**Social Justice and the Future of the Social Economy**

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**Abstract**

A just society is a society whose institutions sustainably secure the greatest possible real freedom to those with least real freedom. It must comprise a "social economy" for two reasons: (1) its greater ability to achieve a fruitful combination between the flexibility it shares with the for-profit sector and the trust it shares with the public sector; (2) its ability to mobilize "self exploitation" and thereby to meet many needs that could only be met by the other two sectors at a prohibitive price. Moreover, a just society requires the introduction of an unconditional basic income, which provides a simple, non-intrusive way of systematically encouraging and stabilizing the social economy.

It is always an honor to be invited as a philosopher — and hence a member of one of the oldest intellectual professions in the world — to a conference consisting mostly of non-philosophers actively involved in the study of today’s realities. It is an honor, but also a responsibility, which I shall try to discharge today by making a connection between one of the oldest philosophical topics, social justice, and the future of the social economy.

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1 Written version of a keynote address at the closing session of the 4th International Research Conference on Social Economy, Antwerp, 26 October 2013.
What is social justice?

I am supposed to know something about social justice, if only because "justice" features in the title of several of the books I published. But I know far less, incomparably less than you do, about the social economy and the little I know I know more by virtue of my social engagements than from anything resembling a professional expertise. Before venturing into this unfamiliar terrain, let me first quickly say something about social justice, or at least about how I see it. It is my conviction that any defensible conceptions of social justice today must articulate the importance we attach to equality, freedom and efficiency. In short, social justice can be characterized — it is a slogan that forms the title of one of my books — as *Real Freedom for All*. More explicitly, any defensible conception of justice must be both “liberal” and “egalitarian”, in a sense that I need to clarify.

It must be *liberal* in the philosophical sense of professing equal respect for the diversity of the conceptions of the good life that are present in our pluralistic societies. Liberal conceptions of justice in this sense are to be distinguished from pre-modern or traditional conceptions of justice which start from a specific conception of the good life, of human perfection, of human virtue in order to determine what the just society is. You know what the good life is and a just society is one that rewards the people who live the good life, or perhaps one that makes it possible for everyone to live a good life. In our pluralistic societies, however, we do not and probably cannot agree about what counts as a good life. But perhaps there is no need to agree about this in order to determine the contours of a just society, precisely because a just society needs to be ruled by principles that express impartiality on this issue, that is equal respect for the diversity of the conceptions of the good life. That is what I mean

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with a liberal conception of justice. Obviously it does not entail as such that we should endorse capitalism, or even the market more generally: there can be, in this sense, a liberal form of socialism.

I said liberal but also egalitarian, in the sense that this conception of justice must express an equal concern for the interests of all members of the political community concerned. Does that mean that a just society, an egalitarian society in the appropriate sense, should be a society in which everyone achieves the same level of happiness, of income, of wealth, of health, of power? No, because there are two — and in my view only two — ways of justifying inequalities, of making them just, while remaining an egalitarian.

1. The first one is personal responsibility. Justice is about the fair distribution of possibilities, of opportunities, of capabilities, of the real freedom to do things. But it is up to the individual to use these possibilities as they see fit. Hence, if your sister has worked more than you, has saved more than you, is more conscientious than you, then you cannot complain on grounds of justice that she ends up being more prosperous than you, or being given more responsibilities than you. Equality is not a matter of equalizing outcomes, it is a matter of equalizing opportunities, possibilities, real freedom.

2. The second qualification is about efficiency. Even talking about about possibilities rather than outcomes, we should not try to equalize at all cost. If equalizing more is to the disadvantage even of the victims of the inequalities, then we should not equalize more. To put it differently: inequalities can be justified if they contribute to increasing the situation — in terms of possibilities, of real freedom — of the worst off. Or again: justice is not about strict equality even of possibilities, but rather about the sustainable maximization of the minimum — the maximin —, about making the real freedom of those with least real freedom as great as sustainably possible.

This is how I see social justice: real freedom for all, or a liberal egalitarian conception of justice that is both responsibility-sensitive and efficiency-sensitive.
The state and the market, for-profit and non-profit

What do we need in order to achieve social justice so defined? We definitely need the market and even, more specifically, some form of capitalism, of private ownership of most of the means of production. Why? Essentially because, the price mechanism, combined with the profit motive, induces privately owned enterprises to satisfy demand as well as possible while using up as little as possible by way of valuable factors of production. It thereby steers the economy, imperfectly but relentlessly, towards both static efficiency, i.e. the optimal allocation of existing resources, and dynamic efficiency, i.e. the optimal generation of new resources under the pressure of the need to innovate or perish.  

Any efficiency-sensitive conception of justice needs to take this economic case for the profit-driven market sector into account, but an economy left entirely to the working of such a market would be a disaster in terms of social justice, indeed even in terms of economic efficiency. In addition, we need a democratic state driven by electoral pressure, imperfectly but relentlessly, (1) to help secure efficiency by regulating the capitalist market so as to safeguard property rights, internalize externalities and check monopolistic tendencies; (2) to secure a fair distribution of real freedom by levying taxes and social security contributions in order to fund cash transfers and subsidize education, health care and social services; (3) to perform a number of activities that one feels cannot be entrusted to the capitalist sector and may vary from one context to another but certainly include police, defense, foreign relations, the judiciary, tax collection and the operation of the political institutions themselves.

Against this background, I now turn to the first side of the question I want to address. Is there any reason to believe that, for the sake of social justice, we need anything other than the for-profit private sector and the public sector? In other words: does the efficient pursuit of social justice require that some role should be given to the social economy, here defined as the non-for-profit private sector – I know that there are many other definitions and that this one

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3 In chapter 6 of *Real Freedom for All. What (If Anything) Can Justify Capitalism?* (Oxford, OUP, 1995; Barcelona, Paidos, 1996; Tokyo, Keiso Shobo, 2009), I offer a less sketchy critical synthesis of the chief economic arguments for capitalism and socialism, respectively.
has fuzzy edges, but allow me to use this one, which has the advantage of simplicity.

Justice as real freedom for all is a matter of providing access people with fair access not only to goods and services but also to jobs. It is about the real freedom to consume and also about the real freedom to determine what you do in your life including by getting employment. The social economy does provide such things. It produces goods and services and provides jobs to its workers, but of course so do the other two sectors. Do we really need in addition a “social economy”, a not-for-profit private sector funded either by selling its goods and services or by public subsidies or by a combination of these? Is there any reason to believe that there are things that could be done so much better in this third sector than it deserves a significant place in our vision of a just economy?

In the light of what I could witness myself happening locally, and based on what I heard about the experiences of people actively involved in the social economy, I would like to submit two conjectures as to what these reasons could be. The first reason, I shall call the marriage of trust and flexibility, and the second legitimate self-exploitation.

**The marriage of trust and flexibility**

What do I mean with this marriage of trust and flexibility? It seems to me that at least some parts of the social economy manage to avoid a dilemma between on the one hand the distrust, the suspicion aroused by the for-profit sector, and on the other hand the rigidity that tends to characterize the public sector.

By distrust, I mean suspicion both on the part of the consumers of the for-profit sector’s goods or services and on the part of its workers precisely because of the profit motive. In order to break this suspicion, in order to create a relationship of trust that is particularly important for the efficient operation of a numbers of sectors where there is a great asymmetry of information between consumers and providers, it helps to have providers that are not primarily driven by profit maximization. This is the case, for example, in the education sector in a very broad sense or in the healthcare sector, where the non-profit
sector plays quite a major role. In the case of the for-profit sector, there is unavoidably some degree of suspicion by the consumers and by the workers that they are being offered goods and services or that their labor is being hired essentially in order to help some capitalists book profits. And the same holds, when relevant, for other stakeholders such as investors or local authorities. Such suspicion can be avoided if the goods and services are provided by the non-profit social economy. But it could also be avoided if they are provided by the public sector. 4

Why then could we not simply rely, in whatever field this suspicion is a major issue, on the operation of the public sector. Because of another problem: rigidity. The advantage of the social economy is that it can operate with smaller units, that it can be more receptive to new needs, that it has a greater capacity to experiment, essentially because it is less dependent on authorization by sometimes very complex and slow bureaucratic procedures and by often even slower democratic processes.

This is my first reason for believing that the efficient pursuit of social justice can be helped by the existence of the social economy: its greater ability to achieve a fruitful combination between a form of flexibility it shares with the for-profit sector and a form of trust it shares with the public sector.

**Legitimate self-exploitation**

The second reason is self-exploitation. It struck me as self-evident at the end of the presentation of series of social economy initiatives in Brussels, which I had the opportunity to attend a while ago. 5 The sequence of stories I heard there strongly suggested that workers active in the social economy tended to work far more and more conscientiously than any employer could reasonably expect.

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4 So-called Corporate Social Responsibility can be viewed as an attempt to reduce this suspicion the handicap it creates for the for-profit sector. Even in the most sincere and successful cases, however, the suspicion induced by the profit motive can never entirely vanish.

5 « Business as usual of op weg naar een solidaire économie ? Maatschappelijke innovatie in de praktijk », meeting organized by the EVA network (« Lokaal werk maken van een solidaire economie »), BTC Center, Brussels, 14 March 2013.
from them — including, for example, by going to work even when they are sick —, without resenting the fact that they have to do so. Why is this? Simply because their work makes more sense to them personally than it does to the typical civil servant or waged worker. And they are therefore willing to sacrifice to it quite a bit more than they would do if they worked for the state or for a capitalist firm.

Of course you know better than me how heterogeneous the social economy is. Parts of it are no doubt as subsidy-obsessed or client-obsessed as profit-driven capitalist firms can be. And some of them may be more bureaucratically fossilized than many public administrations. But I do believe, on the basis of all I heard and saw, that the social economy pool is being constantly replenished by new initiatives, by concerned and enthusiastic new actors who perceive new social needs, or better ways of addressing old ones, and, for this purpose, are both willing to exploit themselves and able to combine the respective advantages of flexibility and trust in the service of meeting these needs.

The efficient pursuit of social justice therefore needs the social economy, the "économie solidaire" in this sense, just as it needs unpaid work, in many shapes. Volunteer work is usually not regarded as being part of the social economy but a number of things I said about the social economy also apply to "bénévolat", to volunteering. Indeed, my point about self-exploitation could be rephrased as follows: while all types of work incorporate some degree of volunteering — some amount of conscientiousness, effort or inventiveness that could not possibly be monitored and sanctioned by the employer or the client —, work in the social economy tends to incorporate quite a bit more of it than work in either the for-profit or the public sector. In the absence of the social economy and of the voluntary sector, many needs could not be adequately met or could only be met by the other two sectors at a prohibitive price. The optimal mix required by the pursuit of an efficiency-sensitive conception of social justice therefore needs to include more than public institutions and for-profit business. This is why public subsidies to this third sector or a favorable tax status may, in some circumstances, be justified from a liberal-egalitarian

\[\text{6 It cannot be ruled out, therefore, that some social economy enterprises may legitimately trigger more suspicion than some CSR-concerned capitalist firms.}\]
point of view, not because working in the social economy is a morally superior life, an intrinsically more valuable that working for the state or for a capitalist firm, but simply because it provides a more efficient tool.\(^7\)

**Do just institutions help the social economy?**

The question I addressed so far is how the social economy can contribute to social justice. I now turn to the second side of the relationship between social justice and social economy, i.e. to the question of whether having more just institutions would foster the development of the social economy. My answer to this question is positive: I do believe that the burgeoning and the survival of many bottom-up initiatives in both the social economy and the voluntary sector could be greatly facilitated if our formal institutions were more just. Why? For one main reason. As some of you know, my own interpretation of social justice as real freedom for all entails the justification of a universal unconditional basic income, an "allocation universelle", a "renta basica", i.e. a modest income paid to every citizen, not only to the poor, on an individual and unconditional basis, not as a full substitute for the current social security system, but as a "revenu-socle", as the basis to which all other incomes, including of course the incomes earned in the social economy, can be added.\(^8\)

Now you do not need a long demonstration to realize that the introduction of such a basic income would systematically facilitate all sorts of activities that do not pay very much, or only pay quite irregularly, but are attractive either in themselves or because of the training or the contacts they provide. And such activities are overrepresented in the social economy. A basic income can therefore be viewed as a structural subsidy to the social economy — just as it constitutes a structural subsidy to voluntary work, to precarious self-

\(^7\) That subsidies should be allocated to the social economy out of taxes on the for-profit sector seems to imply that the former is parasitic on the latter. But to the extent that there is a valid efficiency-based argument for them, such subsidies are rather a way of achieving an optimal organization of an economy whose three sectors are each dependent on the goods and services produced by the other two and are therefore, in this (misleading) sense, parasitic on each other.

employment and to cooperatives (if the latter are classified as falling outside the social economy). But the justification for this subsidy is not, here, that at least in some domains, the social economy is more efficient than the for-profit sector. Nor is it that work in the social economy constitutes an ethically superior form of life. The subsidy here should rather be viewed as a direct manifestation of a fairer distribution of undeserved gifts.⁹

As many of you no doubt know, this idea of an unconditional basic income is today no longer an idea confined to a handful of philosophers or activists or to Nobel laureates in economics such as James Tobin, Jan Tinbergen or James Meade. Some of you may be aware that at the beginning of October 2013 enough signatures were gathered in Switzerland to trigger the obligatory organization of a national referendum on the introduction of the unconditional basic income within the next two years. And many of you probably also know that one of the first European citizens' initiatives, launched in January 2013, was devoted to basic income. Its formulation was far weaker than the Swiss one, however, because of the European Union’s subsidiarity principle being so far interpreted as reserving the whole field of social policy to the member states. Moreover, if successful, it would not trigger an EU-wide referendum, but only an official response by the European Commission and a public hearing at the European Parliament. As I expected, it did not manage to gather in time the required number of signatures.¹⁰ Nevertheless it prompted a completely unprecedented public discussion about the idea throughout Europe, and unsurprisingly many people directly involved in the social economy have been quite active in this campaign.

Whether at the EU level or at a national level, the introduction of such an unconditional income is not yet around the corner. But it is no longer a sheer

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⁹ I develop the argument for this claim — which is at the root of what I regard as the most fundamental justification for a basic income — in Real Freedom for All (op. cit.). See also, for a more succinct formulation, “Basic Income and Social Justice. Why Philosophers Disagree”, Joseph Rowntree Foundation Lecture 2009, http://www.jrf.org.uk/publications/basic-income-foundation-lecture.

¹⁰ European Citizens Initiatives need to gather 1.000.000 signatures in 12 months (compared to the comparatively higher 100.000 signatures in 18 months in Switzerland), and it needs to reach a threshold in seven member states. By its deadline of 14 January 2014, the ECI on basic income gathered 285.000 signatures and reached the threshold in six countries: Croatia, Slovenia, Bulgaria, Belgium, the Netherlands and Estonia.
fantasy. And one of the many factors that makes it a realistic prospect is precisely its connection with the social economy. For if the argument in the first part of this contribution is correct, the social economy is indispensable to the realization of an efficiency-sensitive conception of social justice. And if the argument in the second part is correct, a basic income provides a simple, non-intrusive way of systematically encouraging and stabilizing the social economy. Too good to be true? Rather, true enough to guide and motivate further action...