

John Rawls' maximin principle and social protection schemes



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1. Introduction

Ever growing rate of poverty in various economies around the globe have been alarming for national level governments of different countries. While it has become difficult to reach the Millennium Development Goal (MDG) of eradicating long term chronic poverty, national as well as international agencies have been making various attempts to fight against poverty. In such a situation, the role and the significance of social protection programs have been enhanced. Social Protection programs aim for distributive justice, however their success or failure in achieving so depends on targeting. The aim of this essay is to assess one of the popular theories of distributive justice and to associate it with social protection and policy making. This essay will begin with reviewing the main idea of John Rawls' Maximin Principle and its applicability in public policy and evaluation. The essay will then follow by reviewing important literature that provides insights into the critique of Rawls theory. The essay will then analyze on social protection schemes and their contribution towards poverty alleviation in Pakistan and India.

2. Literature Review

2.1 Rawls' Maximin Principle

John Rawls is well renowned for his work known as "Theory of Justice" which has been of significant emphasis in the field of moral ethics as well as political philosophy. The theory not only aims to present solutions to the problem of distributive justice but also tends to make additions to what we know as welfare economics. John Rawls being the follower of social contract

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theory tradition calls for the reconciliation of liberty and equality in order to produce a just social system for the distribution of resources. Formation of Rawls' theory has been heavily inspired by the work of David Hume (Circumstance of Justice) and Immanuel Kant (Fair Choice Situation) (Pecorino, 2006). Rawls argues that any party holding a decisive power in a society should be instilled with principles of justice.

Thus, Rawls comes up with a theory and explains that society can develop mutually acceptable principles of justice that are fair to all through the adoption of a device he calls "veil of ignorance". Rawls believes that fair choices can be made if the decisive party chooses to operate from the "original position" from behind the veil of ignorance. This is the highlight of the theory proposed by Rawls as the concept of "veil of ignorance" is critical for the success of this theory. Attributing to this element of the theory, the decisive party will tend to make purely unbiased decisions if it operates from behind the veil, because it will blind the decision maker about any facts relevant to themselves that can influence their decision negatively. Hence, the decision maker will be unknown to his place in the society, his social status, his strengths and preferences, personal factors such as race, color, religion, sex nationality or individual tastes, and share of the natural resources in the distribution process. Unawareness of such factors will lead to making decisions that are in the best interest of the society and are not influenced by personal motives. Hence, Rawls argues that if his theory is followed while establishing a social system, the decisive party will come up with fair and just solutions for all winning over utilitarian and libertarian accounts. According to Rawls, unawareness of these points will lead to fair

principles for all. If an individual is unaware of how he will end up in the society, he is likely not going to prioritize any specific group of people, rather develop a scheme that addressed everyone fairly. Thus, as per Rawls those in the Original Position would all implement a Maximin strategy which would maximize the prospects of the least well-off (Rawls, 1971).

Furthermore, Rawls argues that in the original position, parties will tend to adopt 2 principles that would lead to the fair and just assignment of rights and duties forming a fair societal setup i. e. adoption of Maximin Strategy which calls for following the principle of good while making decisions. Rawls' first principle emphasizes on the maximization of opportunities and calls for each and every individual is to have equal right to basic liberties such that it does not compromise the right to liberties of others (Rawls, 1971). The second principle on the contrary emphasizes on minimizing the inequalities and differences, and calls for the arrangement of social and economic inequalities such that

1. They are of the greatest benefit to the least advantaged members of the society (known as the Difference Principle)
2. Offices and positions must be open to everyone under the conditions of fair equality of opportunity (Rawls, 1971).

Rawls emphasizes that during the attempt to distribute primary goods, greatest benefit of worst off should be ensured and any such arrangement that contributes towards drawbacks for the less advantaged shall be avoided. Thus, welfare through distribution should be carried out only up to the point that improves the welfare of the less disadvantaged and not a point

further. Furthermore, Rawls argues that while meritocracy should be the basis of holding offices, there must also be equal opportunities for the office holders to acquire skills on the basis of which merit is judged (Rawls, 1971).

Rawls also tends to propose the priority in which the principles shall be followed in order to reach the desired outcome. He stresses that the first principle must be fulfilled before the second principle and the second part of the second principle must be satisfied before the difference principle. Rawls' theory also highlights principles of distributive justice as the first principle and the later part of the second principle, both, talk of distribution. While the first principle talks of distribution of liberties, the later part of second theory talks of distribution of opportunities (Rawls, 1971).

The first principle is absolute and cannot be violated even for the sake of second principle. However, some liberties may conflict each other and thus, would require some kind of tradeoff between the two. This would mean that arrangement of certain liberties would ensure benefit at large. Thus, uncertainty remains as to what the theory means by the set of liberties and which liberties benefit at large (Pecorino, 2006).

Rawls Theory of Justice tends to provide us with the basis of moving from equality to justice. It proposes to reach social decisions that make use of justice as a criterion for fairness, keeping rationality in mind. Thus, we can infer that if Rawls theory is followed in its original essence, we can end up forming a just social system yielding maximum welfare. However, it is argued that the outcomes, deriving from the process of just social system, are ahistorical and hypothetical. Hypothetical in the sense that the outcome

principles derived from the process will be agreed by the parties under legitimation and not by free will. Rawls' principle of justice will only be agreed upon hypothetically in the original position (Agboufa, 2016). Thus, this is certainly one of the biggest weaknesses of the theory, which makes its practical application difficult. Rawls' proposed model is idealistic but difficult to be adopted practically as parties don't usually make decisions in the original position and some kind of bias always influences the decisions. Furthermore, it is ahistorical in the sense that it is not supposed that the agreement has ever, or indeed could actually be entered into as a matter of fact.

It is to be noted that as per the first part of Rawls' second principle, Rawls is trying to justify inequalities. As Rawls tends to support the stance that distribution shall improve the benefit of those who are worst off, it can be inferred that Rawls is claiming that inequalities are justified as far as they can make worse off individuals better. Rawls tries to claim that one's personal factors such as race, color or social status shouldn't influence opportunities available for the individual. One should be entitled to benefits that make them better off rather than worse off and this is to be done through a just social system.

2.2 Critique of Rawls' Theory

While Rawls' theory is highly celebrated in literature and is heavily discussed by scholars, it invites a wide variety of critique as well. It is argued that Rawls' Maximin principle does not comply with the contractarian traditions (Oyeshile, 2008). He has presented a wide variety of arguments, which he

claims to be in line with contractarian traditions, but its link with the decision rule is difficult to establish. This therefore, is highlighted as an inconsistency at Rawls' end which limits the credibility of his theory as the Maximin rule is to be applicable throughout his theory. Rawls' theory has been criticized by Wolff (1978) who claims that, if an individual opts to make decisions from behind the veil of ignorance, he may regret his decision later on for being too conservative, which is likely to weaken his commitment to the decision. Wolff argues that Rawls theory is idealistic in nature that visualizes a harmonious and politically stable society that works on the bases of two principles of justice which must be altered every time in order to be compatible with each other. He claims that the two principles are not coherent and thus, it is difficult to reach the idealistic stage Rawls visualizes (Wolff, 1978).

Moreover, Robert Nozick tends to question the applicability of Rawls theory and claims that they are only applicable if primary goods are unlimited so that they are not entitled to anyone (Fraser, 2011). But if they are a result of a production process which requires hard work at the hands of labor then the Maximin principle tends to be unjust. Moreover, he also argues that application of Maximin principle is also subject to whether production and distribution is state owned or privately, because Nozick claims that individuals only transfer their rights to the state and no one else. Thus, it would be unfair for someone else to benefit from the gains of someone else (Fraser, 2011). Nozick argues that Maximin principle is unjust because it does not let those who have worked hard enjoy their returns or entitlements. Hence, this means that Rawls ends up individuals treating as means to fulfill the needs of other individuals, which tends to violate the doctrine of Kant.

Nozick also tends to argue that welfare function is not the task of the government and thus, state should ensure that it has limited interference in the affairs of individuals. By this Nozick tends to signal towards taxation, however, Nozick's criticism has left a loophole as to what is the alternative to social cooperation if maximin rule is to be rejected (Fraser, 2011).

Moreover, other concerns of Rawls theory include vagueness of the term "worse off man" used in his theory. There is no consensus in the literature over what refers to worst off individual. It is therefore argued that a worst off man may also exist within an advantaged class. Also, Rawls theory seems conservative in nature, as it discourages hard work in the hope that advantaged individuals of the society will tend to help less advantaged. Moreover, the advantaged individuals who have been working hard previously may tend to work less thinking that their returns will go to someone else (Oyeshile, 2008).

2.3 Relevance to Public Policy and Evaluation

While majority of the views shed light on the importance of economics in formulating public policy, Rawls highlights ethics and morality, and the role of more advantaged in helping the less fortunate members of the society. Rawls proposed idea of justice as fairness serves as a unit for measuring the success of public policy in maximizing the welfare of the individuals. This would also serve in minimizing the inequalities and lead to progression of the economy which is the objective of every policy undertaken at the national level. Moreover, as aforementioned, Rawls tends to answer a few questions about distributive justice by highlighting that the least advantaged members

of the society shall be prioritized. This provides us with the foundation of how our policies, political processes and structures should be set up in order to ensure economic benefit for the lower strata such that it allows for poverty eradication. Moreover, policies that aim to maximize the welfare of the individuals must first prioritize to distribute goods (primary goods as per Rawls), in such a way that they ensure that the welfare of the least advantaged is not harmed rather is improved. However, adoption of Rawls theory in public policy would therefore mean ignorance of Egalitarian principle, which requires all individuals to be treated as equal. Adoption of Rawls principle will however mean moving towards poverty eradication and alleviation but it will also tend to promote inequalities by focusing more on least advantaged and ignoring the remaining groups in the society (Chamberlin, 2009).

3. Case Study

3.1 Social Protection in Pakistan

Any public policy within a country is aimed at maximizing the welfare of its people. However, according to Rawls, this is possible if the welfare of the least advantaged in a society is ensured. Thus, Rawls specifically mentions the lower strata in his theory which brings out attention towards the poorest people in the economy. Thus, in order to guarantee welfare of the lower level countries tend to adopt social protection programs.

It is reported that out of Pakistan's total population, 40% of the people live in poverty. This was inferred when referring to Multidimensional Poverty Index (MPI) of Pakistan which evidently fell from being 55% in 2004 to 39% in <https://assignbuster.com/john-rawls-maximin-principle-and-social-protection-schemes/>

2015. It is recorded that around 6.8 million to 7.6 million people are living under the poverty line in Pakistan (Rana, 2016). While overall poverty levels have been increasing, inequality in the country has also grown up. The province of Baluchistan continues to be neglected in resource allocation and has the highest poverty rate, while the urban areas of Northern Punjab and Sindh are marked by prosperity as compared to the rest of the region. The disparities not only reside in incomes of the classes but also in their access to services. While the rich enjoy easy access to education, poor remain far off from going to schools and receiving education. Disparities have been so intense that 1/3rd of Pakistan population which is said to be under the poverty line face poor access to health care facilities, unemployment, hunger and starvation etc. (Khan, 2016). It is also reported that food energy intake, which has been used as a measure of poverty in Pakistan, is deteriorating. In such a situation the government of Pakistan has come up with policy initiatives and programs to ensure social protection for the lower strata of the country.

The most popular among all is the Benazir Income Support Program (BISP), which aims to give cash grants to the poor people in the country. BISP was launched in 2008 and the program directly aims to target those living under the poverty line and claims to have covered 40% of these people (BISP, 2016). It had claimed to make provisions to poor such that they do not suffer at the hands of inflationary pressures, food crisis and economic downturns. BISP therefore works in line with the MDG that calls for eradicating long term chronic poverty. The cash grant was set at Rs. 1000/month which then grew up to be Rs. 1200/month and then Rs. 1500/month by 2014 (BISP, 2016).

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Presently, BISP tends to identify the beneficiaries through conducting surveys and therefore ensures that the money is going to the needy. The impact analysis report of BISP reveals that it has contributed significantly towards improving the welfare of the lower strata. As per the Regression Discontinuity (RD) treatment, BISP program has seemed to cause 22% and 19% point reductions in poverty, in its 2 studies (Cheema, et al., 2014). BISP has been encouraging adult men to move away from traditional labor work and work towards self-employment. It has also increased the number households who own and depend on livestock. BISP has not only focused on cash transfers but has also worked to empower women by recognizing them as significant beneficiaries and allowing them easy access to cash. In addition to this BISP is still working on lines of improving education. It has recently introduced Waseela-e-Taleem scheme which targets children aged 5-12 years that are eligible for an educational grant. BISP maintains a buffer zone for unforeseen events and shocks, in order to support those who are struck by the shocks. In addition to this, BISP has been significantly focusing towards food expenditures and nutrition impact. Thus, BISP is one of the most successful safety nets program in Pakistan and has significantly contributed towards poverty alleviation (Cheema, et al., 2014).

Pakistan's Bait-ul-Mal (PBM) is another popular initiative taken by the government at the national level. PBM is an autonomous body which was set up in 1991 that aims to work towards poverty reduction and poverty alleviation in Pakistan (Pakistan Bait-ul-Maal, 2014). It tends to provide focused services to the needy that are defined eligible as per the board of PBM. PBM's popular services include setup of Pakistan Sweet Homes which is

an orphanage for disaster struck orphans, who lost their families in catastrophes and terrorist incidents. PBM has also set up Pakistan Thalassemia Center where Thalassemia patients are funded for treatment and also blood banks are setup to for easy provision of blood. In addition to this, PBM also tends to financial assistance in the form of cash grants to the needy, provides educational grants to needy children, higher education grants to those who cannot afford it, health care facilities and promotes self-employment schemes (Pakistan Bait-ul-Maal, 2014). Upon impact assessment, it was analyzed that PBM, just like BISP, has been significantly contributing towards poverty eradication. In fact, BISP and PBM are the two biggest social protection programs in Pakistan and have combined reduced the chances of being poor for 78% of male households. As per PBM, an amount equivalent to Rs764.5 million was distributed which had a total number of 11,988 beneficiaries during the period 2011-2012 (Channa, 2012).

Pakistan also runs a Zakaat program at the national level. The program is run under the Zakaat and Usher department within the government of Pakistan. The department works towards establishing the zakat system as a better working system in Punjab, to collect zakat from the well-off individuals of the society that can be disbursed among the poor. The department has itself launched a variety of programs including grants in the form of "Guzara Allowance" that serve as cash transfers to the poor. There is a separate Guzara Allowance program for the blind people. The department also tends to give educational stipends to needy students, students of technical fields and also to madrasas for religious education (Zakaat & Usher Department,

2014). The program is also inclusive of marriage assistance, health care provisions, grants for leprosy patients, social rehabilitation scheme and Sustainable Economic Empowerment Program (SEEP). However, impact analysis of Zakaat scheme reveals that the results of the scheme have been low because to its limitedness to the province of Punjab. Although the program is bringing about change, it has been unable to make large changes in poverty reduction. Also, limited evaluations have been carried out to analyze the impact of the Zakaat Scheme. Other programs in Pakistan that have contributed towards poverty alleviation include programs by NGO such as Agha Khan Rural Support Programs, Pension Schemes etc. However, these have had limited impact when it comes to poverty alleviation as compared to BISP and PBM.

3. 2 Social Protection in India

The poverty levels in India have been unprecedented and the majority of the population has been below poverty lines. As per the National Poverty Line of India, 27.5% of the Indian population was chronically poor. While the population of India is growing, 1/4th of the population remains poor finding it difficult to access food basic health care facilities (ADB, 2011). In absolute number, 301.7 million people in India are poor and it is not surprising that world's biggest slum is existent in India (ADB, 2011). It is therefore argued that in order to reduce poverty in India, policies shall be aimed at developing physical infrastructure, economic infrastructure (financial services) and social infrastructure (health and education). Attributing to the poor population of India, a large number of safety nets program and social

protection schemes are functional in India. The oldest and the biggest program functional in India is known as PDS which aims to provide rice, wheat, sugar, and non-food items such as kerosene in rationed amounts at below market prices (Indian Human Development Survey, 2012). Although the program tends to enhance the accessibility to these items, the program has been criticized for not reaching down the poor population who cannot even afford basic ration. The program was then revamped and turned into Targeted Public Distribution System to provide rations at even lower cost, but the program achieved little in eradicating poverty in India (Indian Human Development Survey, 2012). Another program implemented in India came to be known as Midday Meal Program, which aimed to provide midday meals to primary school students in order to improve their nutritional levels so that better health could lead to better attendance levels. While PDS was a targeted program, Midday meal did not target a specific strata of the society, rather provided meals to all the primary level students (Indian Human Development Survey, 2012).

India has also introduced Food for Work programs which were launched in 2001 in the drought struck areas of India. The Sampoorna Grameen Rozgar Yojana (SGRY) program tends to provide income as well as food transfers for labor working for infrastructural development, specifically the ones that helps in controlling droughts in the future for e. g. watershed etc. It was reported that all the SGYR labor belongs to the rural areas and are poor. While $\frac{3}{4}$ th of the labor is men, $\frac{1}{4}$ th is women labor force. 71% of the men working for SGYR are classified in the lowest strata of the country with extremely less incomes (Indian Human Development Survey, 2012). Thus,

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the program intended to specifically target those who are poor and utilize their skills so that they do not go wasted and as reward they are given incomes too, to support their daily lives. It is to be noted that although India runs a large safety nets program, only a very few of them focus on targeting the poor. Majority of the programs ensure access to all, which would mean some kind of inequality still remains. Thus, social protection has not significantly contributed towards poverty alleviation in the case of India.

4. Conclusion

Conclusively, we have established that in the case of Pakistan, BISP and PBM are the most successful safety net schemes which have a well balanced portfolio to alleviate poverty in Pakistan. Moreover, social protection programs in Pakistan have had significant impact on poverty reduction, as compared to those of India. This is because the social protection programs in India are not targeted and aim at addressing the welfare of the larger population. This therefore, tends to violate Rawls theory that focuses on prioritizing the welfare of the least advantaged members of the society. As per Rawls Theory, distribution of resources will be just if it allows the improvement in the welfare of the people, only up to the point where the welfare of the least advantaged does not deteriorates. Applying Rawls theory in public policy and evaluation will therefore mean that there is some inequality in the economy as we will tend to take from those who are earning well and distributing among those who are worse off.

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