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## Social inequality, poverty and social redistribution

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## SOCIAL INEQUALITY, POVERTY AND SOCIAL REDISTRIBUTION

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### ABSTRACT

*In this essay, I review developments in the ongoing debate about the causal connections between poverty, personal behaviour and social inequality. I also discuss the normative issues that arise in defining poverty and in deciding what role redistributive social policies ought to play in its prevention and relief.*

*I go on to compare the behavioural explanations of the causes of poverty that are normatively associated with theories of economic market liberalism and the structural explanations that are grounded in theories of socialism and other more pluralist forms of social-democratic collectivism.*

*I conclude that these two unitary ideologies of individualism and collectivism are reaching the end of their useful lives as exclusive guides in shaping the ends and means of social policies. In democratic societies, compromises have to be made between radically different views about what constitutes an equitable distribution of wealth and income, and what kind of balance should be struck between the claims of freedom and welfare. Viable compromises on these divisive issues can only be reached in the mixed economies of democratic pluralist societies.*

Keywords: *poverty, inequality, freedom, welfare, social policy*

### BEHAVIOURAL AND STRUCTURAL MODELS OF POVERTY

Social inequality, poverty and the redistribution of wealth and income have been among the key political issues that have shaped the ends and means of social policy over the past fifty years. The ongoing debate about the

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causes of social inequality and poverty has always been polarised between the policy makers and theorists who believe that the poor are largely the culpable architects of their own misfortunes and those who believe that they are largely the innocent victims of adverse social circumstances and changes beyond their control.

The “personal culpability” thesis is based on “behavioural” explanations which attribute the causes of poverty to the personal shortcomings of the poor themselves. The very poor are defined as people who lack the necessary intelligence, competence or motivation to make sensible choices in the management of their daily lives. They grow up in dysfunctional families, live dysfunctional lives and pass on their dysfunctional values from one generation to the next. They have a marked preference for idleness and would rather live on welfare benefits than work for a living. They are the self-perpetuating members of an unregenerate underclass and the agents through which the ‘cycle of deprivation’ repeats itself.

From 1834 onwards, the policies of the reformed English Poor Law were based on behavioural principles regarding the causes of poverty. Its main cause was seen as the unacceptable moral behaviour of “able-bodied” applicants who were deemed able to work but preferred living on poor relief. They were offered relief but only if they agreed to enter a workhouse where their conditions of life would be made “less eligible”, or more unpleasant, than those of the poorest paid independent labourers outside. In this way, what became known as the “workhouse test”, separated the genuinely destitute from the workshy. This policy of deterrence was based on the assumption that jobs could always be found if people were sufficiently motivated to look for them.

The unemployable “non able-bodied” applicants for relief, who were mostly old and infirm, were treated differently. If they were judged to be destitute, despite having lived sober, thrifty and industrious lives, they were classed among the “deserving poor” and would often be granted outdoor relief in their own homes. If they were classed as “undeserving”, they would be offered relief but only in the workhouse.

The “victim” thesis is based on “structural” explanations which focus on the massive disadvantages that the unequal distribution of wealth, income and life-changes impose on the poorest members of class-based societies. For the greater part, the very poor are defined as people who are forced by adverse circumstances to live out their lives excluded from the activities of the societies to which they “belong” only in notional terms. In reality, they are a socially excluded underclass.

From the early twentieth century onwards, structural explanations of the causes of poverty became more influential in the making of social policies and more popular with voters. They played a key role in the gradual processes of political change that resulted in the eventual abolition of the Poor Law and the creation of what came to be called the “welfare state”.

In recent times, policy makers and advisors have grown more circumspect in their use of terms like the “deserving” and the “undeserving” poor. They do not wish to appear overly patronising or disparaging in their judgements about benefit applicants. Nevertheless, in the court of popular opinion, many people still believe that such moral distinctions ought to be drawn with greater authority and force than is currently the case. They remain convinced that those who are able to help themselves ought to receive substantially less than those who are unable to do so.

A growing number of European governments are also becoming convinced that unemployed benefit claimants ought to be required to enrol in work or retraining programmes as a condition of receiving benefit. Failure to do so should entail denial or deduction of benefit. We live in more democratic and humanitarian times and workfare policies have come to be seen as morally preferable to workhouse tests.

### MORAL IMPERATIVES AND THE RELIEF OF POVERTY

In their more radical forms, both the “personal culpability” and “structural” theses offer uni-causal explanations of the causes of poverty which take little or no account of the empirical evidence which shows that poverty is a multi-causal phenomenon and that there is no such homogenous entity as *the* poor. The various causes of poverty are interactive over long periods of time and, as Paul Spicker points out, “it is possible for them all to apply simultaneously” in particular cases (Spicker P., 2006: 71).

Unravelling these causal processes is a difficult task which is just as likely to end in accusations of unfair treatment when a person’s entitlement to help is confirmed as when it is denied. In any system of exchange relationships, both welfare recipients and taxpayers, as welfare providers, make comparisons and judgements about the relative justice of these outcomes.

Most people will readily agree that justice is synonymous with fairness but, in the context of welfare exchange relationships, they find it much harder to agree on what counts as fairness. Need and desert are the key criteria by which welfare entitlements are decided. As moral precepts, however, they embody conflicting interpretations of what counts as fair-

ness and people of different political convictions disagree about which of these precepts should carry the greater moral authority in the assessment of welfare entitlements.

The concept of poverty itself is also charged with powerful moral connotations. As Paul Spicker notes, “poverty consists of serious deprivation and people are held to be poor when their material circumstances are declared to be morally unacceptable.” In this respect, he shares David Piachaud’s belief that the concept of poverty “carries with it an implication and moral imperative that something should be done about it. Its definition is a value judgement and should be clearly seen to be so.” (Spicker P., 1999: 157 and Piachaud D., 1981: 421).

It is not, therefore, surprising that policy makers and advisors seldom agree on *what* should be done about poverty, *who* should do it and at *what levels* of deprivation it becomes morally imperative that something should be done. Amartya Sen argues that the most serious and incontestable level of deprivation is the condition of absolute poverty when it becomes impossible for people “to meet their nutritional requirements, to escape avoidable disease, to be sheltered, to be clothed, to be able to travel, to be educated ... to live without shame.” Some moralists, however, contend that the undeserving poor ought to feel ashamed of the conduct that rendered them destitute. Nevertheless, most people would share Sen’s view that there is “an irreducible absolutist core in the idea of poverty. If there is starvation and hunger then, no matter what the relative picture looks like there clearly is poverty.” (Sen A., 1983: 153-169).

Our two explanatory models of the causes of poverty are located on what might be called the polar extremes of welfare ideology. Relatively few policy analysts feel completely at home in these chilly intellectual domains. Most of them, however, attach greater heuristic significance to one or other of these models. When governments seek their advice they offer more temperate versions of the one which they prefer. The policies which they recommend will, therefore, lie somewhere between the political extremes of left wing collectivism and right wing individualism.

Both causal models are moral touchstones of the socio-political theories and ideologies that underpin them. Scientific theories set out hypotheses about causal relationships in testable forms, not as propositions to be defended but as propositions to be revised, falsified and, if necessary, abandoned in response to countervailing evidence (Pinker R., 2004: 78-79).

Social policy theorists often hold strong political and moral beliefs about the issues they investigate, notably with regard to the causes of poverty and

the ends and means of social policy itself. They develop theories which embody normative critiques of the political status quo and policy prescriptions for changing it. The distinction between non-normative and normative social theories was very clearly drawn by Emile Durkheim. He suggested that, "Social theories separate themselves at once into two large categories. One seeks only to express what is or what has been; it is purely speculative and scientific. Others, on the contrary, aim to modify what exists; they propose, not laws, but reforms. They are practical doctrines." (Durkheim E., 1967: 51-52).

Normative theorists tell us what will happen if we do *x* rather than *y* but they also leave us in no doubt as to which option we *ought* to choose on moral grounds. Drawing distinctions between scientific theories, normative theories and ideologies is a difficult task because it involves matters of degree as well as of kind. The first distinction to be drawn is whether or not the theory is set out in a testable and falsifiable form. The second concerns the degree to which unprejudiced consideration is given to new evidence and possible alternative explanations.

As long as there is open debate between open-minded theorists, the avenues for falsification and correction will also remain open. The more general social theories become, the more likely they are to be overloaded with normative convictions and the less likely they are to be presented in falsifiable forms. Paradoxically, general theories of radical social change tend to be the most resistant to falsification and their advocates most resistant to changing their minds when new evidence challenges their most cherished political convictions. For these reasons, general theories of social change become indistinguishable from ideologies. Scholars test their propositions. Ideologists defend them against all comers and all countervailing evidence.

The general theories that underpin our explanatory models of poverty are based on fundamentally different beliefs concerning the causal links between poverty and inequality, the relative importance that should be accorded to the criteria of need and desert in the allocation of welfare resources and the kinds of distributional relationship that ought to hold between the principle of equity (or fairness) and the social ideals of equality and inequality as policy objectives.

#### LIBERAL INDIVIDUALISM, SOCIAL INEQUALITY AND POVERTY

Behavioural explanations of the causes of poverty are philosophically grounded in the classical theories of economic market liberalism. This

form of liberalism, or “neo-liberalism” as it is sometimes called, lies further to the right of the political spectrum than traditional conservatism. This was certainly the case in 1960 when F A Hayek –one of the most eminent liberal economic theorists of his time– felt it necessary to explain why he was *not* a Conservative.

In Hayek’s view, the leading Conservatives of the 1950s had “compromised with socialism and stolen its thunder” by pursuing policies of the middle way between the extremes of free-market liberalism and state-regulated collectivism (Hayek F A, 1960: 408, 399). Hayek was in no doubt that “the most conspicuous attribute of liberalism that distinguishes it as much from conservatism as socialism, is that moral beliefs concerning matters of conduct which do not directly interfere with the protected sphere of other persons do not justify coercion” (Hayek F A, 1960: 402). The kinds of coercion that Hayek had in mind were any forms of government regulation and planning that impede “free growth and spontaneous evolution” in the context of “the self-regulatory forces of the market” (Hayek F A, 1960: 402, 408).<sup>1</sup>

The key role of the state was to maintain the rule of law with as little arbitrary governmental interference as possible. Leaving competitive economic markets to the workings of the price mechanism and the “invisible hand” of supply and demand would result in a natural reconciliation of individual and collective interests and the most efficient allocation of resources under what Adam Smith once described as an “obvious and simple system of liberty.”

Under conditions of market freedom, the benefits of economic growth and wealth creation will trickle down to the poorest members of society and the incidence of poverty will diminish. Arthur Seldon’s answer to “the socialist criticism that the market produces unequal incomes” is that “it gives higher rewards to people with exceptional abilities in order to attract them to industries where they are scarce.” He goes on to argue that sooner or later the free movement of labour actually creates more equality by lessening inequalities. Removing “the mainly political obstacles to the work of the market under capitalism would hasten the rate at which incomes and wealth trickled down from the richer to the poorer” and assist in the crea-

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1. Similar distinctions can be drawn between and within the two political parties that make up the ruling Coalition Government in Britain today. The Conservative Party is itself a coalition of individualist classical liberals and traditional “middle of the road” Tories and the Liberal Democrats have members who would rather be working in coalition with the Labour Party.

tion “of a more egalitarian society based on the natural or acquired ability of individuals to enrich one another” (Seldon A., 1990: 196-197).

Hayek did not believe that the creation of a more egalitarian society was incompatible with the principles of economic market liberalism. He saw “no reason why in a free society we should not assure to all protection against severe deprivation in the form of an assured minimum income.” Such protection should be provided outside the market to “all who cannot help themselves” or “are unable to earn in the market an adequate maintenance” (Hayek F A, 1982: II, 87).

In *The Road to Serfdom*, which was first published in 1944, Hayek sets out the terms on which such provisions can be made without endangering individual freedoms or undermining libertarian principles. At that time, he was greatly alarmed by what he saw as the growing involvement of government in the making of economic policy and the collectivist implications of the Beveridge Report’s proposals for social security reform. Hayek draws a distinction between two kinds of security. The first of these is “security against severe physical deprivation, the certainty of a given minimum of sustenance for all.” The second kind is “the security of a minimum income and the security of the particular income a person is thought to deserve.” The first kind of security can be provided for all “outside of and supplementary to the market system”, while the second can be provided “only for some and only by controlling or abolishing the market” (Hayek F A, 1979: 89).

The first kind of security can, therefore, be guaranteed to all in the form of “some minimum of food, shelter and clothing, sufficient to preserve health and the capacity to work” without “endangering general freedom.” In addition, Hayek believed that there was a strong case to be made for the state helping to organize a comprehensive system of social insurance against “genuinely insurable risks” like “sickness and accidents” (Hayek, F A, 1979: 90).

The second kind of planning for security, however, posed an insidious threat to general freedom because it was designed to protect individuals from losses of income “which although in no way deserved yet in a competitive society occur daily.” Protecting people from the “vicissitudes of the market” in this way would eventually undermine the right to choose one’s employment, favour one social group at the expense of another and obstruct the free play of market forces to everyone’s disadvantage (Hayek F A, 1979: 92).

Liberals like Hayek reject the idea of “social justice” as being “necessarily empty and meaningless” because it can only be achieved by political and bureaucratic ordinance. Justice, unfettered by adjectival prefixes



of any kind is acting in conformity with the Rule of Law. This requires that “government in all its actions is bound by rules fixed and announced beforehand ... which make it possible to foresee with fair certainty how authority will use its coercive power in given circumstances” and for individuals to plan their own lives on the basis of this knowledge.

By contrast, when governments become overly involved in regulating the institutions of civil society and meeting “the actual needs of people as they arise”, they are inexorably drawn into deciding how these needs should be prioritised and met. Since decisions of this kind “cannot be deduced from formal principles of justice” they have to be based on a proliferation of “substantive rules” that “must become part of the law of the land” and “the coercive apparatus” which governments of this kind impose on their civil societies.

The crucial difference between these two kinds of rule is, in Hayek’s view, “the same as that between laying down a Rule of the Road, as in the Highway Code and ordering people where to go; or ... between providing sign posts and commanding people which road to take.” Hayek places all policies based on theories of redistributive social justice in this second category of “substantive” rules (Hayek F A, 1982: II, 87 and Hayek F A, 1979: 54-56).

The idea of social justice can only have meaning in a “command” economy and a centrally controlled society. Policies based on principles of redistributive social justice constitute “one of the greatest obstacles to the elimination of poverty” because they undermine the effective workings of the competitive market and wealth creation. In Hayek’s view, they have “probably produced more injustice in the form of new privileges, obstacles to mobility and frustration of efforts than they have contributed to the lot of the poor” (Hayek F A, 1982: 139-140).

Hayek was convinced that, sooner or later, such policies result in the breakdown of competitive markets and a slackening in the rate of economic growth and wealth creation. In the political sphere, the inexorable growth in the regulatory powers of the state deprives us all of our basic rights and liberties.

#### SOCIALISM, COLLECTIVISM, SOCIAL INEQUALITY AND POVERTY

Structural explanations of the causes of poverty are philosophically grounded in theories of socialism and other more pluralist versions of social-democratic left wing collectivism. In the classical traditions of Marxist and

non-Marxist socialism, the causes of poverty are attributed to the unequal distribution of wealth, income and power that the free play of competitive market forces produce in capitalist societies (Freedman R., 1962; Marx K. and Engels F., 1998 and McClelland J. S., 1996: 543-612).

In the classical traditions of socialist thought, nothing less than radical structural change will abolish the economic and social inequalities of class-based capitalist societies. Changes of this order will require the nationalisation of the means of production and distribution under a system of common ownership, the creation of a centralised command economy and radical policies of social redistribution from rich to poor (George V., 2010: 202-232).

Marx and Engels believed that the overthrow of capitalism could only be achieved through revolution and the subsequent transition through socialism to an ideal communist society “in which the free development of each is the condition for the free development of all” (Marx K. and Engels F., 1998: 26).

So far, no society has come remotely near to realising this egalitarian ideal in the form that Marx and Engels envisaged. Their predictions that capitalism would eventually collapse under the weight of its own inner contradictions have not been vindicated by events. Neither has their belief that planned economies would prove to be more efficient and egalitarian in the production and distribution of goods and services than competitive market economies. (It should be noted, however, that without swift governmental intervention, the recent banking crisis might well have ended with the near total collapse of the global financial markets.)

An increasing number of democratic socialist and social-democratic parties have come to terms with the ethos of competitive markets and rested their hopes for achieving more egalitarian societies through the agencies of social reform and redistributive social policies. Elements of this collectivist idealism have also been incorporated into the policies of both liberal and conservative parties. They share the view that competitive markets work better than planned ones but that they are not perfect and work even better when there are effective statutory social services to compensate for their imperfections.

T H Marshall stands out as the foremost advocate of these kinds of political compromise between individualist and collectivist policy ends and means. In discussing the ends of social policy in his essay, “Value problems of welfare capitalism”, he separated the abolition of poverty from the abolition of inequality, on the grounds that, “Poverty is a tumour which

should be cut out, and theoretically should be; inequality is a vital organ which is functioning badly” (Marshall T H, 1981: 119). He goes on to state unequivocally that, “The task of banishing poverty from our ‘ideal type’ society must be undertaken jointly by welfare and capitalism, there is no other way.” The alternative was an altogether more “totalitarian and bureaucratic” type of society (Marshall, 1981: 117 and 121).

Marshall’s central point is that collectivist social services contribute to the general enhancement of social welfare as long as their interventions do not subvert the system of competitive markets. In his preferred model of “democratic-welfare- capitalism”, his idea of welfare rests on a balance struck between the claims of different kinds of right and the satisfaction of different kinds of need.

Political, social and economic rights expressed different but complementary dimensions of welfare which were brought together in the status of citizenship. It was not possible “to go on extending any one of these rights at the expense of the others without crossing the critical threshold at which the relationship between freedom and security becomes one of diminishing marginal utility” (Pinker R., 1995: 113).

Democratic socialists disagree as to whether Marshall’s “ideal type” of “democratic-welfare-capitalism” and other similar models of “welfare pluralism” should be viewed as morally acceptable compromises between individualist and collectivist principles. From a radically left wing perspective, the principle of equality should take precedence over that of economic freedom because it is the precondition for all our freedoms.

The ends and means of social policy are defined in progressively more egalitarian terms as we move further to the left along the party political spectrum. In democratic societies, increasing importance is attached to the criteria of need in assessing entitlement to welfare benefits. Entitlements are endowed with the status of social rights which, in turn, are linked into the “idea that full citizenship requires not only the rule of law and political democracy, but guaranteed entitlements to social welfare, health care and education” (Dean H., 2002: 239).

As Hartley Dean goes on to suggest, “this classic linkage of social justice to citizenship through the concept of social rights rests on a belief in the equal worth of all citizens” (Dean H., 2002: 239). People only become free in a positive and authentic sense when these basic social rights and needs are recognised and met. Egalitarians believe that once these rights are met, a positive and complementary relationship will hold between the rights to freedom and equality of treatment as citizens.

In theory, at least, this degree of egalitarianism might be accommodated within Marshall's middle of the road model of democratic-welfare-capitalism. A Hayekian liberal would describe it as a collectivist's itinerary for navigating "the road to serfdom". A radical socialist would question whether any significant degree of equalization could ever be achieved without the effective abolition of competitive market capitalism.

This was the conclusion that Peter Townsend reached in his monumental study of *Poverty in the United Kingdom*, which was published nearly forty years ago. He began his enquiry with the assertion that "poverty can be defined objectively and applied consistently only in terms of the concept of relative deprivation." Individuals and households were in poverty when "they lack the resources to obtain the types of diet, participate in the activities and have the living conditions which are customary, or at least widely encouraged or approved, in the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities" (Townsend P., 1979: 31).

Townsend lists sixty indicators of "styles of living", or "living patterns", which include whether or not households have a refrigerator, the frequency with which families entertain relatives and friends and children have cooked breakfasts. He hypothesises that a particular point is "reached in descending the income scale" when "a significantly large number of families reduce more than proportionately their participation in the community's style of living. They drop out or are excluded. These income points can be identified as the poverty line" (Townsend P., 1979: 249). The "objective" status of these indicators has been called into question by a number of other social policy scholars, most notably by David Piachaud (Piachaud D., 1981: 421).

Townsend sets out three "alternative policies for dealing with large-scale deprivation or poverty" which he describes as "a) conditional welfare for the few; b) minimum rights for the many; and c) distributional justice for all" (Townsend P., 1979: 62). He chooses the "distributional" option, which he transforms into a radically egalitarian model of a socialist welfare state without once mentioning the "s" word. The structural preconditions for implementing this model are "the destratification of society through economic, political and social reorganization and the equal distribution and wider diffusion of all kinds of power and material resources" (Townsend P., 1979: 64).

In his conclusion, Townsend outlines his policies for "an effective assault on poverty". They include the abolition of "excessive" wealth and income

with “a statutory definition of maximum possible earnings (and income) agreed” backed up by a “comprehensive incomes policy”. The “abolition of unemployment” would be achieved by introducing a “legally enforceable right to work” and “a corresponding obligation on the part of employers to provide alternative types of employment” (Townsend P., 1979: 926).

Whatever we may think about the viability and desirability of these proposals, there can be no doubt that they could only be implemented if the radical structural preconditions that Townsend outlines were to be met. The likelihood that the electorates of any democratic societies would vote for structural changes of this order is, to say the least, remote.

Townsend, for his part, says little or nothing about their political and economic implications. Implementing his policies would require an awesome concentration of coercive powers in the institutions of central government. All the institutions of civil society would have to be micro-managed on a continuous basis.

No consideration whatever is given to the impact such policies would have on the processes of wealth creation without which there would be no resources available for distribution or redistribution. All the historical evidence shows that, in highly centralised command economies, most of the population ends up with equal shares in relative poverty - relative, that is, to the standards of living they previously enjoyed in competitive market economies.

In the distant days of the Cold War, the most noteworthy difference that emerged between the nation states with competitive market economies and those with centralised command economies was that the former had to cope with the flow of refugees from command economies, while the latter built walls and watch-towers to prevent them leaving. In today’s newly emergent global economy, democratic-welfare-capitalist societies are still struggling to cope with the flow of refugees in search of freedom and a better standard of living.

## CONCLUSION

Shortly before my formal retirement from academic life, I set out my views on the relative merits of competitive market economies, command economies and pluralist democratic-welfare-capitalist societies. Since then, we have all lived through a devastating global economic crisis in which the banking systems of the USA, the UK and other leading capitalist nation states had to be rescued from bankruptcy by their governments or, more precisely, by massive injections of taxpayers’ money.

Most of us have learned that the processes of wealth creation cannot be safely left to the spontaneous operation of competitive market forces under “light touch” systems of financial regulation. Under such conditions, “booms” can turn into “busts” with alarming speed and the benefits of economic growth do not “trickle down” to the poorest members of society.

Nevertheless, I remain committed to the values and the plurality of policy ends and means that can only be sustained and realised in democratic-welfare-capitalist societies. Since my views on these issues have not changed substantially over the past fifteen years, I can only conclude this essay by reiterating them in more or less verbatim form.

First, I believe that there is always trouble in store for the ordinary run of people when doctrines of moral improvement rise too high on the political agenda. From the individualist point of view, only total exposure to the disciplines of the competitive market will improve people’s characters. The collectivist premise is that only the discipline of statutory altruism will have this effect. Each of these prospective Golden Ages has its drawbacks. In the individualist utopia we will quake with anticipatory guilt at the prospect of becoming dependent on anyone other than our kith or kin. In its collectivist counterpart we will be riven with anxiety lest any state or dependency, real or imagined, is left uncovered, undefined or unmet through government intervention.

Secondly, I believe that the best relationship between freedom and welfare is found in societies where the institutional fault-lines are just flexible enough to survive the subterranean currents of social change. When tremors strike a pluralist society – as they are bound to do from time to time – some institutional parts may totter and even crumble, but the rest will remain standing. In a unitary society every tremor has the potential impact of an earthquake. Therefore, it is essential that the various forms of institutional life making up the components of welfare pluralism should never converge, never unite and never be allowed to achieve any sort of quasi-Hegelian synthesis.

Thirdly, I believe that, although we may never reach the “end of ideology” in political thought, there are ample signs that the two great unitary ideologies of individualism and collectivism that have dominated welfare theory for the past two centuries are reaching the end of their useful lives as exclusive guides towards the creation of better and more equitable societies. We cannot invest all our hopes for a better future in the wealth generating powers of market individualism without unravelling the delicate strands of interdependency that hold civil societies together. Nor can we

give unqualified support to the collectivist ideologies of equality, fraternity and co-operation. If we neglect the imperative of wealth creation, we will end with equal shares in poverty.

Ideologies, like material goods and services, are subject to a law of diminishing returns. As with material goods, so with the doctrines of individualism and collectivism – and for the same reason – no single political ideology can encompass or reconcile the diversity of human principles and desires that find expression in the institutions of a free society.

Individualists must, therefore, ask themselves how far our basic freedoms can be guaranteed without some forms of collectivist welfare provision and redistribution. Collectivists, for their part, must recognise that highly centralised systems of state regulation, radically redistributive social policies and high levels of taxation can have seriously damaging effects on wealth creation, work incentives and personal freedoms. Viable compromises between individualist and collectivist views on the relationships that ought to hold between freedom and welfare can only be reached in the mixed economies of democratic pluralist societies.

Isaiah Berlin put the case for pluralism in social theory and social life with exemplary force in pointing out that the great despotic visions of left and right are based on the belief that there is a fundamental unity underlying all phenomena, deriving from a single universal purpose. All of these visions, whether they are conservative, liberal or socialist, are essentially determinist in character (Berlin I., 1980: 150). I would only add that such visions are all infused with intimations of a Golden Age located either in times that never were or times that never will be (Pinker R., 1995a).

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