specific responsibilities of government (responsibilities that had been obliquely recognised before but never fully articulated). They were the maintenance of full employment through intervention in the market with the use of macro- economic policies (demand management), the

provision of a generalized welfare system operating outside both the market system and private charity and the promotion of social and economic equality through nationalization and redistributive taxation^[4].

What is then peculiarly modernistic about welfare philosophy is the elevation of what many writers such as Burke have called the 'lower responsibilities' of government to a position equal in importance to the preservation of law, order, continuity and social cohesion. Following on from this is the almost natural claim that government action is condemnable should it fail to meet the demands of the welfare imperative. From this perspective the roots of the welfare philosophy are primarily utilitarian: the value of welfare measures is obviously linked to certain sorts of consequences. The consequences may not always be calibrated in terms of pleasure, as Benthamite utilitarianism seems to require, but it is to consequences of some observable kind that welfare philosophy is addressed. For this reason, welfare philosophy is ineluctably concerned with questions of economics and public policy and only marginally about law and political obligation^[5].

It is undoubtedly the case the modern ideas of welfare derive from important developments in economics and social science that began towards the second half of the eighteenth century, particularly the rise of utilitarianism. However, the connection between utilitarianism, laissez-faire economics and welfare is a subtle one and is the source of many confusions. The most damaging of these is the too- ready assimilation of Benthamite utilitarianism to what has come to be known as liberal welfare political economy.

It is no exaggeration to say that Benthamite activist utilitarianism is the intellectual source of that bureaucratic form of state welfare that was to dominate public policy in nineteenth century Britain. It is rationalistic and contrived and the state has a welfare role the features of which can be precisely delineated.

Adam Smith was not the first social theorist to understand the public welfare as an (almost) accidental outcome of the baser motives. Bernard Mandeville (1670-1731) in a more dramatic and perhaps more compelling, way had shown in his *Fable of the Bees* (1720)^[6] that the promotion of the traditional virtues of abstinence and self- restraint were destructive of public

welfare. That indeed commerce and virtue were antithetical and that art prosperity and progress are only possible if men's natural desires (especially avarice) are given full reign. Hence his observation of the bee hive in its non- moral state.

Yet Smith's welfare economics are indifferent to distributive justice. As he wrote in the theory of Moral Sentiments: Mere justice is, upon most occasions but a negative virtue, and only hinders us from hurting our neighbour ^[7]. It is true that a market exchange system requires basic rules of justice. Smith does concede that a society founded upon such rules may not be particularly virtuous, and that the exercise of benevolence would transform a mere commercial society into a more pleasing social order. The rules of justice are the there to service a commercial society and the major (although not the sole) duty of political authority is to maintain them.

It was Jeremy Bentham (1748-1832) and his followers who first annexed the notion of welfare to ethics, who poured scorn on the idea that ethical value could be located in the concepts of duty and right conduct detached from immediate consequences.

It is by this collective criterion that competing policies are to be evaluated and divergent societies compared. Hence Bentham's oft-quoted, and thoroughly ambiguous claim, that: It is the greatest happiness of the greatest number that is the measure of right and wrong. Policies were justified solely in terms of whether they had a tendency to augment the happiness of the community or diminish it ^[8].

Thus in his Defence of Usury and Manual of Political Economy Bentham refuted on laissez-faire grounds a string of interventionist measures that Smith had justified: they included the navigation laws, the public provision of roads (at zero price), a national coinage, a public postal system and legislation to enforce a maximum interest rate. Yet in his constitutional Code ^[9] we find a firm commitment to state welfare via the Poor Law and support for legislation controlling conditions in factories and an argument for public works- not for the public goods reasons, but as devices to cure unemployment.

The difference between Benthamite utilitarianism and that of Adam Smith turns partly on the possibility of there being a rational way of distinguishing between natural and artificial phenomena. Smith saw coordinating processes everywhere, including (and especially) the common law process of adjudication, so that the need for legislative intervention was minimal. Bentham, however, envisaged a sovereign legislature charged with the function of creating happiness. Indeed all law emanates from the sovereign; a free action is simply that which is permitted by the legislature, and a fully rational sovereign would permit only those free actions that would maximize observable utility (welfare).

Nevertheless, Bentham's conclusive struggles with this issue highlights a fundamental feature of welfare policy. That is, there is an ineradicable element of subjectivism in all decisions about welfare. If we say that welfare is maximized through the market, this must mean that it is individual sensations that are the determinants of well- being i.e. the criteria by which we are to assess states of affairs. On the other hand, if we argue that the market system leaves legitimate welfare desires unsatisfied, what they are, and the extent to which state action should be used to satisfy them, is a subjective decision arising out of some collective choice procedure or from that of an elite.

It is not obvious that all utilitarian welfare theory requires us to evaluate various collective end-states, i.e. configurations of wealth, income, well being and so forth in terms of their measurable welfare enhancing properties. It is in the intellectual controversy surrounding the Poor Law in England, and especially in the thought and career of Sir Edwin Chadwick. Bentham's secretary, that we find the rationale for the co-existence of laissez-faire economics and social welfare ^[10].

The danger of indiscriminate welfare payments was that they must have a tendency to encourage individuals to become welfare claimants: a good or service provided at zero price will attract an infinite demand. In fact, it is almost impossible to design a welfare scheme which will not have this effect.

Yet before this whole approach is summarily dismissed we should remember that the utilitarian social theorists located some depressing features of the human condition that have persistently recurred, to the embarrassment of more optimistic and generous welfare theorists. They demonstrated that there is an intimate connection between the proposals for welfare (that may well have a persuasive normative foundation), the theory of human nature that must underlay any science of welfare and its policy proposals, and the institutional arrangements that are recommended for the delivery of welfare. Thus it is that the critique of certain contemporary welfare policies which are said to create a dependency culture a citizenry who lose their self-reliance and autonomy precisely because of the ease of welfare, and its distribution in the form of entitlement, is redolent of that Speenhamland versus the new Poor Law debate which preoccupied much of Victorian thinking on social issues.

The attempt to provide a science of welfare derives from the Italian economist, Vilfredo Pareto (1848-1923). The Pareto principle says that we can legitimately speak of a welfare improvement when a change makes persons (at least one person) better-off without making any one person worse-off. A market exchange which affects nobody adversely is clearly a Pareto- improvement and is quite consistent with the subjectivism of liberal political economy. The Pareto principle rests upon three assumptions: that each individual is the best judge of their own welfare, that social welfare is exclusively a function of individual welfare and that if one individual's welfare increases, while one-one's is diminished, then social welfare increases ^[11].

However, in contemporary political thought, justice has become almost inextricably bound up with welfare, John Rawls in his A Theory of Justice ^[12], insists that justice is the first virtue of a society and that it should (almost) always take priority over the good (which may be interpreted in a welfare sense); there is certainly no pluralistic trade-off between the two. Yet Rawls's conception of justice is undoubtedly a welfarist concept, one specifically concerned with the legitimization of a distribution of resources and with levels of well-being.

At the conceptual level, debate about the nature of welfare will continue with the same intensity: it is an argument that is persistently conducted in the somewhat outdated categories of individualism and collectivism. In the welfare world of the future, expanded genuine private insurance arrangements, in conjunction with voluntary organizations, might well compete with the hitherto dominant welfare state.

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