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# Freedom and Justice

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# Outcome-based justice



Consider two countries:

Country A characterized by a high degree of inequality in the distribution of income

Country B characterized by a low degree of inequality in the distribution of income

In terms of distributive justice, it is fashionable to claim that CB is better than CA and that CA requires more welfare spending to reduce inequality

The main reasons that motivate this assessment are based on structural factors: globalization, declining labor productivity, importance of inherited wealth, etc.

# Questions



Magna Carta established the seeds for equality under the law

The rule of law is a system that grants to procedures the formidable task of guaranteeing the orderly functioning of society

Whenever the rule of law prevails, the legitimacy of the political system is not dependent on the outcome that it delivers but on the respect of the procedures that lead to any specific outcome

What does a renewal of interest on procedures imply for distributional justice and welfare spending? What are the implications for the open society?

## From outcome-based to procedure-based justice



Let us dig deeper on the determinants of income inequality in the two countries:

In country A individuals consider income dynamics fair since effort, skills and commitment are rewarded

In country B individuals consider income dynamics unfair because economic success is determined by factors such as luck or privilege

It is likely that individuals in CA are more tolerant of inequality than individuals in CB. Therefore, the demand for redistribution to reduce inequality is lower in CA

This assessment is based on a criterion of justice grounded on procedures rather than outcomes

# The role of freedom to corroborate procedural justice



Why does the shift to the procedural criterion of justice lead to perceive inequality in income distribution as a just outcome?

The reason is that the individual has taken center stage

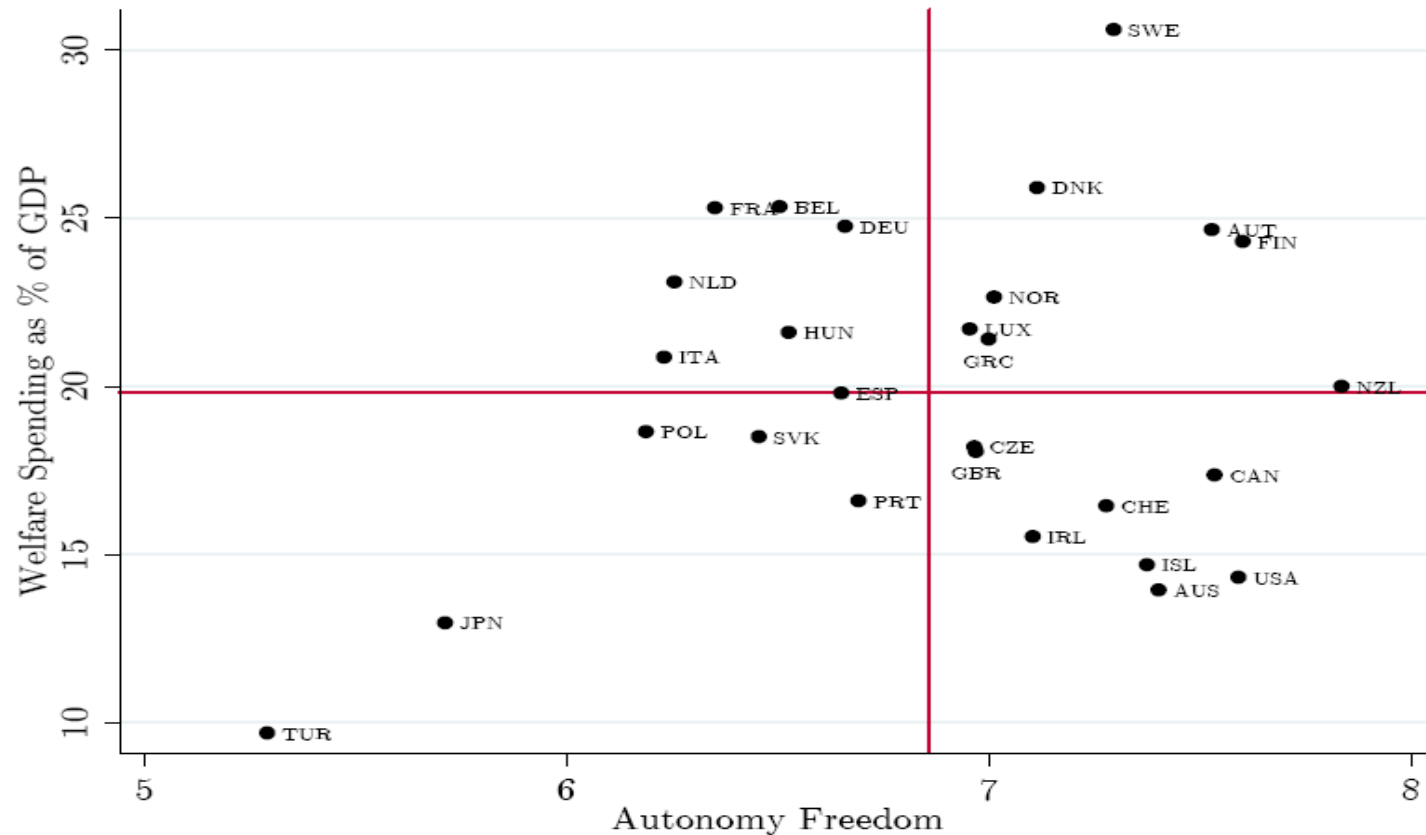
What does it mean that the individual has taken center stage? It means that she retains control over the outcomes of her life or that she is autonomous

When individuals perceive themselves as autonomous, they consider income inequality fair if caused by factors under their control (effort and commitment), unfair if caused by circumstances beyond their control (luck or privilege)

Individuals who perceive themselves as autonomous vote for less redistribution



# A look at the data



Autonomy reinforces the values that inspired the Magna Carta by emphasizing the role of procedural justice which, in turn, justifies inequality when the individual perceives himself as having control of the outcomes of his life

# Conclusions and implications



We must complement the classical liberal paradigm that assesses the goodness of society on the basis of the degree of negative freedom only

If negative freedom is the only prescriptive conclusion, countries with low welfare spending should be preferable, no matter what

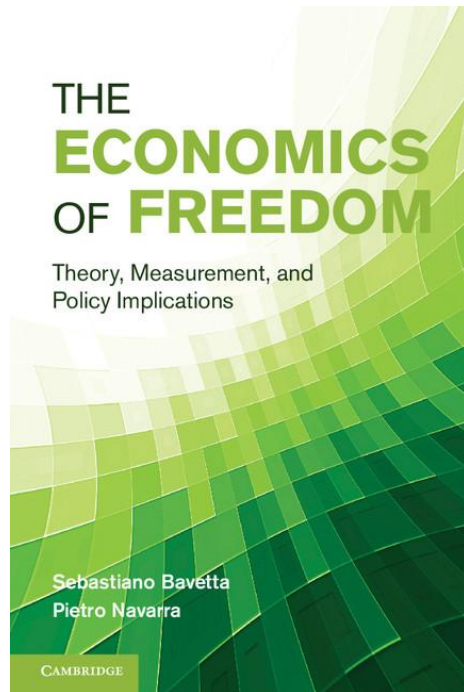
In our view, negative freedom and autonomy are complementary ingredients to shape an open society where the combination of free institutions and autonomous persons achieve dynamism and prosperity

Our empirical studies show that the complementarity between negative freedom and autonomy fosters entrepreneurship and individual well-being

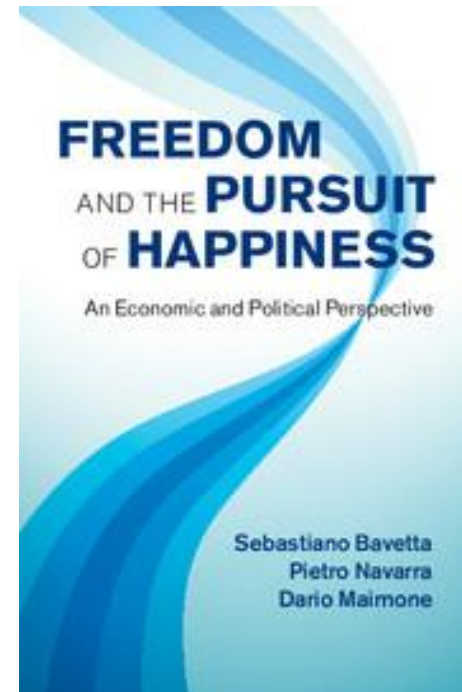
# Conclusions and implications



2012



2014



A liberalism that emphasizes the importance of the person, his values and his agency is not only the guarantor of greater dynamism and material and immaterial prosperity

It is, above all, the only politically path viable to freer institutions